



American Marketing Services & Consultants, Inc. (AMSC)

When I reached out to David, I really needed his help because I didn't know where else to turn. I appreciated his attention to detail in walking me through the ins and outs of a sale and lease-back transaction. I didn't know anything about deals like this. David sees these types of deals all the time, plus his calm style was very reassuring. What's more, David's solid existing relationship with the Buyer/Landlord and non-adversarial style paved the way for meaningful and cordial contract and lease negotiations, leading to a highly successful outcome for AMSC and me.

*– Jan Moreno-Gaza,
President and Owner,
American Marketing Services
& Consultants, Inc.*

Challenges:

American Marketing Services & Consultants, Inc. (AMSC) is a leading provider of the finest and most complete direct mail marketing and printing services in the country. Founded in a basement in 1976, the company grew steadily. In 2001, the company's owner retained David Liebman, SIOR, JD, to represent them in the build-to-suit transaction of a state of the art, expandable 38,000 SF office/production facility. Recently, in 2017, the owner again contacted David for assistance in sourcing a reputable investor to purchase the facility and lease it back to AMSC for a term of only 3 years. The owner also wanted the disposition process to take place privately without a public marketing campaign. Based on those parameters, David counseled the owner on the challenges of finding a qualified investor -without a broad campaign- who would accept a short lease term and offer a purchase price meeting ownership's goals.

Actions:

With intimate knowledge of the local investor pool for the property per the owner's strict terms, comparable investment sales, and his deep relationships with regional investors and commercial real estate professionals, David "quiet marketed" the property to a handful of the most qualified investors. Several of these investors submitted unacceptable initial offers which weren't countered upon David's advice to the owner. However, one of those investors enthusiastically embraced the opportunity and submitted an offer that was initially rejected by the owner. Over an extended time period, David leveraged his market intelligence and pre-existing relationships with both parties to keep them at the negotiating table, working steadily until a mutually agreeable agreement was reached. David assisted AMSC's owner throughout the contract and lease negotiations; resolved several issues that arose from both sides; and ultimately resulted in both parties' execution of the purchase and sale contract and lease.

Results:

Through leveraging of David's positive existing relationships with both parties, extensive market knowledge and a fluid negotiating attitude, the parties consummated a sale of the property that met ownership's expectations and lease of the property to AMSC for the three-year term specified by the owner at outset. Highlights of the transaction were:

1. A final sale price \$254,000 higher than the purchaser's original offer to the owner/seller.
2. Greater flexibility during the lease term through a negotiated lease termination option for the tenant with No termination fee.
3. More favorable lease terms, including a reasonable holdover provision; less onerous repair and replacement obligations for the tenant; and reasonable lease rates for the purchaser/landlord despite a shorter than typical lease term.



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