



Your Guide to Receivership Appointments

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Complex emotional and/or financial relationships often accompany court cases involving proceeds associated with operating businesses and real estate assets. When financial information is concealed, businesses and properties are not being operated appropriately, or litigants cannot agree to a reasonable solution to their differences, a court-appointed third party can provide the impartiality and operational know-how to help achieve full disclosure, operating success, and resolve disputes.

Court-appointed receivers (sometimes referred to as **Special Master appointments**) acting in a receiver or special master capacity are given the authority to manage properties and businesses, to resolve family law and divorce disputes, loan defaults, probate matters, and business disputes.



Receivership appointments may streamline complicated litigation requiring the movement or protection of assets in dispute. Here are just some of the many benefits provided by court-appointed receivers:



- **Added Value.** Receivers act with court authority to implement proper accounting procedures, manage cash flow, and to preserve and protect the disputed property or business operations. Many times, a receiver also has authority to sell business or real property assets. Through this process, they can provide for the sale of assets which otherwise may be tied up in litigation for years, and thereby, increase the velocity of the sale and return on investment, while reducing legal fees to the benefit of the parties.



- **Preserving, Protecting and Enhancing Assets.** First and foremost, a receiver takes control of, and preserves and protects assets in dispute, ensuring that revenue and expenses are properly addressed, thereby preserving, protecting, and enhancing assets.



- **Reducing Liability.** As an impartial third party, a receiver neutralizes disputes, business operations, and asset control/liability. In the case of loan defaults, receivers obviate the lenders need to take possession or control of property or businesses while providing them with an understanding of the risks and rewards associated with the business or property.



- **Greater Efficiency.** An experienced **court-appointed receiver** can complete complex and time-consuming procedures in a much more efficient manner than would be possible during a prolonged litigation process. The goal of any receiver should be to minimize the necessary costs and time associated with reaching a settlement.



- **Equal Footing.** A court order enables an appointed receiver to take control of **real property and assets** and give each party equal access to information. By putting each litigant on equal footing when it comes to disputed assets, receivers provide open and objective two-way communications, with court oversight.

In addition to the many benefits, it is important to understand the some of the scenarios in which a receivership appointment is useful and the process that a case will go through in the hands of an experienced receiver, such as **R.O.I. Properties**.

When a Receivership Appointment is the Right Choice

When the settlement of a court case hinges on the timely distribution, sale, or administration of disputed properties, businesses or shared assets, a court-appointed receiver may provide the path forward toward each party's, and the court's, end goals.



- **Family Law.** It is often said that “there’s no such thing as an easy divorce,” but the appointment of a receiver to oversee the operations, management, and disposal of community businesses and real property can alleviate many of the headaches associated with prolonged divorce or family law proceedings.



- **Loan Default.** Mortgage lenders may request the appointment of a receiver to help enforce the terms of a loan in default.



- **Business Dispute.** When business disputes involve **real estate assets**, courts may appoint a receiver to preserve jointly-owned property and prevent its value from dissipating due to dysfunction or mismanagement.

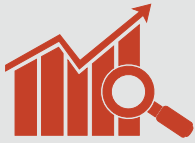


- **Probate.** When a person dies, and that person did not specify a line of succession for their business or **real estate assets**, or where beneficiaries cannot come to an agreement on the operation, division, or disposition of the assets, the probate court may be asked to intervene to help the parties resolve their disputes. Attorneys involved in such cases may seek a court order for the appointment of a receiver to protect the assets in question, determine their value, and derive a plan of action for the property's distribution, sale, or partition. In the intervening time, an experienced receiver will ensure proper functioning of existing business entities and assets.

Whether or not a **receivership appointment** is right for a given case will ultimately depend on several variables, including the type of case and the state-specific statutes governing receivership for a given area. Now let us look at the procedure and some of the specific details that go into successful court receivership.

Receivership Process: What You Need to Know

When an attorney decides to petition the court for a receivership appointment, they will need to consider the following stages of engagement:



- **Asset Intake.** Court-appointed receivers undertake a thorough analysis of disputed assets and carefully record all documents impacting the property. They will conduct onsite inspections and compile their findings into a comprehensive Asset Intake Report explaining both short- and long-term strategies for operations, management, sales and marketing, property management, leasing, and other business functions.



- **Operational Plan.** A receiver's Operational Plan follows the recommendations of the Asset Intake Report. R.O.I. Properties and other experienced court receivers can provide qualified personnel to administer the property or business and ensure sustained operation. A client services team, staffed by trained and qualified representatives, can help the court-appointed receiver adapt to the variety of scenarios they encounter.



- **Accounting.** A centralized accounting team will undergo a deep-dive assessment of the financial outlay of a disputed property and provide a comprehensive written report. Their goal is to preserve and protect any asset under dispute, implementing necessary procedures to enhance asset value and streamline cash flow.



- **Asset Stabilization and Operations.** Experienced receivership teams are trained, qualified, and prepared to implement flexible, timely, and actionable operations plans while ensuring they stay adaptable enough to respond to unforeseen challenges.



Make the Right Choice

Your court-appointed receiver should have the experience necessary to push your real estate case through any complex legal scenario. **R.O.I. Properties** has extensive experience, having acted as court-appointed receivers in over 100 cases, totaling more than \$350 million in disputed assets, and can help you make the right choice to meet your receivership needs.

Get in touch with us to learn more about
our work as **court-appointed receivers**
in Arizona and California.

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