

DAVID STERN, FORECLOSURE KING, A DEADBEAT

If only David Stern were being treated as badly as he treats homeowners, this would bring real schadenfreude.

In a regulatory filing published today, Stern's publicly traded company revealed that one of its subsidiaries failed to pay rent in November on its towering office building in Plantation, Florida, and had received a notice of default.

[snip]

Stern's financial troubles stem from the implosion of his foreclosure empire. In the months after *Mother Jones* published its investigation, he's lost clients such as Citigroup, GMAC, Wells Fargo, Fannie Mae, and Freddie Mac, and laid off nearly 450 employees. New business to his companies, he wrote in a recent letter, has declined by a staggering 90 percent in the past six months.

And it gets worse for Stern and his foreclosure operation. The same regulatory filing shows that another Stern subsidiary recently defaulted on a \$15 million line of credit from Bank of America, on which the company still owes \$12 million in principal.

Alas, Bank of America has given Stern another month to pay that bill (though it does sound like Stern is planning on going out of business at the end of the month, just in time for Thanksgiving).

So now, eight months after the Mortgage Bankers Association managed to negotiate a short sale of its new headquarters, the Foreclosure King is

about to be foreclosed on. But both got far, far better treatment than the average homeowners who—unlike these MOTUs—had nothing to do with the crash of our economy.

I guess some deadbeats are more equal than other deadbeats.