





Interview with Gordon Brothers' New CEO

NORMA KUNTZ

In December, Gordon Brothers announced that Norma Kuntz would be appointed CEO of the company, effective February 13, 2023. Ken Frieze and Michael Frieze will continue to serve the company as chairman and chairman emeritus, respectively.

Kuntz joined Gordon Brothers as its president and chief operating officer in June 2022 and quickly demonstrated her readiness to lead the firm. Prior to Gordon Brothers, she served as the chief operating officer and chief financial officer of global private equity at The Carlyle Group. Her nearly 25 years of financial services industry experience includes global roles within private equity, asset management, alternative investments and valuations, positioning her well to lead a multi-disciplinary global firm poised for growth.

BY MICHELE OCEJO

Could you tell us a bit about your career trajectory?

I started my career at Arthur Andersen in public accounting and had wonderful experiences there, including meeting my husband. I worked predominantly with public company clients in the financial services and high-tech sectors and on numerous transactions. When Andersen was melting down, we decided to move from Boston to Washington, D.C. and I fell into alternative investing, including private credit and private equity. I initially went to work for a business development company called Allied Capital as the director of SEC Reporting. Based on my public company background, I did a lot of capital raising for the firm including numerous rights offerings, built new operations and fueled the company's growth. While Allied was predominantly focused on mezzanine lending, the company had also moved into real estate, private equity and structured securities, so it was an extremely interesting and expansive opportunity.

I spent about 10 years at Allied and was chief valuation officer when Allied was acquired by Ares Capital. I went to Ares for a short period of time, but I was a new mom so I was working part time trying to figure out what I wanted to do—determining if I was going to work full time or stay home and how I was going to handle that balance. Ares Capital is based in New York, and I was still living in D.C. at the time when the opportunity to go over to Carlyle as CFO for the Asia private equity platform arose.

Carlyle convinced me that it was a great fit for a new mom because I could work early in the morning and be home for bath time and bedtime and then work again in the evening if I needed to, which turned out to be true—it's just that I worked basically 24 hours a day. But I didn't generally miss bath time or bedtime so that was good! It was amazing timing in that Carlyle is an extremely entrepreneurial organization and was building out the Asia business. I was able to take everything that I had learned in my previous roles and apply it to something very different and in many ways groundbreaking. Between the multiple cultures, deal structures and jurisdictions, I was always learning and adapting and I loved that piece of it. I took over all of the emerging markets and built a fabulous team overseeing the fund management for the regions including, closing acquisitions and sales, raising capital and overseeing the financial operations.

I was very lucky at Carlyle. I held a variety of roles, worked very closely with the founders and the executive leadership team, built world-class teams and when I left I was the COO and CFO of private equity, which had about \$300 billion of assets under management at that time. The opportunity at Gordon Brothers piqued my interest because it is a large global company with a deep breadth of expertise within many different businesses. Ken Frieze was looking for someone to come in to build on his great leadership and take the company to the next level, which I thought was exciting. And a lot of what I had done at Carlyle was to build and knit together a large global enterprise making the different components work more closely together and leveraging the strength of the entire organization, so it seemed like a great fit.

You'll be CEO of Gordon Brothers when this interview prints. Could you tell us a bit about your short and long-term goals as CEO?

One of the things that is most exciting about Gordon Brothers is that we have such deep expertise in so many different areas, which we bring together to help our clients and partners. We can lend to them, appraise their assets, buy their assets, dispose of their assets, advise them on leases and more. Gordon Brothers can tailor the solution to meet our partner's specific needs across multiple industries and geographies.

I see huge opportunity for Gordon Brothers to work more closely with companies directly in both the retail and industrial sectors to help them navigate the current market conditions, and in so doing build and broaden Gordon Brothers' core strengths. And the great thing is that we have the ability to leverage all of our expertise to provide bespoke, integrated solutions. For example, we can bring our retail team together with our capital team and real estate team to help a company solve multiple problems at any point in time.

