

# ORANGE COUNTY BUSINESS JOURNAL

## **Birtcher to Head Napa Distressed Home Reseller**

**REAL ESTATE: Small public co. plans to target Chinese investors**



### **Birtcher: targeting Asian buyers**

By Mark Mueller

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One of Orange County's best-known commercial real estate developers is looking to try his hand as a seller of distressed homes.

Brandon Birtcher, president of Irvine-based Birtcher Development and Investment Co., is part of the executive team of Golden Gate Homes Inc.

The newly formed Napa-based company is targeting Chinese investors as buyers of foreclosed or distressed homes.

Golden Gate's plan is to market "high-quality, distressed residential properties in exclusive U.S. markets" to international buyers, according to recent filings made with the Securities and Exchange Commission.

The company's initial focus will be marketing distressed homes in California. Officials expect that most of its buyers will be based in China and other parts of Asia.

Golden Gate said it already has a marketing agreement in place with Premier Capital Ltd., a Hong Kong-based real estate brokerage that's one of China's largest sellers of properties throughout the world.

In addition to marketing distressed homes, Golden Gate eventually could begin buying some properties on its own to resell to the same foreign target market.

The upstart company says it's currently looking to raise up to \$20 million to help fund its business. It hopes to begin operations in earnest in a few months.

The company hopes to keep its operations running once the local real estate market improves. When that happens, Golden Gate said it plans to work with select builders to pre-sell a percentage of new development to foreign investors.

Golden Gate also said it eventually expects to have opportunities to sell commercial properties to Chinese investors—a line of business more in tune with Birtcher Development's past work.

Birtcher is behind the development of buildings such as Irvine's Lakeshore Towers, Santa Ana's Xerox Center and Costa Mesa's South Coast Home Furnishings Center.

The company's also behind the largest industrial project currently under way in Orange County: the 375,000-square-foot warehouse and headquarters of Anaheim-based grocer Northgate Gonzalez Markets.

Golden Gate's other two owners include Steven Gidumal, who controls New York-based distressed investment company Virtus Capital LP, and Tim Wilkens, a Napa-based real estate developer whose Great Western Holdings Inc. counts a partnership with hotel chain Wyndham Worldwide Corp.

Birtcher serves as president of Golden Gate Homes, while Gidumal is chairman and Wilkens is chief executive. They each own one-third of the company.

## **Public Co.**

Golden Gate's already a publicly traded company, but barely.

Birtcher and his two partners recently paid a little more than \$300,000 to buy about a 97% stake in shell company Houston-based JK Acquisition Corp. that trades on the Bulletin Board exchange. They're in the process of getting the company renamed as Golden Gate Homes.

JK Acquisition went public in 2006, raising nearly \$80 million in its initial public offering. But when Birtcher and his partners took over the company earlier this year, the company's value was less than \$500,000.

The company was formed as a special purpose acquisition company, a popular blank-check vehicle that's structured to have a two- or three-year life span, when the company can use its money raised to take a privately held company public via a reverse merger.

JK Acquisition was never able to complete a merger and returned its IPO proceeds to shareholders last year. But rather than close shop, the company's former executives opted to keep the company alive as a shell company, before Birtcher and his team acquired