

Pitcairn

Continued from D1

Church of the New Jerusalem and the grand Bryn Athyn Cathedral. The company has had, until recently at least, a reputation for working things out with partners.

The Pitcairns and other New Church families who own common stock in Pitcairn Properties are pitted against Blum, known in local financial circles for a shrewd, take-no-prisoners approach to protecting the money entrusted to him.

The dispute was spurred by Pitcairn Properties' failure, starting in September, to make four consecutive dividend payments and to meet a redemption request on the \$50 million investment.

After months of negotiations amid a dreadful market for commercial real estate, Blum told Pitcairn Properties in June that he would take over the majority of the company's board, which, he argued, his group's investment agreement allowed.

Pitcairn Properties sued to block him in July, accusing him of conduct that was "self-interested" and "riddled with conflicts of interest" and that, left unchecked, would unfairly wipe out common stockholders and force the liquidation of \$800 million in real estate at the worst possible time economically.

Blum is on the Pitcairn Properties board as a representative of investors who

Pitcairn Properties

The privately held company, founded in 1968, controls 3.5 million square feet of office space in seven East Coast states, but most of it is in Philadelphia's suburbs.



Property	Square Feet
1 1000 Campus Dr., Upper Providence	81,400
2 41 University Dr., Newtown	85,874
3 Eagleview Corporate Center, Exton	55,900*
4 6 Penn Center, Philadelphia	302,700
5 Chesterbrook and Glenhardie Corporate Centers, Wayne	1,281,314

*Reflects recent sale of 84,000-square-foot building
SOURCE: Pitcairn's website
The Philadelphia Inquirer

were clients of Bekkedam. They bought \$50 million in preferred stock in Pitcairn Properties in June 2004. Blum has countered in court documents that his attempt to take control of Pitcairn's board was justified by contract.

Pitcairn Properties management, including chief executive officer and board member Salah A. Mekkawy, did not respond to requests for comment. Blum, who lives in Spring House, Mont-

gomery County, and runs his investments out of the Cira Centre in West Philadelphia, also declined to comment.

Blum's attorney, Daniel P. O'Brien, of Klehr, Harrison, Harvey, Branzburg L.L.P., e-mailed a statement expressing disappointment "with the decision of the current board of directors of Pitcairn Properties to file a baseless lawsuit. The claims are unfounded in law and in fact."

The investors Blum repre-

sents include, according to court documents, Physicians Reciprocal Insurers, a medical-malpractice insurer on Long Island that put in \$22 million; and the Glenn family of Atlanta, whose wealth stems from a steel mill and who provided \$18 million. The remainder came from unidentified smaller investors.

Bekkedam, who closed his Ballamor Capital Management Inc. firm in Radnor after investing clients' money in the Ponzi scheme run by convicted Fort Lauderdale lawyer Scott Rothstein, said he always tried to put his clients in deals where they could take control of their assets if things went badly.

"The bottom line is that Pitcairn is not thrilled that they are going to lose control of their company," Bekkedam said Thursday from Florida. "The reality is there is very little wiggle room on their part."

Members of the Pitcairn family own at least 22 percent of Pitcairn Properties' common stock, according to a document filed in Delaware Chancery Court. Two of them, James F. Jungé and his son, Dirk, sit on the Pitcairn Properties board.

James Jungé married into the Pitcairn family. Dirk Jungé is chairman and chief executive of Pitcairn Trust, a Jenkintown wealth manager that has some cross-ownership with Pitcairn Properties but is a separate company. He did not respond to a request for comment made through Pitcairn Trust.

The family, whose wealth stems from a 19th-century cofounder of PPG Industries Inc., sold its stake in the company in 1985 for \$530 million. In 1986, the family sold its real estate for \$150 million.

There are about 600 living descendants of John Pitcairn, according to an April Dow Jones article. Half of them have a combined \$1 billion at Pitcairn Trust, the article said.

Some Pitcairns went back into the real estate business, helping to put up such high-profile buildings as the Bell Atlantic Tower in Center City. Outside investors were brought in, diluting the family stake in Pitcairn Properties.

Among the investors was Mekkawy, who became chairman and chief executive of the company in 1998. He branched out from development into the purchase of ex-

isting buildings with institutional partners who provided most of the down payments.

The \$50 million preferred-stock sale in 2004 enabled Pitcairn Properties to quickly complete \$900 million in deals during the following three years.

