

Dealmakers

Ingram Micro acquires distributor

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By: Review staff

Dealmaker: Attorney Dennis Smith

The Deal: In a purchase announced in its quarterly report, Ingram Micro Inc. subsidiary AVAD LC paid \$120 million cash plus \$80 million over the next three years for AVAD, a Fort Lauderdale-based home technology distributor. Smith and fellow Tripp Scott partners Scott Jordan and William Gross and associate Samantha Carter represented AVAD in Fort Lauderdale. Ingram was represented by Todd Hentges, an associate at Bingham McCutchen in Costa Mesa, Calif.

Details: AVAD, the Alliance of Value Added Distributors, is a privately held group of 12 companies nationwide that employs about 280 people.

Its 28 locations, which include showrooms, warehouses and training centers, distribute products from manufacturers including Fujitsu, Bose, Sharp and Samsung.

The company's three employees in the Fort Lauderdale office handle marketing.

Santa Ana, Calif.-based Ingram Micro (NYSE: IM), the world's largest distributor of computer products, bought several AVAD assets. They include operating assets, vendor and leasehold contracts, inventory and account receivables.

The future payment of \$80 million and an unspecified amount in five years are based on financial performance, Smith said.

The deal, which closed July 21, was complicated because the alliance companies are owned individually. Each owner had to agree to the terms of the deal, and each crafted a separate sale.

Background: Smith joined the Fort Lauderdale firm in 1977 and is vice chairman. His practice areas are entrepreneurial business, finance, corporate transactions, estate planning and probate.

Quote: "Each of the 12 owners received something different from the proceeds of the sale. I've dealt with that before, but not with 12 different companies and owners. That made it a very unique deal."

CBRE exec handles broadcaster's lease

Dealmaker: Tony Puente

Deal: The CB Richard Ellis broker handled the extension and expansion of Spanish Broadcasting System's lease at the SBS Tower in Miami's Coconut Grove. The lease is worth about \$14 million over 10 years.

Details: Raul Alarcon, chief executive officer of SBS, bought the building four years ago, intending to bring SBS into a single location. The departure in January of the law firm Adorno & Yoss freed up about 50,000 square feet, making the consolidation possible, Puente said.

The expansion from 14,678 square feet to 48,743 square feet brings SBS Tower at 2601 S. Bayshore Drive to 80 percent occupancy.

SBS had the bulk of its operations at 1001 Ponce de Leon Blvd. in Coral Gables.

The 21-story SBS Tower has 294,000 square feet of leasable space, 16 townhouses and a 1,097-space parking garage. Other tenants in the 16-year old building include Oppenheimer & Co., Terremark Worldwide, Everest Capital Inc. and Bermello Ajamil & Partners Inc.

Background: Puente, a vice president at CBRE, oversees leasing of the tower. Michael Katz with MK Real Estate Group Inc. represented Spanish Broadcasting System Inc.

Broker works both sides of Coral Springs transaction

Dealmaker: Broker Richard Spado

The Deal: 84 Coral Springs LLC, whose general partner is GC Homes of Miami, paid \$10.1 million July 25 for the Island Club apartments at 9000 NW 28th Drive in Coral Springs. Spado represented the buyer and seller, trustees Jules and Judith Paolino.



Dennis Smith



Details: Describing the transaction as one of the easiest he's ever handled, Spado said the 84-unit complex on 7.1 acres sold in about two weeks. It will be converted to condos that are expected to sell for the low \$200,000s. The purchase price breaks down to an average of \$120,000 per unit. As an apartment complex, the Island Club was fully leased. Units rented for \$850 to \$1,000 per month.

The property has a colorful history. Developed in 1989 by a corporation whose officials include Cuban builder Jose Ortega, the complex was taken back by a lender and traded hands several times among owners that included the Resolution Trust Corp. and Lennar Corp. It was purchased by the current sellers for \$3.7 million in 1997.

Background: Spado is a multifamily investment specialist at Colliers International in Miami.

NAI Miami division chief negotiates \$8.5 million sale

Dealmaker: Real estate broker Robert A. Eckstein

The Deal: Eckstein negotiated the \$8.5 million sale of a portion of an office condominium in Hialeah. He represented the seller, 900 W. 49th Street Ltd., whose partners are Brandon Lurie and L. Richard Mattaway of the Richard Brandon Co. Hialeah Condominium Holdings bought the property July 13.

Details: Eckstein, the only broker involved in the transaction, worked on it for about four months. Rodolfo Rodriguez, president of Hialeah Condominium Holdings, bought 96 percent of the building. The rest of the space is controlled by two condo owners. Solrac Investment Corp. owns 2,405 square feet, and Robert B. Cushing owns 1,270 square feet. The portion of the building that sold for \$8.5 million was 84,000 square foot.

In 1973, the former First National Bank of Hialeah built the landmark building in the shape of an inverted pyramid, with the top floor being the largest and the ground floor the smallest.

The office condo was not on the market when Rodriguez approached Richard Brandon, which bought the office space in 1997 for \$3.3 million when the building was almost vacant. It is now 95 occupied. Eckstein was handling the leasing and management of the building on behalf of Richard Brandon.

Background: Eckstein is director of the management and leasing division of NAI Miami, a commercial real estate firm which covers Miami and the Florida Keys for NAI Global.

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