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BUSINESS

After gutting local newspapers, hedge fund Alden Global is going after mobile home parks

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Transcript

Scott Simon speaks to journalist Julie Reynolds about hedge fund Alden Global Capital's purchase of several mobile home parks and its eviction of many of their low-income residents.

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SCOTT SIMON, HOST:

You might have heard of Alden Global Capital's purchase and evisceration of several American newspapers. Now, the New York hedge fund has added mobile home parks to its portfolio with adverse consequences for many of the people who live on those properties. We're joined now by investigative journalist Julie Reynolds. She's co-founder of the nonprofit news site Voices of Monterey Bay. She's written about Alden for the Nation, Newsweek and other national publications and joins us from Monterey Bay, California. Thanks so much for being with us.



JULIE REYNOLDS: Oh, my pleasure, Scott.

SIMON: You've been focusing on Alden's media acquisitions. What drew your attention to their purchase of mobile home parks?

REYNOLDS: Well, I did a piece about Alden and its media activities, and it very briefly mentioned a mobile home park in North Carolina they had bought. And reporters from communities around the country started contacting me and saying that was going on in their towns. And I realized this was much bigger than I first thought. And so I'm working on a piece right now for the Columbia Journalism Review that hopefully will run soon about this. I heard from a woman in Appalachia named Sarah Rupe (ph) who said she was an elementary school aide and that her school could lose a quarter of the students there because there was no other low-income housing.

SIMON: And Alden uses other companies to buy up these properties, according to your reporting.

REYNOLDS: Yeah, I have discovered scores of these around the country. I'm still counting. And they were bought up last year by a company called Homes Of America LLC. It's an Alden affiliate. In all of these communities, I saw the same pattern. There were stories in local media. They were raising the rents 40 to 60%, putting up eviction notices. They were even evicting people in quite a few cases where the rent had already been paid. And I've seen the bills. I've seen the proof of payment. And these park managers are also refusing to do repairs. And a couple of weeks ago, the water was shut off at Massie's Mobile Home Park in Virginia because they didn't pay the bill.

SIMON: Does Alden want to be in the mobile home park business, or do they have another plan, best as you can tell?

REYNOLDS: It's a little hard to tell. They bought most of these parks in 2021 using these LLCs that belong to other LLCs. They're all under Homes Of America, and its financing arm in turn is actually owned by an entity called Tribune 2 Finance 1 LLC. And this led me to wonder if they're actually using the Tribune newspaper money to pay for all of this. This follows Alden's pattern of buying distressed businesses.

SIMON: Their interest is real estate, not the actual business.

REYNOLDS: Well, it's also ringing out the cash until the business itself gets to the failure point, and then they can also profit from the real estate. I worked for an Alden paper for 10 years, the Monterey County Herald, and it was a similar situation. The hot water went off, they never fixed it - things like that. So this is a pattern for them.

SIMON: And can you tell how many properties, mobile home parks, they've purchased?



REYNOLDS: My count is up in the 80s, but I'm still counting. So I wouldn't be surprised if it's more than 100.

SIMON: What sort of individual stories stand out?

REYNOLDS: Sarah Rupe told me that they've got a 20% vacancy rate now. People are leaving in fear in the middle of the night. And many of the people in these parks are already struggling. They are disabled, they're on fixed incomes, and a couple hundred dollars rent increase - it really isn't something they can handle. I talked to one man who wanted - he and his family wanted to leave Massie's, but they have no place to go.

SIMON: And is there any legal recourse for people who live in these homes and have paid their rent? Or...

REYNOLDS: Yeah, Southwest Virginia Legal Aid has been helping some individual tenants there. There have been protests. The North Dakota Manufactured Housing Association, which would normally take the side of owners, is pretty upset about this. And they have said that Homes of America is actually breaking the law by not responding to the tenants' issues. Alden has always skirted the edge of the law. So it's not that surprising.

SIMON: Well, they presumably have the benefit of high-powered legal advice, right?

REYNOLDS: Absolutely. And so far, they've been able to get away with this. In some communities, legal experts have said, what they're doing - it may be immoral, but it is legal.

SIMON: Investigative journalist Julia Reynolds. Thanks very much for being with us.

REYNOLDS: Oh, thank you for having me.

SIMON: We contacted Alden for a response and were referred to Byron Fields (ph), the chief operating officer of Homes of America. He asked for examples of the issues residents are facing, adding, quote, "The dedicated team at Homes of America is committed to creating safe, well-maintained communities that our residents are proud to call home." We provided reported examples. Fields did not address the specific instances, but said it was, quote, "inappropriate" for NPR to use its platform to speak to Reynolds, whom he called a newspaper union activist. Reynolds, who is a member of the Freelancers Guild, denies this characterization. She also says that Alden has not responded to her in the six years that she's reported on them.

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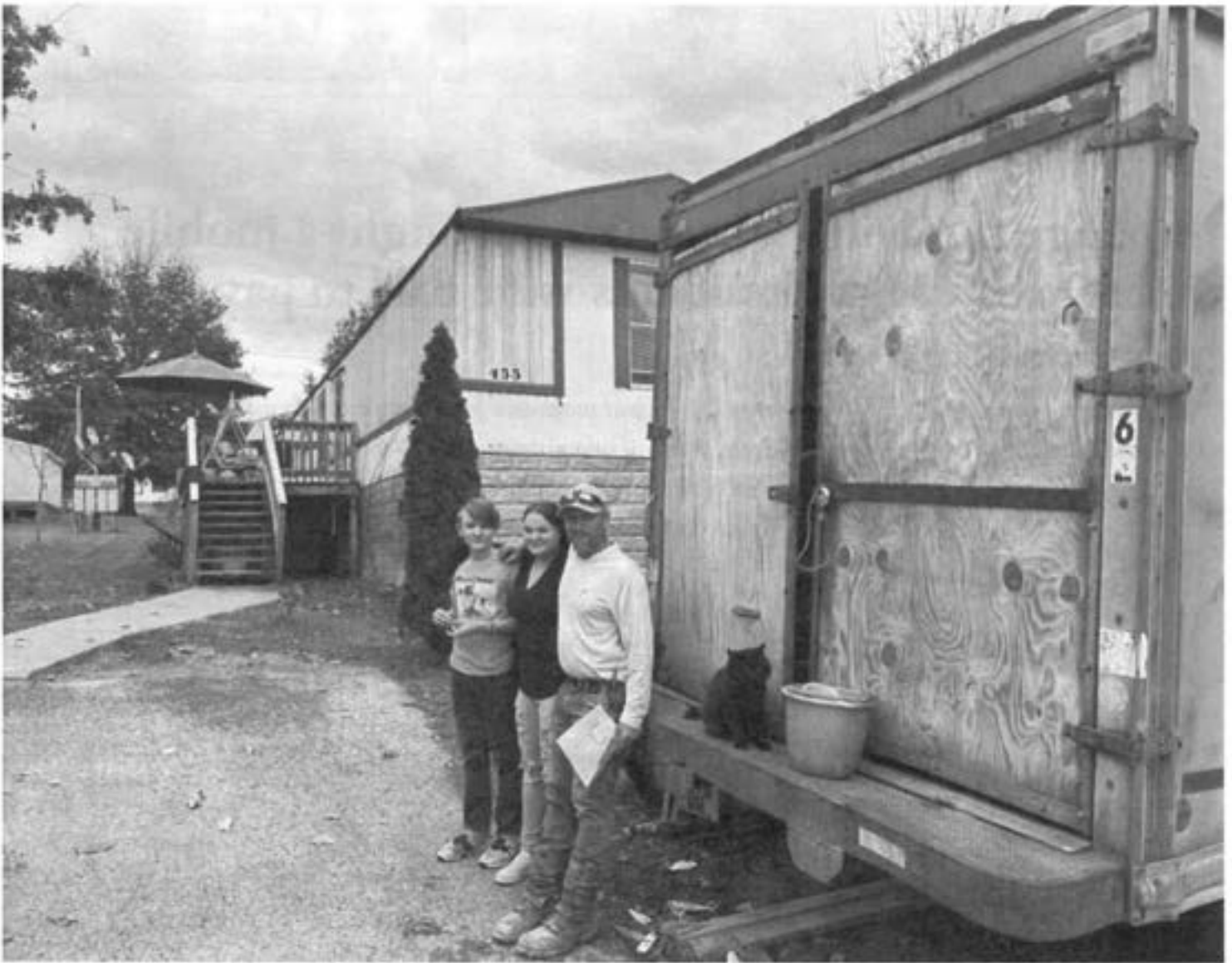
ECONOMY

