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P&G growth leads to Triad job gains

BY MATT HARRINGTON

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BROWNS SUMMIT

Growth at the consumer-products giant Procter & Gamble will result in about 65 more jobs and 750,000 square feet of additional warehouse space in Browns Summit, located just northeast of Greensboro.

South Atlantic Bonded Warehouse Corp., a part of The South Atlantic Cos., has already added about 35 of those jobs in the past year as it increased staffing to run a new P&G warehouse around the clock, seven days a week, said company

PLEASE SEE **WAREHOUSE**, PAGE 43



Calls for help

Police spending a lot more time at Triad retail centers

Late last year, the phrase "meet you at the mall" took on new meaning when disputes involving people from as far away as Virginia resulted in a trio of tragic shootings within a five-week span at Four Seasons Town Centre in Greensboro.

SHOPPING FOR

While those in



Upset depositors push for withdraw of \$50M from M&F

BY MATT EVANS

THE BUSINESS JOURNAL

WINSTON-SALEM — Supporters of a downtown business owner in the Twin City are planning a mass withdrawal of deposits at Mechanics & Farmers Bank in response to what they see as the unfair foreclosure of a downtown property once owned by one of the largest black-owned businesses here.

The group aims to coordinate the withdraw of about \$50 million during the next few weeks, according to Tanya Wiley of Wiley Brown & Associates, which owned the 42,000-square-foot Trade Street Galleria at the corner of North Trade Street and Sixth Street until Mechanics & Farmers foreclosed on and then purchased it last May. At its peak, the building housed 18 office and retail tenants, many of which were owned by African-Americans.



MATT HARRINGTON/THE BUSINESS JOURNAL
The Trade Street Galleria in Winston-Salem is the focal point of a dispute between Mechanics & Farmers Bank and some depositors.

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FROM THE FRONT

FORECLOSURE: *Some in community suspect bank foreclosed for profit; bank says it followed standard procedures***From page 1**

That \$50 million deposit-withdraw target would be almost 25 percent of the \$205 million in total deposits the Durham-based African-American-owned bank most recently reported.

"We're just starting now" on the coordinated effort, Wiley said earlier this week. "Just small amounts so they can feel it. But in two weeks we think it can be massive."

Mechanics & Farmers took possession of the building after the departure of a major tenant in the commercial property caused Wiley to fall behind on loan payments to the bank. Wiley contested the ensuing foreclosure, but a Forsyth County Superior Court judge ruled in favor of the bank, a decision Wiley said will be appealed.

The bank paid \$601,725 for the property at foreclosure. Current appraisals value the property as high as \$2.07 million, according to Wiley's lawsuit, leading Wiley and her supporters to suspect the bank foreclosed in order to profit on the resale, a charge the bank denies.

Harold Sellars, senior vice president of Mechanics & Farmers, said the foreclosure was regrettable, but not out of the ordinary.

"It's fairly simple. The bank made a loan and as is typical when there is non-performance, we ended up in foreclosure," Sellars said. "We only foreclose as a last resort, and we did it in this case as a last resort."

However, Wiley said she had loan com-

mitments in place from two out-of-state lenders to refinance the property and repay Mechanics & Farmers in full before the foreclosure was final, but the bank refused to cooperate with the new lenders. Sources said Southern Community Bank & Trust of Winston-Salem also committed to a \$700,000 loan to refinance the property.

Following 'standard process'

The Rev. Seth Lartey of Goler Memorial AME Zion Church in Winston-Salem is helping to organize the protest against Mechanics & Farmers, but was not available to comment.

Matthew Bryant, an attorney with the Winston-Salem firm of Hendrick & Bryant who represents Mechanics & Farmers, said the building owners could not present the refinancing money during the 10-day period allowed before the date the foreclosure sale became final.

Sellars declined to comment on the bank's reasoning in this instance, but he said the foreclosure proceeding against the Trade Street property followed "standard process." He said he was not aware of any continuing legal action so the bank plans to proceed with a sale of the building. Sellars has said the foreclosure action was not motivated by profit.

Regardless of which side is in the right, an organized effort to withdraw money from the bank could hurt if it takes hold, according to William Cunningham, president of Creative Invest-

ment Research of Washington, D.C., which tracks minority-owned banks nationwide. The churches and small businesses that make up a key market for a bank like Mechanics & Farmers can have an impact on their own, he said, but there is the possibility of severe damage if larger depositors join in.

A bank in transition

"There has been a lot of pressure on corporations, S&P 500-size companies to make deposits in black-owned and minority banks," Cunningham said. "If that's the case here and this (protest) rolls through to the corporate side, the bank could really end up in bad shape."

Sellars, at Mechanics & Farmers, said he had heard about the coordinated withdrawal effort but that it had not yet had any noticeable impact.

He said he is worried about the impact the controversy over the property is having in Winston-Salem, its only Triad location.

"Definitely, we're always concerned about our relationships in the community," Sellars said. "The bank has shown in the past that we are good corporate citizens who provide a much-needed service. We went (to Winston-Salem) to serve a part of the community that has been underserved, and we're still there providing that service."

Mechanics & Farmers is in the midst of a leadership transition at its headquarters in Durham, and is in some turmoil in its Winston-Salem organization. Former CEO Ron Wiley left in January

after only 18 months on the job, during which time he succeeded in slashing the number of past-due loans at the bank. Also, at the end of January, the bank disbanded its city advisory board in Winston-Salem, a panel that had included Wiley.

Sellars would not say if the dissolution of the advisory board was directly related to the foreclosure controversy, but he said it was "not an unusual thing" and was based on an evaluation of the board's "effectiveness." He said the bank planned to form a new advisory panel for the Winston-Salem market under the leadership of the bank's new CEO, Kim Saunders.

Sellars said Mechanics & Farmers will continue its outreach and marketing in Winston-Salem in an effort to help the communities that need access to banking services and remind people of the role the 100-year-old institution has had in supporting the black community in North Carolina.

"I would hope that the community would understand that this one incident does not reflect everything we do," Sellars said. "It's unfortunate it had to occur."

Wiley said she also does not want to see lasting damage done to a bank she has long supported.

"We're hoping we can get their attention," she said. "All we want is the right thing, for them to let us have our building back."

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