

Legg Mason Alum Launches Shop

A former **Legg Mason** executive has set up a high-yield shop that will focus on the acquisition of multi-family and hotel properties.

The company, **Pendo Investments** of Manhattan Beach, Calif., is headed by **Brian Buchhagen**, who resigned a few weeks ago from **Latitude Management Real Estate Investors**. Los Angeles-based Latitude is the successor firm to fund operator Legg Mason Real Estate Investors, which Buchhagen co-founded.

Joining Buchhagen at Pendo are two other ex-Latitude staffers, **Matthew Kardos** and **Clark Perkins**. Pendo will likely look to hire several analysts next year as the operation grows.

After building an acquisition track record, the company plans launch a series of value-added commingled real estate funds.

Pendo, which means "to value" in Latin, has already lined up roughly \$75 million of equity from three backers, including **TM Cobb Cos.**, a manufacturer of housing materials. The family behind TM Cobb and its affiliates has been a longtime investor in vehicles run by Legg Mason and Latitude.

Pendo will target properties valued from \$5 million to \$50 million. It could also team up on larger acquisitions with established fund operators, possibly including Latitude. Buchhagen said his departure from Latitude was amicable, adding that Pendo's initial capital could generate more than \$250 million of transactions, including leverage and capital from third-party partners. Most investments will target a 13-16% return.

The company will look primarily at transitional hotel and apartment properties, while also considering other asset classes. Its geographic focus is the West and Southwest, particularly gateway cities and distribution hubs.

Buchhagen co-founded the Legg Mason fund operation with **Glenn Sonnenberg** and **Chip Sellers**. In 2008, they undertook a management buyout, renaming the operation Latitude. Buchhagen was a managing director at Latitude, which is currently seeking to raise \$300 million of equity for a high-yield-



debt fund called LM Real Estate Capital 3. His primary duty was overseeing the origination of commercial mortgages.

Buchhagen previously had stints with **Morgan Stanley's** real estate funds operation, **Prudential Mortgage Capital** and **ING**.

Kardos was a vice president at Latitude and its predecessor for six years. Perkins was an associate vice president and previously worked in acquisitions for **KB Home** of Los Angeles. Both reported to Buchhagen. ❖