A hedge fund-linked company bought a mobile home park. Many residents were told to pay hundreds more or be evicted.

Massie Mobile Home Park in Montgomery County was purchased by a company linked to the hedge fund Alden Global Capital. Shortly after, many residents, many of whom receive HUD aid, found “notices to quit” on their doors telling them to pay about \$700 on top of their regular rent or be evicted.



by Randy Walker
November 2, 2022



Terry Hill Jr. (in cap) and his family at Massie Mobile Home Park. Photo by Sarah Rupp.

A company that has been buying mobile home parks across the country has purchased one in Southwest Virginia, and some of the tenants are being asked to leave, or asked to pay unexpected charges.

Many residents of a Montgomery County mobile home park, which has been purchased by a company linked to hedge fund Alden Global Capital, have received notices to vacate, or notices to face eviction unless back charges are paid. Some of the tenants are disputing the charges. A tenants' meeting has been scheduled for Saturday at Belview United Methodist Church, according to a tenant organizer.

Massie Mobile Home Park, located at 2834 Peppers Ferry Road, totals 45.3 acres. According to online county records, on Aug. 4, Billy D. Massie sold Massie Mobile Home Park to Massie MHP LLC for \$10 million. It was not clear whether this amount was for the land and buildings or just the land.

A legally required notice dated April 11, 2022, that was signed by Billy D. Massie and addressed to park tenants and the Virginia Department of Housing and Community Development states that Billy D. and Ruth Massie had accepted an offer of \$16.85 million for the property. The name of the purchaser is not specified.

It's wasn't clear Wednesday why the two documents cited different purchase prices.

The total assessed value of the land and buildings is \$2,634,900 according to county records.

The new owner is listed in county records as Massie MHP LLC, care of Homes of America LLC, care of Tom Del Bosco, located in Englewood, New Jersey.

A 2008 U.S. Securities and Exchange Commission notice of sale of securities, found online, identified Alden Global Capital as a division of Smith Management LLC. Thomas Del Bosco and Randall Smith are listed among the executive officers of Alden.

LinkedIn lists Tom Del Bosco as a CPA who is executive vice president and chief financial officer at Smith Management LLC.

On LinkedIn, Bryon Fields Jr. is identified as chief operating officer of Homes of America. According to his online resume, he was a four-year starter on the Duke football team who graduated in 2017. He interned at Alden in 2017.

Sarah Rupp is an aide at Belview Elementary School and an organizer with New River Tenants Union. She said she became involved with Massie's tenants when the grandmother of a Belview student found what she thought was an eviction notice taped to her front porch.

"And when you look at the letter, it's not an eviction letter, it's a notice to quit," Rupp said. "And it said, you basically have to pay up ... \$700 by Oct. 28, or you will be evicted. And she didn't owe any money. She had been paying all of her rent on time." The next day, another aide told Rupp that three other students' families had also received similar notices.

Rupp provided Cardinal News with two documents. One is a "Notice to Quit" that requires the tenant to vacate the premises within 30 days due to an "incurable lease violation" described as an account delinquency of \$20.

Another tenant received a "Material Noncompliance Notice For Failure To Pay Rent" stating that the tenant owed \$713.49 in rent for the period Aug. 1 to Oct. 18. The tenant was given five days to pay in full or face termination of the lease.

Mobile home parks where tenants own their homes and rent their lots are under different regulations than parks where the landlord owns both the lots and the homes, said Ross Hart, an attorney with Hart & Hart in Salem. In the latter case, the law basically follows the apartment model.

VIRGINIA 30-DAY NOTICE TO QUIT
IN ACCORDANCE WITH § 55-246(3)(C)

To: [Redacted]

All residents (tenants and subtenants) in possession and all other in possession

The premises herein referred to are located in the City of Christiansburg
County of Montgomery State of Virginia Zip Code 24073
designated by the [Redacted] number and street as
[Redacted] Apt. [Redacted] in accordance with your
lease agreement signed on the 17 day of

July, 2020 and the laws in the State of Virginia
WITHIN THIRTY (30) DAYS after service on you of this notice, you are hereby required to
vacate for the incurable lease violation described as:

Account Delinquency \$20.00
as it is in non-compliance with your lease agreement. The lease shall be terminated with
the tenant required to vacate along with all their possessions within thirty (30) days ending
on the the 29th day of October, 2022.

YOU ARE FURTHER NOTIFIED THAT, the owner/landlord does hereby elect to declare
that forfeiture of your lease or rental agreement under which you hold possession of the
above described premises and if you fail to perform or otherwise comply, will institute legal
proceedings to recover rent and possession of said premises which would result in a
judgment against you including costs and necessary disbursements together with possible
statutory damages as allowed by law for such unlawful detention.


Landlord/Agent Signature Rachel Muse

CERTIFICATE OF SERVICE

I certify that on the 29th day of September, 2022 I served this notice to
Front door by

- delivering it personally to the person in possession.
- delivering it on the premises to a member of his/her family or household or an employee of suitable age and discretion with a request that it be delivered to the person in possession.
- first-class mail addressed to the person in possession.

Signature Rachel Muse



A pay or quit notice gives the tenant one last chance to pay overdue rent before being evicted, said Justin Simmons, an attorney with Woods Rogers Vandeventer Black in Roanoke. There can be other reasons for evicting tenants, such as dealing drugs or creating a nuisance, but a pay or quit notice deals specifically with non-payment of rent.

Pay or quit isn't the only way to get rid of a tenant. If a tenant has stayed on past the duration of a written lease and a landlord wants him out, the landlord "can just say the lease is terminated," Simmons said. "If it qualifies under the Virginia residential landlord-tenant act and converts to a month-to-month, they can give them 30 days' notice that the lease will terminate at the end of the 30 days and they have to get out."

Roy McGlothlin lives in a rented trailer with his fiancée and her daughter. He said all the residents he knows rent their trailers, rather than owning them.

McGlothlin said he paid his October rent with a \$750 money order, and later that month received a notice to pay an additional amount. "And it was for like, \$713.49. Some really oddball amount."

McGlothlin said he called MoneyGram, which issued the money order for his October rent, to find out if it had been cashed. It had, he said.

Rachel Muse, reached at the park office, confirmed that she was the park manager but said she could not answer any questions, nor could she refer a caller to anyone who could.

Rupp said there are some sections of the park where everyone got a notice to quit, and other sections where few people received the notices. She said the notices had mostly gone to people who had paid with money orders, and to those who receive housing assistance through the U.S. Department of Housing and Urban Development.

