

Commercial Mortgage

ALERT

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Ex-Starwood Execs Set Up Lending Venture

Four senior executives who left Starwood Property last year are opening up their own origination shop with \$1.5 billion of equity backing from a Japanese institutional investor.

The veteran lenders — Boyd Fellows, Chris Tokarski, Warren de Haan and Stew Ward — are calling the San Francisco-based venture Acore Capital. The buzz is they are seeking to hire 30 people at various levels in all regions of the country. The roles to be filled include originators, underwriters and analysts.

The company's goal is to originate \$4 billion to \$5 billion of large-balance, floating-rate bridge loans on transitional properties over the next few years. Most will be structured with senior and junior components. Acore will hold the higher-yielding junior portions and either sell the senior pieces or fund them via a secured credit line. The return goal is 8-10%.

That mirrors the strategy the quartet pursued at Starwood. Fellows was president of the Greenwich, Conn., REIT, Tokarski was chief credit officer and de Haan was originations chief. They resigned in September after being unable to come to terms on new contracts with chief executive Barry Sternlicht. Ward, who was chief financial officer of the REIT, left last May. All four are managing partners of Acore — which stands for Alpha Commercial Real Estate.

The identity of the Japanese backer couldn't be learned. Acore's principals are expected to raise additional equity, as well as line up warehouse credit lines that would enable them to use leverage to boost their returns.

Fellows, Tokarski, de Haan and Ward have worked together at multiple shops over the past two decades. They first crossed paths in the 1990s in the real estate group at Nomura, one of the early leaders of commercial mortgage securitization. Fellows took the reins of the group in 1998 upon the departure of Ethan Penner.

In 2001, they opened a boutique advisory firm in San Francisco and a few years later launched a commercial-lending business for Countrywide Financial. They moved over to Starwood in 2010.