

play METER

"The Operators' Choice"

August 2013



At TreePaad's reopening ribbon cutting.

The kitchen after the fire.



Rebirth after a fire



**The challenges
faced and lessons
learned after a dev-
astating fire closed
TreePaad Fun Center.**

How many people can say they are really prepared for a disaster or accident, natural or otherwise? You probably have business liability insurance and perhaps an inventory of your assets in your accounting records. However, as the owners of TreePaad Fun Center learned, the challenges faced to get their center reopened after a devastating fire, were more than they

could have ever anticipated.

On August 9, 2012, TreePaad Fun Center, a 25,000-square-foot family entertainment center (FEC) in Malta, N.Y., was closed due to a fire that broke out in the kitchen. Owners Patti Garrand and Candy Cross later learned that the fire was deliberate, although nine months later the suspected arsonist is still in custody and awaiting trial.

It took just 20 minutes for the responding fire companies to extinguish the fire, but the kitchen and restroom suffered a complete loss in that short time. The smoke, due to the materials burned, contained a variety of chemicals that are considered corrosive and caused significantly more damage than the fire itself.

Anything with circuit boards or electrical contacts can be affected, including computers and arcade games. The chemicals are also absorbed into 'soft' surfaces like wood, foam, carpet, plastic, etc. So, ultimately, it was almost a complete loss for the center.

THE CHALLENGES

Due to the suspicious nature of the fire, Patti and Candy were locked out of the building and unable to return for 45 days. The contents sat, covered

in corrosive soot and water, through the heat of August with no power or air conditioning; creating an even more aggressive environment for chemical damage.

During that time, 19 investigators worked non-stop, but shared very little information through the process. Due to the potential for subrogation or a third party to be at fault, Patti and Candy were not allowed to talk to anyone except the insurance adjuster. Once arson was ruled, subrogation was no longer an issue and everyone became responsible for their own losses.

Unfortunately, during that time, they were unable to communicate with the landlord or anyone else to get things moving and start the process of cleaning up. In addition, with no access to the building, they could not get to their checkbook, payroll records, data or

anything associated with the business.

Just a week after the incident, their insurance carrier cancelled their policy. Their agents, Ric and Lynne Maylott of Northeast Insurance Center, worked for months to find another company to insure them.

"Thirteen companies rejected us," said Garrand. "If we didn't have such a good relationship with Ric and Lynne, I am not sure we would have insurance and be open today. They called and checked on us and held our hands through the whole process."

In addition, the landlord had to rewire all the electric in the building, put in new fans and air exchangers, and update the fire alarms. After a fire, any construction is considered to be "new" and the building needs to be brought up to code. Total losses were close to \$2 million.



A birthday party celebrated in the renovated facility.

Initially Patti and Candy attempted to inventory all the contents and damage, but soon found themselves overwhelmed both emotionally and otherwise.

“There is an emotional process to go through and the paperwork takes weeks,” said Garrand. “Even paper clips need to be itemized. When you are looking at a big dark building with no power, it is hard to figure out what you had. You know you had a rock wall and a fort, but do you know you had the extension, the mats, the ropes, the handles? You can’t get back what you don’t know was there.”

They eventually hired a public adjuster, which took a huge amount of stress off of their shoulders.

“A public adjuster has access to so much more information and data than we do,” explained Garrand. “And they have their own forensic accounting firm to substantiate what they claim. Plus, it was getting difficult for us to see all of our stuff going out in piles to the trash.”

At this time, the insurance company has finally settled the content claims, but the business income claim that amounts to about \$450,000 of the losses, has not yet settled. This is still going through the forensic accountant’s review process.

PROVING DAMAGES

When it came down to actually working with the insurance company for payment of claims, Patti and Candy had a whole new set of challenges to face. In order for the insurance company to agree to pay for the games that were damaged, it fell upon the owners to “prove” the games incurred irreparable harm. Initially the insurance company insisted that cleaning the games would be adequate and there was no need to replace them.



TreePaad arcade after the renovation.

Alpha-Omega Sales acted in a consulting role for TreePaad, providing expert statements regarding the effects of smoke, high heat, and humidity on a video/redemption game. Alpha-Omega also took the 16 games back to its warehouse in New Jersey to assess the damage and provide a detailed explanation of the extensive process that would be necessary to clean and test the games.

“Joseph Camarota and everyone at Alpha-Omega were incredible when dealing with the insurance issues,” commented Garrand. “They went above and beyond with giving us loaner games and technical advice and support to respond to the insurance company’s demands.”