It's unclear how many tenants are actually in arrears, or whether any of the notices have resulted from payments going astray due to the change in ownership. Also unclear are Homes of America's long-term plans for the property.

The location on Peppers Ferry Road is between Uptown Christiansburg (formerly New River Valley Mall) and the Radford Army Ammunition Plant.

Homes of America has purchased other mobile home parks around the country in recent years.

The Minot (North Dakota) Daily News reported on Sept. 6 that a local mobile home park was purchased at the end of 2021 by two entities incorporated in Delaware and New Jersey, both sharing a parent company: Homes of America. Some residents received notices on Sept. 1 that their lot rent would increase by more than 50% as of Oct. 1.

The Florida news website clickorlando.com on Aug. 31 reported that residents of Lakeside Village mobile home park in DeLand were facing a 52% rent increase, and that the property is owned by Homes of America LLC.

On Sept. 16, KTBS in Louisiana reported that Homes of America, the new owner of Forest Estates in Shreveport, was hiking the rent for lots from \$265 to \$525. A resident estimated about 300 of the park's residents owned their manufactured homes in the park, which has 800 lots.

Cardinal News left a message on Bryon Fields' voice mail and also emailed him questions about Homes of America's long-term plans for the Montgomery County property, why Homes of America was willing to pay so much more than the assessed value, Homes of America's relationship with Alden, and if in fact residents who receive HUD assistance or pay with money orders are the ones receiving the notices to quit — and if so, why. Fields had not replied as of Wednesday evening.

According to an SEC document posted online, Alden Global Emerging Markets Fund I Ltd. was incorporated in the Cayman Islands in 2007. A message was left on a New York phone number listed on that document, but no reply had been received by Wednesday evening.

Alden's website consists of a single photo — sunlight streaming through a forest — and the statement “Alden Global Capital is an investment manager based in West Palm Beach, FL.”

According to “60 Minutes,” which in February reported on the struggling state of the newspaper industry, Alden Global Capital owns more than 200 newspapers. It has cut staff at newspapers around the country in order to boost profits. In Virginia, Alden owns the Norfolk-based Virginian-Pilot, and the Daily Press, based in Newport News.

Alden made the news in Southwest Virginia in 2021 when it attempted to wrest control of the Iowa-based Lee Enterprises, whose newspaper properties include the daily newspapers in Bristol, Charlottesville, Culpeper, Danville, Fredericksburg, Martinsville, Richmond, Roanoke and Waynesboro. Lee fought off the hostile takeover.

While Fields and Del Bosco have or had roles in both Homes of America and Alden, online searching did not find evidence that Homes of America is a subsidiary of Alden.

No one at Homes of America could be reached to talk about the future of Massie. But other mobile home parks around the country are being bought up by corporations, said Hart.

“Mobile home parks are turning out to be cash cows, and investors are going into them,” Hart said. “They’re treating them like an investment instead of housing for people who need it. They’re seeing an opportunity to ... upscale them a bit and take in decent money. You got a piece of land, you develop it with pads for mobile homes. The people put their own mobile home there and rent the space. So you don’t have mobile home maintenance. You don’t have to fix the dishwasher. You don’t have to fix the leaky kitchen. You don’t have to fix the heating or air conditioning, when it goes on the fritz. All you have to do is have a dependable supply of water, electricity and maybe cut the grass around them. It’s a cash cow, if it is operated properly. And that’s what these investors are looking for.”

Attempts were made to contact Sherri Blevins, chair of the Montgomery County Board of Supervisors and supervisor for the district that includes the Belview area. A message was also left for an attorney at Southwest Virginia Legal Aid Society.

According to Rupp, a tenants’ meeting will be held 5 p.m. Saturday at Belview United Methodist Church, and a Legal Aid representative will be there. Attempts to reach the church for confirmation were not successful.

Minot Daily News

Mobile home parks' residents seek answers, accountability



A mobile home sits vacant in Parkview Mobile Home Park in Minot, with a shattered window and destroyed furniture strewn about the yard.

Nearly a year after Homes of America, LLC began buying mobile home parks in Minot, the issues and complaints being raised by residents remain

the same. Communication remains a problem, with some waiting weeks or months for a response to their queries and requests.

These managerial lapses are further compounded by lot rent hikes, which have only been applied to residents who own their trailers. The lot rent hikes ultimately motivated many trailer owners in these parks to take advantage of a deal offered by JRB Communities that covered the costs to move them into one of their parks. For those that remain behind, owner or renter, the options available to them are limited.

“What scares me is what are they going to do to the renters that are still here. What’s the next thing after they’ve gotten rid of almost every owner in here? In the past two weeks 10 trailers have been moved out,” said Parkview resident Kris Jonkey.

This rising discontent led Jonkey to start a Facebook page called Parkview in Review, to facilitate communication between the residents of Parkview, Holiday Park, and Western Village, as they contend with what some of them consider to be an absentee landlord. In the lot rent increase notice sent to residents, HOA claimed that the additional payments would be used to improve and maintain the parks, none of which have materialized as of yet.

“The whole reason I opened up the forum was because there was no communication going on. I thought, well, I’ll just put it out there,” Jonkey said, *“I get some people that see the page but they don’t want to be on the*

page. They private message me instead. They want something done, but they're afraid to put themselves out there."

The users of the page generally use it to try to resolve issues and clear up confusion created by HOA's opaque business practices, exacerbated by the constant turnover of local managers.



"My daughter said, 'you know mom, they'll probably try to evict you. Well, they haven't yet," Jonkey said, "I try not to put a negative spin on everything. I just kind of put it out there as, 'hey, this is what happened.' But lately, it's just been getting worse and worse."

Parkview has slowly fallen into neglect over the summer, making it easy to determine which lots are vacant or occupied. The weeds have grown high in the shared spaces between lots, with some vacant trailers strewn with abandoned furniture, garbage, and other refuse.

Large tree branches that were recently felled by high winds damaged the roof of Jonkey's daughter's home in a nearby lot. The request for maintenance was answered, but the workers were not paid to remove the offending limbs, which still lay in the yard next to her trailer. Another lot next to Jonkey's sits vacant, with a van and other abandoned property littering the yard.

"I can count nine houses around mine that are vacant. Before when a trailer would empty out, they'd be cleaned the same day someone moved out and they would do all the maintenance. That's how quickly they filled

these places up,” Jonkey said, “That’s the way Meadowlark ran things. If a tree fell, they would clean it up. If people moved out and left a stack of furniture, they’d clear it out. That’s not happening anymore.”

Recently, a resident of one of the parks received an eviction notice from Homes of America for unpaid rent that gave them three days’ notice to vacate. Based on bank receipts provided to The Minot Daily News, the resident had in fact made payments for the months in question, contradicting the statement provided to them with the eviction documents.

As issues continue to manifest, members of the group have begun communicating with Kent French, director of governmental affairs at the North Dakota Manufactured Housing Association, and filing complaints with the First District Health Unit. French has been working with legislators to craft a new bill in the next session, and attempting to aid the HOA residents in finding some way to hold their landlord accountable.

“I have had three calls from Minot, with good people that have paid their payments on time, but because of the lack of bookkeeping from a corporation that is taking advantage of the residents in the community. They will lose their homes unless they pay to a corporation they can’t even communicate with,” French said, “Where does a soul go that’s being cheated? Who do you go to in the state of North Dakota? This needs to be stopped now.”

Despite making contact with past and present employees of Homes of America, none were willing to speak on the record. Further attempts to contact Homes of America leadership directly were not responded to.

