

Caldwell Theatre's new act

Receiver takes over business side of struggling institution

BY PETER FRANCESCHINA
Staff writer

It won't be apparent to the theatergoing public, but a court-appointed receiver has quietly taken over the finances and business operations of the financially troubled Caldwell Theatre in Boca Raton, one of South Florida's oldest arts institutions.

While the receiver is now in charge of every penny that comes into, and goes out of, the theater, its artistic operations are unaffected. The shows will go on and season tickets are being honored, artistic director Clive Cholerton said.

The Caldwell has suffered during the economic downturn in recent years. The theater company has struggled to pay

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Donald Walters,
theater attorney

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Continued from Page 1B

The theater company has struggled to pay creditors and the \$5.8 million mortgage on its showcase playhouse on North Federal Highway that debuted in December 2007.

The mortgage lender, Legacy Bank, has modified the loan terms three times in an effort to accommodate the Caldwell, but the bank filed a foreclosure action in February in order to ask a judge to appoint a receiver to oversee the theater company's finances.

In the end, the Caldwell agreed to the appointment, and may yet file for bankruptcy protection to reorganize its debts, said two attorneys for the theater.

"The theater has decided it is in its best interest to let the receiver come in, as it formulates a reorganization," said Bradley Shraiberg, a Boca Raton bankruptcy attorney who is working with the theater. "As long as it is able to work in harmony with the bank, it is in no rush to file for bankruptcy."

The court-appointed receiver, Scott Brenner of Brenner Real Estate Group, with offices in Fort Lauderdale and Boca Raton, declined to comment. One of his firm's specialties involves turning around distressed properties.

The March 16 court order appointing Brenner as receiver gives him wide latitude to run every aspect of the theater's business operations, and he is authorized to borrow up to \$150,000 if necessary to keep the theater going.

"I think it serves the interests of both parties. The bank is seeing that the theater survives, and the thea-

ter is responsible for making the business decisions," Walters said.

"The day-to-day operations on the artistic side continue as they have — the shows continue to be produced, tickets continue to be honored... It is business as usual as far as the public is concerned."

For now, while the receiver is in charge, the bank will not go forward with the foreclosure action, Walters said.

Cholerton, the artistic director, said the theater came close to break-even last year after trimming expenses. Legacy Bank, he added, wants the theater to succeed so that it can get paid.

"It is two sides that really have a common goal, and that common goal is to keep the theater afloat, and a bank that does not want foreclosure," Cholerton said. "We have a party between us to make sure we work toward that common goal."

With the receiver taking over the business operations, Cholerton said, it frees him up to focus on the theater's productions.

"There are advantages to it from our side, as well... It's nice to have the oversight, quite frankly, so that I know what we are saying



CARLINE JEAN/STAFF PHOTOGRAPHER

The Caldwell Theatre in Boca Raton has suffered during the economic downturn.

Receiver in charge of Caldwell Theatre

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"I think it serves the interests of both parties. The bank is seeing that the theater survives, and the theater is interested in seeing that the mortgage is paid," said Coral Springs attorney Donald Walters, who represents the theater in the foreclosure action. One of Brenner's priorities, Walters said, is to examine the theater's revenues and expenses to bring costs in line.

"He is ultimately responsible for making the business decisions," Walters said. "The day-to-day operations on the artistic side continue as they have — the shows continue to be produced, tickets continue to be honored... It is business as usual as far as the public is concerned."

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