



---

## Atlanta apartment building owner seeks bankruptcy protection

By Kelly Yamanouchi  
The Atlanta Journal-Constitution

5:20 p.m. Friday, January 15, 2010

A major owner and manager of apartment buildings in metro Atlanta has filed for Chapter 11 bankruptcy protection.

Atlanta-based Miles Properties Inc. and 12 affiliated companies filed for bankruptcy protection earlier this month. The Jan. 8 filing included companies that own five Georgia apartment complexes: Highland Gardens in Chamblee, Highland Brooke and Highland North in Atlanta, Highland Estates in Decatur and Highland Enclave in Clarkston. Some of the company's properties in other states also were included.

The move follows the bankruptcy filing of Miles Properties owner Daniel J. Miles in December. Creditors filed a petition for involuntary Chapter 7 bankruptcy liquidation against Miles, then Miles had the case converted to a Chapter 11 bankruptcy reorganization.

Overseeing the Miles Properties reorganization is chief restructuring officer Ron Glass of financial advisory firm GlassRatner Advisory & Capital Group. Glass said he hopes to get court approval next week to continue business as usual.

"There probably are some 15,000 to 20,000 people living in these apartments who so far have had uninterrupted service," Glass said. "That will stop happening if we can't pay [employees], so hopefully we can continue" by getting court approval.

The 20 largest creditors in the case have claims worth more than \$18 million. Wachovia Financial Services, the largest creditor, has a \$10.5 million claim that includes an aircraft loan guaranty. Wachovia in October increased the amount of Miles Properties' cash flow required to be held in reserve, which affected the company's working capital.

Miles Properties has about 228 employees and manages about 9,000 units at 36 different apartment complexes, including 13 complexes in Georgia. It historically has sought out older, underperforming properties that were undervalued due to neglect, poor management or financial difficulties.

In explaining the bankruptcy, Glass cited the "dramatic slowdown" of the real estate industry due in part to low consumer confidence and tightened credit markets. Some apartment complexes will be turned over to lenders, others might have debt modified and some might be sold, he said.

---

Find this article at:

<http://www.ajc.com/business/atlanta-apartment-building-owner-276357.html>