While Homes of America LLC was formed in Delaware, its filings with the North Dakota Secretary of State lists a New Jersey address that it shares with the firm Smith Management LLC, the parent company of the hedge fund Alden Global Capital. The COO of HOA is a man named Bryon Fields Jr. of Charlotte, North Carolina, according to Fields’ LinkedIn page. Based on public records scraped by the website corporatewiki.com, Fields is also an officer of three other mobile home park LLCs located in Florida. His fellow officers include Alden President Heath Freeman, Smith

Management Executive Vice President and CFO Tom Del Bosco, and Alden CFO Joshua P. Kleban.

A call to Alden Global Capital's New York City office was answered, with the receptionist offering to direct the call to those overseeing Homes of America. After being transferred, no speaker announced themselves, and promptly hung up.

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Boundless Greed



The founders of Alden Global Capital — the infamous ‘destroyer of newspapers’ — are walking away from unpaid bills as they amass ever more personal wealth (and continue to gut news organizations)

By Julie Reynolds

EX. 4

Randall Smith, cofounder of the hedge fund Aiden Global Capital, is infamous for two things: gutting local newspapers and a voracious acquisition of pricey real estate.

Although he recently sold off a few of his 16 mansions in Florida, Smith still owns roughly more than \$50 million worth of homes in the West Palm Beach area, as well as a few mansions in the Hamptons.

He and his tightly held business, Smith Management LLC, also still own extensive real estate from New York to Dallas, where the company until recently owned a 40-story office building called Bryan Tower.

But a casual observer might think Smith has fallen on hard times: last year, lenders foreclosed on Bryan Tower after Smith defaulted on a \$70 million loan.

Several years ago, the building became known outside of Texas after reporters discovered Smith had quietly engaged in an act of what the business world calls “self-dealing.”

With no announcement — not even to employees — Smith relocated the headquarters of two retail chains he then quickly drove into ruin. Fred’s Pharmacy and Payless ShoeSource were once based in Memphis and Topeka, respectively, where each had employed hundreds. The result of this middle-of-the-night move was that the struggling chains he’d acquired through Aiden were now paying rent to *him*. The arrangement was “shrouded in suspicion,” according to one court filing.

The saga doesn’t end there, however. Bryan Tower was sold this year for an undisclosed amount after lenders moved to foreclose.

Smith had simply stopped making payments.

It wasn’t that he couldn’t afford to pay — as noted, he has millions in personal assets — but he simply chose *not* to pay. The financial press reported that the building’s occupancy was down significantly due to the pandemic shutdown, citing that as a possible reason for the default.

But Smith has also defaulted on millions in payments that were not connected to the pandemic, according to his own admission and a lawsuit filed by the landlords of his vast Manhattan offices.

Aiden and several of Smith’s other businesses once occupied the entire top floor of New York’s Lipstick Building.

After nearly a year of refusing to pay rent and being sued by SL Green, considered New York City's largest owner of office real estate, Alden left its longstanding Manhattan digs unannounced in January 2021.

In court filings, Alden admitted it stopped paying rent for the Tower Suite in April 2020, and it vacated the premises before Jan. 15, 2021, after SL Green sent a notice of lease cancellation. SL Green said Alden owed \$6 million in back rent and if the realty company couldn't find a new tenant right away, Alden could owe an additional \$5 million in damages.

Alden resurfaced in a relatively low-brow "rent-an-office" in West Palm Beach, Florida, according to SEC filings, where it and a false eyelash distributor, realtors, attorneys and several outdoor tent companies share a common receptionist.

After Alden effectively took over Tribune Publishing's board, the company admitted in a financial report to the Securities and Exchange Commission that "in light of the COVID-19 pandemic," it hadn't paid rent on its buildings since March 2020 and was being sued for default. This was despite its own optimistic forecast for COVID-related gains in digital subscriptions and advertising.

Tribune eventually negotiated changes to 13 lease agreements, but it also walked away from five of them. Soon five newsrooms and their buildings were permanently closed: The Allentown Morning Call, The Annapolis Capital Gazette, The Orlando Sentinel and The New York Daily News. Another Tribune building in Aurora, Illinois closed in August 2020 after the company stopped paying rent.

It wasn't that Randall Smith couldn't afford to pay his bills — he has millions in personal assets — he simply chose *not* to pay.

Unpaid bills, but expanding portfolios

The Dallas, New York and Tribune defaults are the kind of desperate measures that might lead industry pundits to believe Smith was struggling financially. But a look at his real estate portfolio, as well as that of his protégé and Alden cofounder Heath Freeman, shows otherwise.

Apparently, Smith has no problem acquiring more personal real estate even as he walks away untouched by tens of millions in unpaid bills — a feat most of us don't have the luxury of performing.

Because so many of their holding have unique LLCs on their titles, it's impossible to know their full extent. What's listed below is only what I've been able to glean from local news stories and county assessor records. But the list shows the dramatic expansion of both Smith and Freeman's holdings, much of it acquired well after the pandemic forced so many of us to tighten our belts.

Randall Smith holdings (properties are often listed in the name of Smith Management, various LLCs, or Smith's wife):

- Around 13-14 mansions in Florida, worth approximately \$50+million
- Captains Neck Lane, mansion in the Hamptons, worth approximately \$12 million (Zillow estimates)
- Manhattan penthouse, offered for sale for \$17.5 million in December. He owns another in the same building, value presumed to also be roughly \$17 million.
- New spec house in the Hamptons, value unknown. Smith Management bought the land for \$4.8 million in 2020.

Heath Freeman holdings

- Mansion in Montauk, valued at \$4.8 million when he bought it in 2016, now valued at \$7 million by Zillow.
- Second "cottage" on Ditch Plains Beach near the above-mentioned spec house, bought for \$2.4 million.
- Mansion in Coconut Grove, Miami, for \$19 million in 2021, now valued at \$24 million (Zillow)
- EHP Resort and Marina in East Hampton (including 2 restaurants), bought with other investors for nearly \$18 million in 2021
- The Harbor Bistro in East Hampton, bought for \$4 million in 2021.
- The Inn Spot in Hampton Bays, value unknown
- The former Red Bar Brasserie in Southampton, now Crash Cantina, value unknown
- Bongiorno restaurant in Montauk, value unknown

- Coffee shop chain “City of Saints Coffee Roasters,” co-owned with his sister Amanda, value unknown

This puts the bare minimum value of Smith’s known assets at \$101.3 million, and Freeman’s at \$55.4 million. The actual totals are likely much higher.

What is known is that both Freeman and Smith are aggressively expanding their footprint in the Hamptons.

The strip-mining model

While Smith and Freeman’s personal wealth-building accelerates, it’s important to note that Alden continues to strip its businesses down to the bone. Though it once invested in an array of industries, including the aforementioned retail chains, Alden is now almost entirely focused on acquiring and sacking local news chains.

Earlier this year, Alden failed to buy the Lee Enterprises chain after board members and shareholders were alarmed by news reports about Alden’s voracious strip-mining of its local news outlets and their assets. Court records bear this out — a Delaware chancery court noted in a Feb. 14 opinion that reporting on Alden’s history of gutting newspapers was influential in Lee directors’ decision to fight off Alden’s hostile takeover bid. Those news reports, by the way, were largely informed by the efforts of The NewsGuild and its members to investigate and raise awareness about Alden.

Alden did, however, succeed in buying the Tribune news chain last year, with devastating results. Tribune immediately implemented buyouts and promised to cut news coverage by 20% across the chain. Staff attrition skyrocketed at Tribune papers like the Allentown Morning Call, which between April and August lost 23% of its staff.

