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## **Tampa senior living operator sues Truist over \$83M loan**



Truist building in downtown Tampa

NOLA LALEYE



By **Christina Georgacopoulos** – Reporter, Tampa Bay Business Journal  
Nov 28, 2023

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A Tampa senior living facilities operator alleges Truist Bank is attempting to end their lending relationship and kick the loan off their books to appease Wall Street analysts.

Validus Senior Living co-founder Mario Garcia Jr. claims Truist, after months of attempts to exit the relationship, pressed an appraiser to lower the valuation of a Validus facility to force the company to default on terms of the lending agreement, according to a complaint filed in the Middle District of Florida court on Nov. 21.

Representatives for Truist declined to comment.

Truist's intentions are easy to discern, Garcia alleges in the complaint. "As 2023 draws to a close, Wall Street analysts scrutinizing financial institutions take a dim view of ... heavy participation in the senior living sector," the complaint said.

Truist's attempts to compel Garcia to refinance at another bank culminated in a demand letter sent earlier this month that accelerated the full repayment of the outstanding \$83.8 million loan balance, according to the complaint. The letter followed a forbearance agreement Truist and Validus signed in March that required the company to maintain at least an 80% loan-to-value ratio with respect to the facilities.

In connection to the forbearance, Truist commissioned an arm's length appraisal of one of Validus' facilities in January that valued the property at \$34.8 million.

However, a second appraisal by national commercial real estate firm CBRE 10 months later lowered that valuation to \$17 million, which placed Validus in violation of loan-to-value requirements set forth in the agreement, according to the complaint.

Garcia claims that Truist "handpicked" CBRE and prohibited the objectivity required of the appraisal process, according to the complaint. Specifically, he claims an SVP of Truist's special assets division communicated with a CBRE appraiser for the facility in question, presumably to request a lower valuation, according to the complaint.

A CBRE representative did not return a request for comment.

Validus' loan dates back to 2017 with legacy SunTrust before the merger with BB&T to create present-day Truist. The bank "lost an appetite" for the senior living sector during the pandemic, which was especially devastating for the health care industry, according to the complaint.

During the onset of the pandemic in early 2020 through the end of 2021, Truist modified the terms of the loan despite no incident of a default, which Garcia claims was a signal of the bank's intent to exit the relationship.

"As we lay out in our complaint, Truist decided to do this not because of anything Mr. Garcia or [Validus] has done, but simply because the bank doesn't like the senior living category anymore," Tampa attorney John Anthony of Anthony and Partners said. "Banks are tripping over themselves trying to get out of that sector, unlike before the pandemic."

Garcia has a long career in banking and finance, having served as the founding chair of GulfShore Bank in Tampa, where he negotiated the sale to Seacoast Bank in 2017.

"I understand the complexities of the commercial lending business and regulation," Garcia said. "I have financed millions of dollars to support our various portfolios without incident, litigation or ever missing a payment. We have always engaged in good faith dialogue with Truist, and I am saddened that we had to resort to litigation."

Garcia is requesting declaratory relief from the court to allow the properties to continue operations while he seeks to refinance the loan with a new banking partner.