

“Excellent news, Faisal, yes, yes, that’s very good news!” Boyce’s voice expressed excitement.

“No interest, but a joint venture with you. We give you the \$2 million in cash and you give us a 75% equity position in all your holdings, second only to existing first loans.”

Joint venture my ass! This sounds like highway robbery! Boyce ran some quick numbers in his head to confirm this initial reaction. *SunValley’s total worth is about \$9 million dollars, with almost \$4.8 million in net assets or equity and \$4.2 million in loan liabilities, all without considering my equity in the Terrace Apartments.*

They’re trading \$2 million in cash for 75% of my net assets of \$4.8 million, so they give me \$2 million and get \$3.6 million in equity assets – and it will climb higher if I make the Terrace payment. Damn! No wonder they’re so agreeable. I’d take that deal too if I were them.

He quickly revisited the other dead end alternatives while the two of them made small talk across seven thousand miles. Boyce soon settled on the fact that there was no other good alternative. He would lose nearly \$3 million if he didn’t cough up his half of the Terrace loan payment, \$1 million in equity in the apartments and another \$1.7 million that Spencer would pursue in a lawsuit against him personally and corporately if he failed to make the required payment.

Worst of all, a default on the apartment loan would trigger calls by the banks on all his portfolio of cross collateralized loans they held. Right now he needed to focus on how to settle up with Spencer, not on increasing his own wealth.