Readers who wonder why they’re getting a lot less local news need look no further. An analysis of local news content on Tribune websites confirms that Alden held to its promise of cutting the number of stories. “...There were fewer articles being published each month in 2022,” wrote Tribune executive Kurt Gessler on Medium.

That hasn’t stopped subscription rates from skyrocketing, however. Home delivery of the San Jose Mercury News now costs \$728 a year, up from \$225 in 2012 when Alden took over the paper’s chain, MediaNews Group. Smaller Alden papers are all over the map: a year’s delivery of the Cañon City (Colorado) Daily Record is only \$124, while in New York, the Kingston Daily Freeman is \$366.66.

Meanwhile, in California, the Santa Cruz Sentinel costs \$975. A Monterey Herald subscription is a stunning \$1,040 a year.

As news analyst Ken Doctor once told me, Aiden's model is like selling a half-full bottle of Coke for twice the price.

What can be done?

It's clear that Smith and Freeman are abusing the lax system of incorporation in the United States. According to the legal website UpCounsel, the purpose of "a limited liability company, is to shield the business owner from personal liability for the company's debts." That may be useful for startups to allow entrepreneurs to assume more risk, but it has its limitations. The fact that individual LLCs can declare bankruptcy while protecting their owners is an abuse of the system.

The Tax Justice Network has ranked the United States first in corporate secrecy, ahead of Switzerland, the Cayman Islands, and other offshore venues. The Pandora Papers showed that some states – Delaware, Nevada, Wyoming, and South Dakota – are particularly egregious.

Unfortunately, there is no easy way to fix this problem. To demand owners be responsible for all debts would throw a monkey wrench into new businesses, including genuine mom-and-pop operations. However, the federal government (through its control of the bankruptcy process) and state governments (responsible for business registration) can take important steps to limit abuses.

States could demand that LLCs be more transparent about their owners. Opaque shell companies remain a problem, not the least of which is the protection of illegal activity. The "LLC Transparency Act" (A9415/S8439) in the state of New York provides for full disclosure of beneficial owners as well as the creation of a publicly searchable database of that information.

It's a stretch to speculate that the tax-avoidance states listed above follow suit.

The federal government could reform the beneficiaries of bankruptcy. Currently, the first creditors in line to be paid are those who have secured their loans through collateral. In the case of default, the secured creditor has the right to seize assets.

"The Stop Wall Street Looting Act" (S.3022/H.R.3648) would – among other things – reform the bankruptcy process by putting employee wage claims on the same level as secured

creditors. The legislation is currently stalled.

And so Smith and Freeman are free to abuse the system.

And now, evictions

While mostly focused on gutting your local news outlet, during the pandemic, Smith moved into one more investment area that's having a devastating effect on working people's lives: mobile home parks.

While Smith enjoys flitting between mansions in places like West Palm Beach and the Hamptons, his low-income tenants face rent hikes and evictions.

Smith Management, under names like Big Oaks MHP LLC, has acquired some 20 mobile home parks in North Carolina, where it immediately raised rents and threatened evictions.

Residents of the Ridgewood Mobile Home Park protested in front of Congressman David Price's office after their new owners sent letters announcing imminent, steep rent increases. Although the park's residents are mostly Spanish speaking, the letters were in English.

Julia Sendor, an activist working with the tenants, said Smith Management told her group not to call again after they tried reaching out to the new owners.

"They're going to raise the rent up to 40 percent for some, but they have not responded to the serious health and safety concerns that we have," resident Alejandra Rivera told the publication *Indyweek*.

Tenants at Big Oaks Mobile Home Park in North Carolina were immediately hit with 90-day rent increase notices during the height of the pandemic.

Smith's company offered to buy tenants' homes if they couldn't afford the 60% increase. Worse, owners are prohibited from selling their homes to any other buyer, allowing Smith to set the price.

One 74-year-old resident there, Linda Lasure, is homebound and dependent on oxygen around the clock. Almost overnight, her rent jumped from \$440 to nearly \$700, according to *WFTV-9*.

As Lasure pithily put it, "God didn't put us on this earth to go through that crap."

Minot Daily News

Homes of America, LLC, hikes lot rent for Holiday Park



Charles Crane/MDN Holiday Park residents who own their trailers will see their lot rent increase over 50%.

On Sept. 30 a post was made on the Facebook group page Minot Whiners and Complainers, leaking a letter dated Oct. 1 revealing that residents of

the Holiday Park mobile home park would see their lot rent rise from \$390 to \$695. Holiday Park was recently purchased by Homes of America, LLC, the same entity that purchased the Parkview and Western Village trailer parks last December.

All three parks under the ownership of Homes of America LLC have been experiencing difficulties communicating with the revolving door of local managers in the last year, who are hired to oversee all of the company's parks entirely on their own.

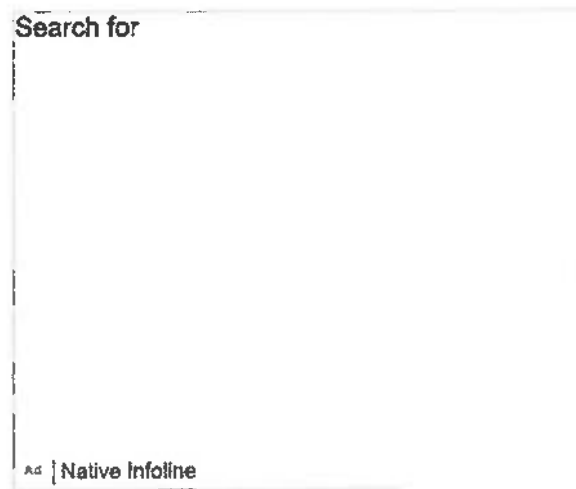
North Dakota law requires the owners of all mobile home parks to designate a local office that must be operational on the first day after acquiring ownership. This office must keep weekly hours, and have an emergency number manned at all times. The law also requires that owners employ at least one individual on the site of the property who has the authority to make decisions without having to consult with the owners themselves.

The HOA community manager is only accessible through a single telephone number and voicemail box, and doesn't maintain a physical office. With this manager responsible for the three parks, some residents have been experiencing delayed or in some cases no response to their queries regarding approvals for construction projects, maintenance issues or public safety concerns.

Tiffany McKell has been a resident of Parkview for about a year, and has described her experiences under the current ownership to be, *"not good at*

all.” According to McKell, after experiencing issues with her toilet and stove in her rented trailer, she was forced to buy parts and perform repairs herself after not receiving a response to her maintenance request for four months.

“My stove needed two burners fixed, and I waited 4 months before I paid to fix it myself,” McKell said, *“My lease is still with the old management company, and they haven’t provided an updated lease yet. I spoke to the manager about it but they don’t know when we’ll be getting them.”*



A resident of Holiday Park who wished to remain anonymous shared an email sent to all residents by management informing them that \$50 fines would be applied to residents who had unkept yards. However, a large number of vacant lots and empty trailers in the park that are the responsibility of management to maintain, have only been mowed once this summer.

“It is impossible to get ahold of anyone. As a matter of fact, I have never been able to speak to someone,” the resident said.

Another current Holiday Park resident is Lexi Anderson, who was able to speak to a woman who identified herself as a regional manager for HOA. Anderson was reaching out to HOA to determine their interest in buying her out of her own trailer, as she isn’t inclined to remain in Holiday Park given the lot rent increase.