Ken Frieze, who is the current CEO, had said in one of the press releases that the firm is accelerating the pace of growth, could you expand on that a little bit?

Over the past about year and a half, we have reengaged in our lending business in a meaningful way. One of the key opportunities we have is the capital that we can put behind our clients. We can support both the lender community and companies directly in navigating situations that are a little bit tougher to traverse when there are assets involved. We can help with our appraisal expertise and with execution on selling assets, but we can also lend into those situations and help companies bridge the gap.

The world is changing very quickly and having a partner with creativity and flexibility that truly understands what your assets are worth and how to maximize the value of those assets is critical.

What do you think are the biggest challenges facing the appraisal industry right now and what industries do you think will see the most volatility in 2023?

There are a lot of challenges across industries right now, starting with the fact that the market moves very quickly and it is always a challenge to understand what is driving volatility and keep up with what is happening. You have to stay on top of what trends are coming, how your assets are impacted, how your footprint will be impacted, etc. I believe that's where Gordon Brothers truly stands apart. Because we work closely with so many companies through our appraisal and disposition businesses, we have a very good understanding of what's actually happening on the ground.

Talent is another challenge. All industries are facing a talent shortage. One of the great things about Gordon Brothers is that we are 120 years old. We have a very tenured, stable team of people who really know what they're doing. And I think that is an advantage for us not only in this market, but in any market.

What do you foresee in '23 as far as supply chain effects on the industry?

We are definitely starting to see easing in the supply chain. Many companies are resilient, but management teams are also getting much more adept at moving with change quickly. Some of the more recent issues we have seen are actually because of companies adjusting too quickly, building inventory for a spike in demand and then the demand pivots very quickly, leaving companies with too much inventory for that type of product.

But on the supply chain side we are certainly seeing that start to ease and trends are moving in a positive direction, which is obviously good for the economy.

Considering ongoing inflation and this recession that is forever looming, how is Gordon Brothers helping lenders with the impact on their collateral?

Through information and communication. It's been so interesting for me getting to know the team and understanding how they analyze each client's situation. We can all look at a spreadsheet with tons of SKUs on it, but I can't necessarily discern something from just looking at the data. However, when you talk to our asset experts they really can find the needle in the haystack because they have seen these cycles and they know how the discounts are going to work or how holding the inventory is going to work. They know all the tricks to help manage through each cycle.

We partner with clients throughout the entire business life cycle, not just at their end of life, which people generally associate with dispositions. On the appraisal side we are actively communicating with our clients. We are proactively reaching out around the trends that we are seeing and their impact on asset values, and consulting on areas the client may want to re-evaluate in the current market.

We work with lenders to help the companies optimize their portfolio, and we can also help the companies directly. Because of our depth and breadth of experience, we have a

lot of creativity in the firm. When we get into market situations like this, our ability to rapidly deploy tailored solutions to meet company's individual needs is an extremely valuable tool that we bring to the table.

What advice would you give to women just coming up into the industry seeking a C-suite role?

I would say to anybody, male or female, just be true to yourself and do the best job that you can. Don't try to be something that you aren't. I always say that I'm a wife and a mom, and I'm also really good at my job and I truly enjoy what I do. You can be all of those things, but don't constantly second guess yourself. Just give yourself grace, surround yourself with outstanding teams, focus on what you're good at and do a great job. The rest will follow.



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What do you enjoy doing when you're not working?

Absolutely be with my family. I have a 13-year-old son and I love to spend time with him. He loves Marvel, so if you have any questions about any superhero, I can probably answer them. He also loves music—we all do. We just went to see Billy Joel, who is his favorite, and we are constantly going to concerts. He would

like to be a rock star when he grows up and I look forward to sitting in the front row at his concerts! 🎵

Michele Ocejo is editor-in-chief of The Secured Lender and director of communications for SFNet.