Purchases included solid properties, such as 6 Penn Center in Philadelphia for \$59 million and the Chesterbrook Corporate Center in Tredyffrin Township for \$250 million. But there was plenty of trouble, as well: The \$66 million purchase of Northlake Office Park in Atlanta and the \$78.5 million deal for an office building in Chantilly, Va.

Pitcairn Properties suffered a setback last year when it lost a court case against a partner, Ronald Parr, who accused the company of cheating him out of his 50 percent interest in a

Long Island land deal. Pitcairn had to pay \$9.5 million after being blasted by a judge in Suffolk County, N.Y.

It is hard to predict how Pitcairn Properties will fare in Delaware court. Blum is practiced in fights with investment partners.

Thomas Kelly, who formed Marconi Broadcasting L.L.C. in 2006 to buy local radio station WHAT-AM (1340), last year, accused Blum in Delaware court of unfairly squeezing him out of his \$1.1 million investment in the station.

A judge said in February that Blum owed fiduciary duty to Kelly, but ruled that a 2008 deal that wiped out Kelly was valid. Mediation on the matter was scheduled, but Blum canceled it, according to a letter filed in court Monday.

Contact staff writer Harold Brubaker at 215-854-4651 or hbrubaker@phillynews.com.



Above, Cairnwood Mansion in Bryn Athyn, home of the 19th-century industrialist John Pitcairn. It is now owned by the Academy of the New Church. Below, a room in the Glencairn Museum at Bryn Athyn College.



business opportunities

BUSINESS OPPORTUNITIES

BUSINESS OPPORTUNITIES

philly.com
anything & everything philly

Are you ready for a positive change?

Join our unique franchise community. We provide non-medical in-home services by seniors for seniors.

SENIORS Helping SENIORS
The Power of Love®

Do good and make money.®
E-mail us today!

opportunities@seniorshelpingseniors.com
www.seniorshelpingseniors.com

©2010 Seniors Helping Seniors. Each office is independently owned and operated. All trademarks are registered trademarks of Corporate Mutual Services, Inc.

BUSINESS OPPORTUNITIES

GOURMET POPCORN FRANCHISE

Gourmet Popcorn Franchise coming to the tri-state area. Get in now! Best territories will go fast. Under \$100k for retail store, kiosk or cart. Call Tony at: 215-779-2270
Email: viscon723@aol.com

HOME DELIVERY ROUTE FOR SALE IN ATLANTA CALL 954-448-8006

Ice Cream Business for Sale, great loc. New Hope, PA. \$30k obo. 610-680-7911

Jani-King

BE YOUR OWN BOSS

Have the support of the industry leader. Jani-King provides training, support, customers and a #1 rated program. Entrepreneur magazine has ranked Jani-King the #1 Homebased Franchise for 2009 and the #1 Commercial Cleaning Franchise for 23 years! For FREE brochure and DVD, call Jani-King 610.650.0355 www.janiking.com

Laundromat and Convenience Store. SJ area, 1 man operation. \$80K req. Nets \$30K.

Convenience Store w/RE. SJ. Must Sell! Selling due to illness.

DNA 856-662-8021

PRICE REDUCED!

LAUNDROMAT Business for Sale. SW Philly Location Call 267-257-5031

NE PHILLY. PIZZA/RESTAURANT Fully Equipped. Rt 1 & Rhawn. Financing Available. SJI Jackson 215-331-9950

Pizza - Doing \$8K weekly. Priced right. Nets \$2500+/week. Mort-(717)361-4943



Restaurant 180 seat Rest/Bar, outside decks, 5,500 sq.ft., lots of pkg, busy hwy. Reduced \$795,000 610-390-1950

RESTAURANT

King of Prussia - Turnkey. Perfect for Italian/Euro/Int'l. Cocktail lounge, no license. Ceramic tile & brazilian hdwd floors. 100 seat, Newly renovated. Absolutely Gorgeous, MUST SEE! Fully furnished, Equipment includes Pizza Oven. 610-783-7924

REST./TAV./L/L avail. Suburbs/Phila Tornetta Realty Corp. (610)279-4000

ROUTE FOR SALE 200 accounts X \$2.00 per day=\$12,000 a month-3hours a day-5days a week. Less than \$40,000-All or part. 803-327-5050.