“She told me, ‘I can tell you no if I don’t like the trailer. We have to work with the economy,’” Anderson said, *“I could understand paying a little*

more, everyone is paying a little more these days. But it's not like we have a playground here. We don't have speed bumps and the roads haven't been worked on in a year. With the lot rent as high as it is, it's a tough time getting people to move in here. There are 20 vacant lots in Holiday right now. Just in my row there are 5 or 6."

HOA, LLC, has recently posted a job listing for a new community manager on Indeed.com as well as another for a full-time maintenance/handyman, signaling that further lapses could be on the horizon if the positions aren't filled.

Who is Homes of America, LLC?

The answer to who exactly is behind Homes of America, LLC, has remained shrouded by the nesting nature of the various out-of-state corporations that own and manage the parks. The few times that The Minot Daily News was able to reach and speak with an employee or representative of the company they would not identify themselves or the business they work for before ending the call without comment.

It is also difficult to track down much about the company using public records and search engines, with most results directing the query to an unrelated rental company in central Florida called Homes of America Realty Group LLC.

"That is not us. We do not own trailer parks, we are a home rental company," an HOA Realty Group LLC employee told The Minot Daily News. *"I don't know who they are, but we've been getting a lot calls asking about them."*

Red herrings aside, what threads did exist do provide some answers. The Indeed.com account used to make the job listings for the community manager position in Minot. This account posted 14 other job listings in nine other states seeking community managers and maintenance techs that were worded identically to the Minot listings.

This account appears to have been at one time used by the management of Six-o-Five Village Mobile Home Park in Louisa, Virginia. This park was

purchased in September 2021 along with another in Bowling Green called The Hill Mobile Home Park by HOA, LLC, for \$3.7 million, according to a Virginia Business article from that time.

Further digging also led to the LinkedIn account of a man named Bryon Fields Jr. from Charlotte, North Carolina, who lists his current employer as Homes of America, LLC, and his current position as the company's chief operations officer.

Fields is a graduate of Duke University, and played cornerback on the Blue Devils football team. After graduating, Fields interned at Alden Global Capital, a hedge fund described as a "*ruthless corporate strip-miner*" by the Washington Post due to its reputation for buying newspapers like the Denver Post and brutally cutting budgets and culling the pool of journalists employed by them.

According to Field's LinkedIn resume, after leaving the "*grim reaper of American Newspapers*," he spent a short time in the NFL as an undrafted free agent on the New York Giants. He then began his employment with Homes of America as a real estate analyst. Fields has been COO of HOA since the beginning of January 2022, shortly after his company began purchasing the Minot trailer parks.

The Minot Daily New's attempts to contact Fields were not responded to.

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INVESTIGATIONS

From floods to slime: Mobile home residents say landlords make millions, neglect them

August 21, 2022 · 7:01 AM ET

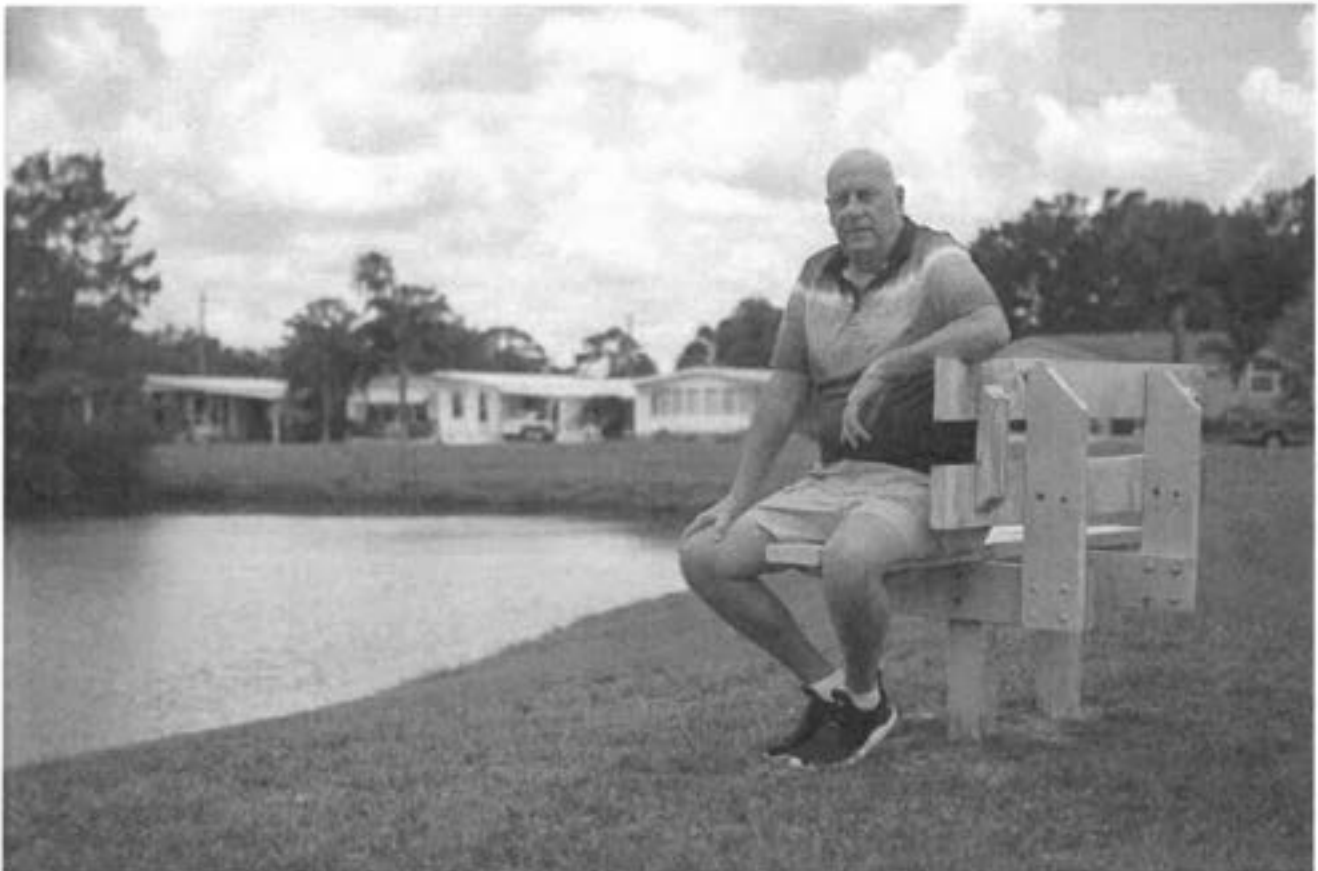


CHRIS ARNOLD

ROBERT BENINCASA

11-Minute Listen

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Mike Noel at the Heritage Plantation community, June 8, 2022. Noel retired and bought a home in the mobile home park and looked forward to fishing in the ocean 20 minutes away. "I thought I was moving to paradise," he says.

Eva Marie Uzcategui for NPR

Five years ago, Mike Noel was newly retired from his manufacturing job in Rhode Island and had just gone through a rough divorce.

"I hooked up my boat and headed down here, without having a place to live," he recalls in the living room of his home near Vero Beach, Fla.

Noel used most of his modest retirement savings to buy the house at Heritage Plantation, a mobile home park 20 minutes from the ocean. The homes here look more like conventional houses than what you might think of as a mobile home. They're up on foundations and have yards and driveways.

"I thought I was moving to paradise – you know, beautiful weather and being able to fish 12 months a year."

His new place wasn't like the large house he owned in Rhode Island, and the floor needed repairs. But the price was affordable and it offered the promise of a new start.

