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Focus on NachmanHaysBrownstein

Firm Marks Its Tenth Year on Top Turnaround List

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NachmanHaysBrownstein, Inc. (NHB) is one of a very few firms that consistently makes it onto *Turnaround & Workouts*' annual list of Outstanding Turnaround Firms. Similar to many other turnaround firms, NHB had reason to believe at the start of 2004 that the year would not be a particularly busy or successful one given market conditions. But the year exceeded expectations and NHB, for the 10th year in row, not only made the *T & W* list but opened three new offices. The firm's success in 2004 and in previous years is attributable to a number of factors, including sound business planning, a vision that focuses on results, a passion for the work, and an appreciation of all NHB staff, considered to be the firm's greatest asset.

NHB's turnaround practice is about 80 percent engagements by management and about 20 percent assignments on behalf of lender groups and creditors. About one-half of NHB's engagements on behalf of borrowers

involve hands-on management, while the other half involves an advisory role to diverse firms such as food related companies; financial services companies; an auto leasing company; and an array of manufacturers of such items as ribbons, pharmaceuticals, commercial air conditioning equipment, plastic injection-molded products, PVC pipe, furniture, and holiday ornaments.

NHB is also well-known for its bankruptcy work. Howard Brod Brownstein, a Principal with NHB, is leading the engagement in which NHB serves as Plan Administrator in the second bankruptcy of *Montgomery Ward*, the largest retail liquidation in U.S. history. Through aggressive recovery efforts, NHB has already returned nearly 30 cents to creditors, far more than had been expected. NHB Principals also regularly serve as Chief Restructuring Officer, Interim Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer, as well as financial advisor to

the Debtor-in-Possession or Creditors' Committee. Recent assignments for NHB Principals include serving as Financial Advisor and Interim CEO in the *Bess Eaton* bankruptcy, a New England donut shop chain that was successfully sold in bankruptcy to Tim Hortons, a Canada based subsidiary of Wendy's International, and CRO in the bankruptcy proceedings of *Capitol Resource Funding*, a Washington, D.C.-area factor. In addition to Mr. Brownstein, NHB Principals include Harvey L. Nachman, the founder of the firm, Thomas D. Hays, III, and Leland B. Goldberg. All four NHB Principals as well as others in the firm are Certified Turnaround Professionals.

Mr. Brownstein discussed some of the firm's initiatives and activities in 2004. "Like many leading turnaround firms, NHB began the year with some carryover casework from last year, but we were expecting 2004 to be very soft. We frankly were looking forward to a rest, as well as an

opportunity to expand, since, during a record year like 2003, we had little time for expansion, and many attractive candidates were unavailable.” Early in 2004, NHB embarked on ambitious expansion plans, opening offices in Atlanta, Washington, D.C., and Wilmington, DE, as well as a resident office in Sarasota, FL. All seven NHB offices perform a cross section of the firm’s services, with the exception of the Wilmington office, which focuses on bankruptcy-related engagements as well as services to state and municipal governments. The addition of offices and professional staff in 2004 has proven fortuitous. “Notwithstanding a relatively quiet spring,” Mr. Brownstein commented, “2004 has been only marginally behind 2003 in activity.”

Mr. Brownstein also talked about

the firm’s vision to continue to be the premier middle market turnaround firm. “We work hard to fulfill our vision in a number of ways. First and foremost, we’re a ‘team of leaders.’ We have a very flat organization composed largely of professionals with senior management experience. It is NHB policy to have one of our four Principals directly involved in and responsible for every client engagement to help ensure the quality of our professional services.”

Finally, and perhaps most important, the professionals at NHB love what they do. “Our referral sources and clients often remark on the passion we bring to our work, and although we are objective and not advocates in the sense attorneys are, we are zealous in the implementation of business plans and improvements.

Everything is accomplished with a tempo of ‘controlled urgency.’”

NHB believes that its greatest asset is its professional staff. In 2004, NHB appointed a new Managing Director in its New York office, Bob Iommazzo, the former Principal of Cornerstone Consulting and a former partner at Coopers & Lybrand (now PricewaterhouseCoopers). In 2004, the NHB Team also added several other members, including Tony Howard, formerly of C-Biz and PricewaterhouseCoopers, who joined NHB as a Managing Director in the Atlanta office; Ted Gavin, an NHB Managing Director, who opened NHB’s Wilmington office; and Jason Consoli, formerly a workout officer at Wachovia Bank, who joined the Atlanta office.