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June 26, 2010

MPG Terrapin Files for Bankruptcy

MPG Terrapin Ltd, a subsidiary of Prestige Group has filed for Chapter 11 bankruptcy in a bid to reorganize its operations and finances. This move to file for bankruptcy is done largely to try to hold on to a major shopping center worth about \$37.2 million located in Margate, just 20 minutes northwest of Fort Lauderdale. The shopping center in question is the Coral Landings III, a massive 115,000 square foot retail center whose tenants include well known names like Best Buy Co. Inc., HomeGoods from TJX Cos. Inc., and Jo-Ann Stores Inc. The mortgage holder of the shopping center has been Wachovia Bank, a subsidiary of Wells Fargo & Co. since 2006.

Broward County court records show that on March 16, the day after MPG Terrapin filed Chapter 11, Wachovia was scheduled to conduct an auction for the shopping center on the courthouse steps. The bank already had initiated foreclosure proceedings on Coral Landings III since January.

Charles Monroe III owns Prestige Group Inc, the holding company of MPG Terrapin Ltd and once regarded as one of the largest commercial property developer in Tampa Bay. But the slump in the housing and real estate industry has hit property developers really hard in the state causing even successful firms to be brought close to the verge of bankruptcy.

According to bankruptcy court records, MPG Terrapin holds up to \$50 million in assets and liabilities and owes all of the \$37.2 million on Coral Landings III to Wachovia Bank. But the banks are also after other properties owned by Monroe's Prestige Group. It also faces foreclosure on properties in Miami, Parkland, Boynton Beach and Coral Springs.

Often the financial health of a group of retail companies is severely affected by the worst performing ones, much like the strength of a chain being its weakest link. Despite some of its retail outlets making money, the ones losing money have a greater effect on the group. This has been very much the experience of Prestige Group, although no one knows for sure. Efforts to communicate with the company have not borne fruit and previous court records show the company pinpointing lenders' paperwork errors as the reasons for its financial problems.

Other companies under Monroe's control that have sought bankruptcy protection include MPG Jupiter Ltd. that filed to save a shopping center in Jupiter. It had its bankruptcy case closed by

the court earlier this week after MPG Jupiter claimed it could settle the outstanding debt on the property.

Other retail companies could suffer the same fate especially those that secured financing during the housing boom when property prices were inordinately inflated.