And then it started to rain.



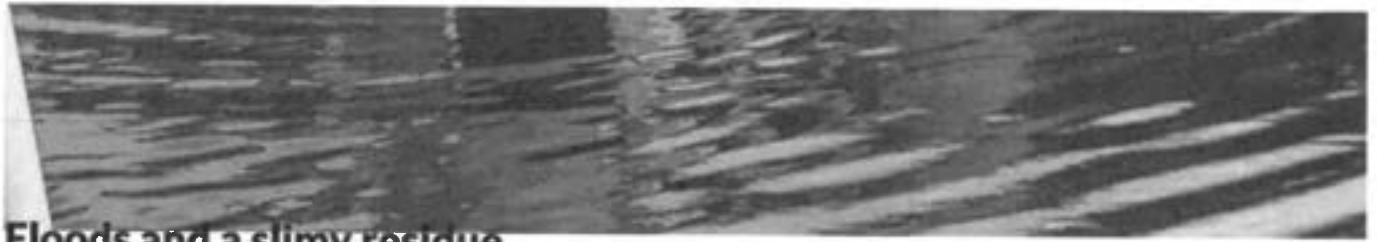
The homes in the community look more like traditional houses than what some might think of as mobile homes. The manufactured houses are brought in pieces on trucks, but once assembled are not really mobile after that. Wednesday, June 8, 2022.

Eva Marie Uzcategui for NPR

"I'm talking about those typical Florida thunderstorms you get, where you get a 15- to 20-minute downpour."

When those rains came, Noel found out the streets in the park flooded, for hours or sometimes days. At first he didn't worry too much about it. "But by the tenth time it flooded, I had started reaching my limits," he says, because at times the water was a foot deep, sometimes even two. "It was like, holy crap," he remembers, "this is not good!"





Floods and a slimy residue

Residents in the park say the streets have been flooding after normal rainfall for 20 years, due to an antiquated and broken stormwater drainage system.

They say the water has damaged their homes and is often deep enough that people get trapped in their houses. Some are elderly. They say emergency vehicles have refused to respond to calls due to the flooding.

"The people across the street are in their 90s," says Noel. "I know people that couldn't get to their chemotherapy appointments."

To make matters worse, residents say when the water eventually recedes it leaves behind a slimy residue that people slip and fall on.

"The slime never goes away," says Stanley Paxton, a 79-year-old resident who slipped on the street in 2018 and landed in the hospital for shoulder surgery. "I was just walking my dog," he says. "Next thing I know my left foot goes out from underneath me... and I hit the pavement with my shoulder."





Mobile homes are one of the last options for affordable home ownership

Residents say there have been other problems beyond the broken drainage system—electrical wiring issues, potholes, and bad lighting that's caused people to trip and get hurt on the park's dark roads at night.

A group of residents have now organized and filed a lawsuit detailing all these problems against the park's owner, a company called Equity Lifestyle Partners, or ELS. The group alleges that ELS has ignored their complaints over the years, and failed to fix the broken stormwater drainage system. ELS denies wrongdoing.

What these residents say they are dealing with may be part of a bigger problem that goes far beyond any one park or landlord.

Millions of Americans live in mobile home parks – one of the nation's last options for affordable homeownership.

But in recent years, big companies have been buying up mobile home parks. And critics say some are making hundreds of millions of dollars in profits collecting and raising rents on their typically lower-income residents, without spending enough money on even basic maintenance and upkeep.

Allegations from residents at parks around the country, owned by ELS or other companies, have ranged from persistent sewage backups to drinking water and power outages. Other claims include aggressive eviction policies and unfair business practices.





Mobile in name only: Once installed mobile homes are hard to move

"They're taking advantage of a group of people that really don't have the resources to fight against it," says [name], representing the residents at the park in Vero Beach.

Feeling they were running out of options, residents started looking for a lawyer. They found Fegan.

She was known for fighting a different kind of battle – the harassment and assault cases that became the "Me too" movement.

Among her clients were victims of Hollywood movie mogul Harvey Weinstein.

But, she took the residents' case and sued ELS in federal court. Fegan says the company's failure to fix the stormwater system violates the promise it makes in the park's prospectus for residents. And she says the problems here go beyond this individual case.

"We're trying to right a wrong that we see that is systemic in an industry, and really use it as an example," she says, "To let the industry know we're going to come after them."





For one thing, the homes are mobile in name only. Once they're trucked in and assembled, it's difficult and expensive to move them. It can also be prohibitively expensive to find another place to live. Manufactured housing households had a median income of less than \$35,000 in 2019, according to the American Housing Survey.

"The park knows that they cannot pick up their home and leave," Fegan says. "And so these complaints have really just gone ignored."

Since the homeowners don't own the lot the home sits on, that can leave them vulnerable to the decisions of their landlords when it comes to maintenance, rent increases and even eviction.

ELS says homeowners are free to sell their homes, and many do

Basically Fegan describes it as a classic David vs Goliath power imbalance. On the one side are lower-income residents, while their landlords are often big businesses.

ELS is a multi-billion dollar, publicly traded company that lists about 200 mobile home parks in its portfolio. It also owns RV parks and marinas. Its net income was about \$263 million last year.

Fegan says if corporate landlords decide to squeeze out more profits by, as she sees it, neglecting their residents, they need to be held accountable.

"If they don't put the money in to maintain the infrastructure in these parks," she says, "we're willing to take on that fight."

The manager at the ELS park said she couldn't talk to NPR reporters. And no one from the company would agree to an interview. But ELS spokeswoman Jennifer Ludovice says in a statement to NPR that the lawsuit misrepresents conditions at the park and that the company, "invest[s] in the maintenance of the community to ensure it remains a desirable neighborhood."

Ludovice says homeowners are free to sell their homes if they want to and often do.

The company also says the suit, "involves only three out of approximately 650 residents in the community." But that's not really true.

Technically, there are three plaintiffs, but documents show 27 residents signed court papers in support of the lawsuit getting class action status. Fegan says more than 75 answered questionnaires to help her with the case.

There are, though, some residents who question the lawsuit.



Dick and Jean Bruce

Robert Benincasa/NPR

Mixed views on the lawsuit

"I'm not an advocate, per se, for ELS," says Dick Bruce, a former head of the park's homeowners' association. "I'm just going to say that they're not as bad as what some folks will make it sound like."

Bruce and his wife, Jean, who are retired, worry that if they force the company to spend a lot of money fixing the flooding problems, it will raise their lot rents more than it otherwise would.

"I'm not saying I don't want the flooding fixed, but we need to be aware of what we are asking for and what we may get," Jean Bruce says, "We're on a fixed income, but we've seen our rent go up every year."

And the Bruces say ELS more recently has been making some major repairs to its stormwater system.

Company spokeswoman Ludovice says the company has spent more than \$300,000 improving the stormwater system over the last three years and that three former homeowners association officers are on the record saying the system functions as it should.

But Fegan sent NPR photos of flooded streets which she says were taken recently, in July, after a hard rain.



Recent flooding at the Heritage Plantation mobile home park. Resident Kathy Paris says she took the photos on July 17th, 2022 after a hard rain. One (left) shows flood water sitting on top of a storm drain grate near the entrance to the park. Paris estimates

the flooding was at least 6 inches deep on some streets in the park.

Kathy Paris

Some residents say there's still a flooding problem and that it seemed to them that major repairs only started after the homeowners began organizing and meeting with lawyers.

Black mold, rotted beams and floorboards

Residents also say that over the years the flooding has caused a lot of damage.

