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From the July 21, 2000 print edition

#### **Real Estate Notes**

### **Investors make first move to buy out local REIT**

[Matt Monroe](#)

An aggressive New York investment fund is targeting an Atlanta real estate investment trust for a takeover.

Having purchased 49,000 shares, or around 0.4 percent of Jameson Inns Inc. (Nasdaq: JAMS), the Allied Owners Action Fund -- an affiliate of Internet investor forum eRaider.com Inc. -- has selected the Atlanta hospitality trust as its third subject for a corporate takeover since it was founded in March.

ERaider officials hope to rally shareholders with the Web site to help increase the company's stock value.

Jameson Inns owns 114 motels that carry either the Jameson Inn or Signature Inn names in midsized cities and college towns throughout the Southeast and Midwest.

ERaider co-founder Aaron Brown said that Jameson Inns has a solid portfolio in great markets, but that the [REIT's](#) stock is undervalued because some investors are scared by how Jameson Inns awards contracts.

Thomas Kitchin is chairman and CEO of the REIT, which contracts management services and all motel construction with Kitchin's own private firm, Jameson Hospitality.

Brown and company believe investors have turned away because it appears that by awarding his company contracts with REIT money, Kitchin is engaging in a "conflict of interest."

But Kitchin doesn't take the Allied move as a threat.

"We really don't think they are a buyout company," he said, adding, "I don't vote on matters where there's a conflict."

Kitchin said that, because he has a vested interest in the properties he develops and manages, investors trust him to make smart judgments.

Jameson's stock hit a high of \$13.50 per share in December 1996, but the price has declined since then. It closed at \$8.25 per share on July 14, the day that eRaider.com posted the Allied takeover initiative. After eRaider.com issued a press release, the stock price closed at \$10.75 on July 17.

Kitchin said Allied is looking to drive the stock price up and turn a quick buck.

But Brown denied this claim. He said Allied is looking for long-term investments.

Allied's two other planned takeovers, which have not closed, are for Employee Solutions, a human resources services firm, and Comshare, a data software producer and distributor.

As of Tuesday July 18, Kitchin said Allied had not formally contacted him.

**SMART DESIGN.** As Georgia Tech moves into the next century with its massive Midtown expansion, it is sure not to forget its past.

Atlanta's Lord, Aeck and Sargent Historic Preservation is performing an architectural survey of the Georgia Tech campus. The project will supplement a survey completed in 1992 that identified buildings constructed from the school's 1888 founding through 1942. Georgia Tech wants to be able to preserve important historical buildings as it moves forward with its \$148 million expansion across the Downtown Connector.

Lord, Aeck & Sargent has worked on a number of historical and educational design projects, including the blueprint for Georgia State University's new \$25 million classroom building now under construction.

"With the burgeoning Atlanta economy, it's been quite an engine for growth in the design industry," said Tony Aeck, a principal with the firm. "The tremendous growth in education should continue over the next decade."

And not just in Atlanta.

Lord, Aeck & Sargent will open an office in Michigan this year.

**BUSTIN' AT THE SEAMS.** Fleishman-Hillard International Communication Inc.'s Atlanta office is outgrowing its digs at Peachtree Center's Harris Tower, where it has been since 1989.

The public relations firm has doubled its staff from around 25 last year to about 50 this year, and has grown from 10,000 square feet to nearly 16,000 square feet, an entire floor at Peachtree Center.

Because the floors above and below Fleishman's fourth-floor offices are taken, expansion at the current rate would likely force the firm to spill over onto a noncontiguous floor, said Karen Kaplan, partner and senior vice president of Fleishman-Hillard Atlanta.

**HEALTH-CARE PROPERTY.** Nashville, Tenn.'s Medical Properties of America has acquired a six-story medical office building at 755 Mount Vernon Highway in Sandy Springs for \$18.9 million.

The 104,000-square-foot building near Interstate 285 and Georgia 400 was formerly owned by a group of physicians.

Medical Properties targets urban health-care-related real estate in the Southeast, Mid-South and Mid-Atlantic.

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