

FIRST UP



Condo Aid

Frank Silcox and Bruce Rodgers help condo associations collect delinquent fees from property owners.

Tampa attorney Bruce Rodgers and financing executive Frank Silcox have figured out a way to make a good living during a softer economy: They collect delinquent condominium association fees.

But instead of taking the money and running, their business, LM Funding LLC, helps condos get healthier and remain in business.

LM, which began earlier this year in the Tampa Bay area, has expanded into Lee County and will likely grow into other counties in and out of the Gulf Coast.

Privately funded, LM pays the condo association 80% of the back fees it is owed. In exchange, it gets the lien and collection rights connected with delinquent owners. It does not charge the association for this service.

When it finishes collecting everything from delinquent property owners, it pays the association the remaining 20%.

The association gets its money possibly sooner, plus it doesn't have to hire an attorney or collection agency.

Working with Rodgers, Silcox, the president and chief executive, funded his first condo association in April and it worked better than expected.

It reached out and three others came for help.

LM has signed up 25 new associations in the past month, including in Lee County, and the number is growing. It recently hired some salespeople and is handling recovery on more than 200 condo units.

Here is a typical client: A condo association represents a property built in the past five years. The property value has decreased a lot, possibly 15%.

There are defaults and a growing number of foreclosures as 20% to 40% of the units fall behind in association fees. That leaves the condo association with a hard time covering its expenses. Some go two years with no fee revenue from some residents. They fall \$50,000 to \$250,000 behind.

"That's where we step in," Silcox says.

LM advances the association the cash for the back fees in advance and pays the attorney fees. The association assigns LM the proceeds of the collections.

LM has state laws on its side. Florida statutes put the association's assessments ahead of all other credi-

tors, including first mortgages.

LM negotiates with mortgage holders and sometimes files foreclosure actions to speed the process. LM has been able to recover all of the funds so far from owners or mortgage holders.

Silcox was involved in the condominium industry the past three years, developing and converting properties into condos. In the process, he learned the lien rights and then saw the collection problems condo associations were having.

Before then, Silcox worked in mortgage banking as an institutional investor and equity investor in Florida, Georgia and Texas, plus buying and selling mortgages.

Silcox sees the business growing because of the number unoccupied condos in Florida.

"There have been a lot of properties built, a lot of mortgage foreclosures and a growing problem," he says. "We're here to help the associations through this period."

LM has five employees and wants to expand throughout the state, but is focusing on the west coast of Florida first because it knows the market better. It did not disclose revenues.

Because Florida condo laws are similar to other states, Rodgers, 44, and Silcox, 45, have talked about taking its operating system and turning it into a franchise model.

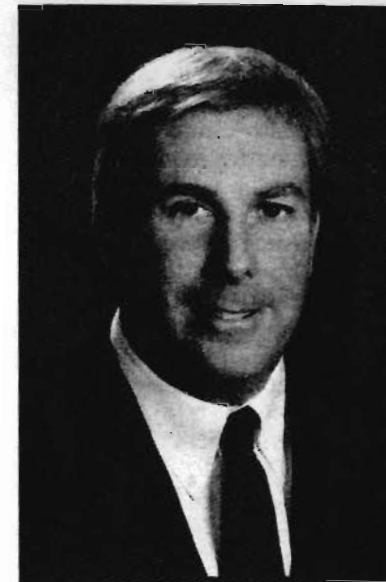
Even though they are happy to see the business take off, they hope the condo market and the Florida economy gets healthier.

"This is a transition because of the market," Silcox says.

- Dave Szymanski



Tampa business attorney **Bruce Rodgers** works with Tampa financial company LM Funding LLC to help condominium associations successfully recover fee payments. The business has expanded from the Tampa Bay area south to Lee County.



Frank Silcox, chief executive officer of LM Funding LLC of Tampa, pays condominium associations the back fees they are owed by property owners, for the right to collect the fees from the property owners.