Comly Auctioneers
Wm F. Comly & Son, Inc.
www.comly.com
(215) 634-2500

Absolute Auction Sale
By Order of Owner
REAL ESTATE, LIQUOR LICENSE
BAR & RESTAURANT EQUIPMENT
Tuesday, October 5th @ 11:00 AM
HEAVY'S ON THE HARBOR
TAVERN & GRILL
200 Jersey Ave, Gloucester City, NJ
To Be Sold as an Entirety Only
Minimum Bid - \$500,000
Broker Participation Invited
Inspection: Thurs., Sept. 16 from 10 am to 2 pm
VISIT WWW.COMLY.COM FOR MORE INFO

Business For Sale: Established 3 Years, Will teach & stay for 30 days. Nets \$80K. \$3800 down. Call Jerry 1-800-731-1951

CAR WASH

Fully Automated Tunnel in Scranton, PA. All equipment refurbished. Good business in good location. Car counters welcome! \$549,000. (570)510-6473

A CAREER IS LIKE ANY OTHER PATH. THINGS GO MORE SMOOTHLY WITH A MAP.

If you're looking for a new job, we can help. With tools like Monster Career Mapping™, we can help you find the job you're looking for where you want it. Right here at home. Find the right job for you today at philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

philly.com/monster

BILLION INDUSTRY

CleanNet USA

"BE YOUR OWN BOSS"

•Lowest Franchise fees •Lowest Royalty fee
•Guaranteed Customers in Your Area PA, NJ, DE
•New Equipment/Supp. •Guaranteed financing

Start your own Commercial Cleaning franchise with the industry leader call:

800-385-8188

610-668-2575

EMBROIDERY MALL KIOSK TURKEY

Well established in a Major Mall in Philadelphia Area w/high traffic, great location. Priced to sell. I will train! Ask \$21,900. CALL 215-796-4945

GNC FRANCHISE Jersey Shore

Very Profitable-Absentee-Est 12

Tutoring & Test Preparation Franchise. Montco. Priced Right!

Signs & Graphics - S. Jersey Owner leaving for new opportunity. Great price!

SUNBELT (610)941-2177

NY BAGEL CAFE

Franchise Opportunity

National Franchise

Expanding in the Area.

Full Training/Support/SBA Financing \$29.5K Buys 2. 888-550-8020,ext 100

TheWeekInWords

What's in a downturn's name? Eggs or crossbones

"Who cares if it's a second recession or a double-dip? Either way, things are not going well."

— William Dunkelberg, chief economist of the National Federation of Independent Business

"The result is exactly what we're seeing: a near, if not outright, collapse in housing."

— Dan Greenhaus, chief economic strategist for Miller Tabak & Co. L.L.C., suggesting that the tax credit for home buyers earlier in the year sapped summer demand

"We expect operators to perform inspections and conduct regular and required maintenance in order to prevent safety issues."

— Transportation Secretary Ray LaHood, on the record \$24.2 million penalty against American Airlines over maintenance lapses in 2008

"These events happened more than two years ago, and we believe this action is unwarranted."

— American spokesman Tim Smith

"If someone asks for eggs over easy, what do you do, put a skull and crossbones on their table?"

— restaurant owner Louis Tricoli, after a massive egg recall tied to salmonella

"They were farmers, and they were producing eggs for the good of people — they didn't want to sell eggs that

would hurt people. So they got very aggressive about reducing salmonella on their farms."

— poultry-science professor Paul Patterson, on Pennsylvania's model egg-safety program

"On the positive side, claims came down slightly compared to the shock last week. That said, the number still remains stubbornly high."

— Oliver Pursche, executive vice president at Gary Goldberg Financial Services, on a slight drop in first-time claims for unemployment benefits

Compiled from The Inquirer, Associated Press, Bloomberg News.

We help you save every day.

\$107,055

From January 1, 2010 to Date, \$107,055 in coupon savings have appeared in The Inquirer.

These savings were just for Inquirer coupon and special ad offers — they did not include car and truck savings and other general savings offered in our ads. These savings were on a variety of household and family items: apparel, food, beverage, mattresses, shoes, sporting goods and, of course, toys. Look for savings throughout The Inquirer every day. Shop The Inquirer first and save time and money.

Join the many who save the cost of the paper each week by using coupons. Subscribe today. Start saving tomorrow. Go to <http://service.philly.com> or call 800-222-2765.

For daily coupon and savings updates, follow us on Twitter@PhillyDealDiva, or fan us on Facebook www.facebook.com/phillydealdiva.



The Inquirer
Your Savings Source