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Red Star developer files bankruptcy

San Francisco Business Times - by [Mavis Scanlon](#) East Bay Business Times

1396 5th St. LLC, a company organized to develop the site of the former Red Star Yeast factory in West Oakland, has filed for bankruptcy protection.

The LLC, a partnership of San Francisco developers Allen Curtis Eisenberger and Jabari Herbert, who until last year was the executive director of the Alliance for West Oakland Development, filed for Chapter 11 protection from creditors in the U.S. Bankruptcy Court of San Francisco.

The Oakland company listed assets of \$4.8 million, including real property of \$3.9 million, and nearly \$3 million of debt, court papers show.

The company named **Community Bank of the Bay** as its largest secured creditor, with a claim of more than \$1.6 million. The claim stems from a May 2005 loan Community Bank of the Bay made to the LLC. In fact, Community Bank of the Bay on March 9 sold off the loan, which was in foreclosure, to **Red Star Properties LLC**, an Oakland company formed last week.

Other secured creditors include Dana Ansari/Kunst Trust of Larkspur, owed \$425,000, the Sadegh Panahi Trust, also of Larkspur, which is owed \$330,000. Ansari is also listed individually, with a secured claim of \$100,000. Ansari, the Kunst Trust, and Panahi had all invested in the proposed development for the former factory site, the **Red Star Housing Development**, which is part of a larger development concept for the area near the West Oakland BART station - the Mandela Transit Village. The Alameda County Tax Collector, owed more than \$28,000, is also listed as a secured creditor.

The largest creditors holding unsecured claims are Banta Architects of Emeryville, owed \$234,000, and the San Francisco-based environmental services firm **Treadwell & Rollo**, which is owed more than \$43,000.

When reached by phone on Thursday, Eisenberger said the LLC is very close to "bringing this project together." The bankruptcy was a timing issue, he added; the LLC is awaiting construction funding, part of which will go toward satisfying creditors. But in order to obtain construction funding, the company needs an environmental clearance from Alameda County, which Eisenberger said could come through in the next 30 days.

The March 13 filing stalled a foreclosure sale of the property, at 1396 5th St., which was scheduled to take place at 12:30 p.m. Thursday.

Two of the project's investors were interested in buying the property out of foreclosure to protect their own interests, said Eisenberger, who added he has invested about \$600,000 of his own money in the project.

Some of that cash was borrowed, however, which led to further legal troubles for Eisenberger. In early February, Eisenberger was sued by Greater Bay Bank N.A. for nonpayment of a \$500,000 loan. Eisenberger borrowed the money from **Golden Gate Bank**, which is now part of Greater Bay. Eisenberger said he is negotiating with Greater Bay's attorneys, and plans to repay that loan when he receives the construction funding for the Red Star project.

Patricia Lyon, a lawyer at **French & Lyon** who is representing Greater Bay, declined to comment.

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