"The ground here is very wet in this place, it's soaked, it never goes away," says Michael Frawley. His mother lived in a home in the park for 23 years. She just passed away a few months ago.

Frawley says he had to replace her floors twice, with pressure treated plywood, because they rotted out.

"The plywood, the beams, everything was eaten up from moisture," Frawley says. "And then there was black mold everywhere."



The cost of doing business

From an investor standpoint, choosing an industry where maintenance and overhead costs are relatively low, is, as they say, not a bug but a feature.

ELS says as much in its annual report. "Compared to other types of real estate companies, our business model is characterized by low maintenance costs and low customer turnover costs," the report says.

Former ELS board member and current shareholder Michael Torres agrees. "It's just basically resurfacing roads and having a shared community center. You don't own walls and roofs."

Residents have to fix their own roofs or floors, or pretty much anything else that needs repair in their homes because they own them. Torres says that's one of the things that makes investing in mobile home parks, "the gold standard of investing in property."

Torres manages more than \$2 billion in investments through his company, Adelante Capital Management. Mostly, he invests in real estate investment trusts (REITs), like ELS. And he does not seem to have much sympathy for the homeowners at the park in Florida.

"Streets flood," Torres says. "You chose that community - buyer beware. It's like people that move next to a school and complain about the noise. To me there's no story here."

He goes further: "Unfortunately, it's called landlord for a reason," he says. "You're not told you have to live there."

With regard to the lawsuit against ELS, he says he doesn't know all the facts and he's not speaking on behalf of the company, but he's not concerned about it as an investor. "It's a nuisance," Torres says. "It's just part of the cost of doing business."

A smoking gun?

Heritage Plantation isn't the first ELS park to find itself in the crosshairs of a lawyer representing residents. The company has been the subject of numerous legal proceedings. Perhaps the most notable one began in 2009.



An aerial view of a pond at Heritage Plantation, Wednesday, June 8, 2022, in Vero Beach.

Marco Bello for NPR

Then, California attorney Jim Allen sued the company over conditions at California Hawaiian Mobile Estates, a park in Salinas. He alleged that the electrical system was shot, power would go out to the homes regularly, sewage backed up in some houses.

"They had a lake and the lake basically stunk," Allen says. "It was putrid."

There were kids in that park, and he says the playground was dangerous. "It had sharp edges, it had a slide you couldn't use," he says.

Allen says there are so many mobile home parks neglecting residents that representing residents is now the heart of his law practice.

As the California ELS case played out, Allen says he uncovered what to him seemed to be a smoking-gun reason for the neglect.

He argued in the trial that ELS had an employee bonus structure that incentivized managers to squeeze out more profits by forgoing maintenance.

"So what happens is, you want to get your bonus, so you don't authorize repairs," says Allen.

An attorney for ELS during that trial said that staying within the maintenance budget was just one factor in determining a bonus.



INVESTIGATIONS

How the government helps investors buy mobile home parks, raise rent and evict people



NATIONAL

Losing It All: Mobile Home Owners Evicted Over Small Debts During Pandemic

After a legal fight that dragged on for years, a jury sided with the residents and awarded them \$111 million. ELS successfully challenged the award and the case ended with a settlement of close to \$10 million. The company maintains to this day that the suit was without merit and that the park was and remains a desirable community.

With regard to the bonus structure, ELS said in a statement that it encourages park managers to act in the best interest of the property and residents. Park budgets, "are not written in stone," ELS' Ludovice wrote to NPR. She says Heritage Plantation's manager received her full bonus last year despite the property being over budget.

Catfish swimming in the roads

Back in Florida, Ann, a former ELS manager at another of the company's mobile home parks, told NPR that her community also had a stormwater problem.

"We would have constant flooding," she says. "There were catfish swimming in the roads."

Ann says she worked at that ELS park for several years about 5 years ago. She says residents there would get trapped in their homes too because the water was too deep to drive through.

"They wouldn't be able to leave," she says.

She didn't want her full name used, fearing retribution from ELS or others in the industry.

Ann says she repeatedly asked ELS management to fix the flooding problem, but the company didn't. She says ELS did do some basic maintenance such as fixing potholes.

"They had a cap of how much they were willing to spend."

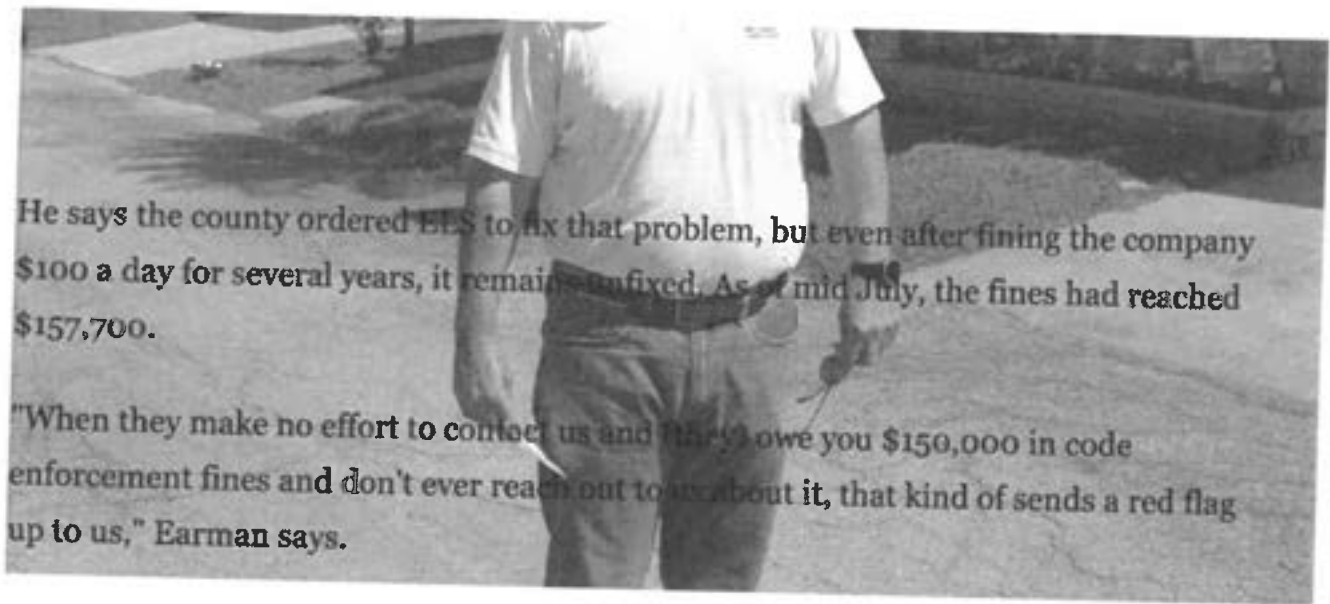
"Do the right thing"

At the Heritage Plantation park, the local government has gotten involved. Frustrated residents called officials with Indian River County, only to be told that they too, had limited power over ELS. The park, they noted, is private property.

But, county officials say that, in addition to the flooding, the stormwater system appeared to have another problem.

"Their storm water is going in our sewer system," says County Commissioner Joe Earman.





ELS says it has in fact fixed that problem and is now in the process of resolving the issue with the county.

Still, Earman says it shouldn't take twenty years for the flooding problems residents have been struggling with here to get fixed.

"It's frustrating to me as a county commissioner," Earman says. "How about you just do the right thing?" And that, Earman says, is for ELS to fix the flooding problems in the park. "I think they can afford it."

NPR researcher Julia Wohl contributed to this report.

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