At one point, the insurance company arbitrarily determined that half of the games would be replaced and half could be cleaned, although all the games were subjected to the same level of damage. Alpha-Omega ended up sending two crews to New York on two different trips. The first to set up half of the games that were now

approved for replacement and again to set up the other half when it was finally deemed that the units could not be cleaned nor guaranteed that they would work.

“After working with TreePaad for several months to get this issue resolved, it was a great experience to witness the resolve and patience that Patti and everyone at TreePaad exhibited,” said Camarota. “It amazed me at times to hear the laundry list of items the insurance company was fighting, but Patti never wavered and trusted in the system that she believed would eventually allow TreePaad to re-open and come out better in spite of this unfortunate situation.”

The Fort Ballocity and laser tag arena required extensive refurbishing in order to eradicate the smoke damage. The fort had to be stripped down to bare metal and all the soft materials replaced. PrimePlay spent countless hours going over blue prints to make sure TreePaad had all the right parts and pieces when it was time to put it back together.

Lazer Runner re-skinned the laser tag vests and refurbished the equipment in time for re-opening even though the insurance company had not yet paid. TreePaad hired a local airbrush artist, Tim Belden, to design a new theme in the arena.

In addition to replacing or refurbishing TreePaad's content, walls needed to be scrubbed then repainted, carpet removed and replaced, lifts brought in to clean all the beams and rafters. Special chemicals had to be sprayed into the rafters so no smoke smell could later escape. Quick Response, a restoration company, spent several months bringing the location back to its former state.

"Quick Response was amazing and worked diligently to get us cleaned up," said Garrand. "But more than that, they kept us going when we were discouraged and gave us hope."

THE COMMUNITY

Garrand shared, "We have truly learned how important relationships are and how important people are in your lives. We came to realize that a business isn't just a business, it's a part of the community and, when something bad happens, people are there to help."

The process proved to be tough on everyone and created undue tension between TreePaad and the landlords. The insurance process and initial subrogation issues can create an environment of mistrust, yet everyone managed to be supportive and, through it all, Howie and Sue Charbonneau, the building owners, have remained good friends.

In the end, it was their staff and their customers who pulled them through. From the hundreds of posts on Facebook to the offers of help to paint and clean up coming in daily from their staff, guests, and even their bankers; support poured in from the community.

In two instances, birthday parties that were scheduled for August, asked to be rescheduled as soon as the facility reopened, which ended up being six months later. The children didn't care; this was where they wanted to hold their parties and they were willing to wait.

One of Patti and Candy's biggest concerns was the staff who were left without jobs during this time. This was a major factor that kept TreePaad's owners from walking away and just closing the doors for good. In the end, all but two of the staff members re-

turned to TreePaad when it reopened.

"We feel very lucky," stated Garrand. "We are back and stronger than ever. Our staff is here with us and we are updated throughout. Business resumed just like we were never closed. The thought had crossed our minds about walking away, but you talk to all the kids and key staff who want their jobs back and you realize that this is your family and this is what you know."

TreePaad thanked the responding fire crews by holding a free night for them and their families. They did the same thing for the Quick Response team and their families as well.

LESSONS LEARNED

Garrand said, "I honestly believe, as horrible of an experience as we went through, there are some great lessons here and some great information. Candy and I have made it through this and are still smiling. When a lot of people ask why we rebuilt, we simply ask them to look around. We did it for our staff, for our customers and for our families."

She added, "We all love TreePaad and we didn't want an unfortunate incident such as arson to bring all of that to a crashing halt. It was one of the hardest things we have been through, but we would like to think that the people we have met through this and the support we received from everyone has made it all worth it. Now that it is all over and we are moving forward, we are hoping to help others learn from what we didn't know."

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LESSONS LEARNED *by Patti Garrand*

1. Always keep a backup of records/files at your house or use a remote backup server. Also keep a supply of checks, deposit slips, etc. We had to go 45 days until we could access our data and computers. Due to the extensive soot in the building, all of our computers were deemed unusable and we had to go through extensive data recovery.
2. Take a video copy of your assets and property, its memory is better than yours.
3. Keep a running inventory. Update it at least once a month, with serial numbers, makes models, and where you bought it.
4. Read and understand your insurance policy; don't wait until you need it. Discuss your policy with your agent and ask questions if you don't understand something.
5. Hire a public adjuster early and let them do the work.
6. Accept help, people are genuine. Don't try to do it all yourself.
7. Don't be afraid to let your staff and customers know what's going on.
8. Keep lines of communication open.
9. Install a lock box outside your building that is accessible by your local fire chief. This way, they can get into the building and possibly save further damage by not having to 'break' the windows and doors to allow smoke to escape.



TreePaad during cleanup. Piles of debris to be taken out.

Garrand concluded, "When something like this happens, you will go through stages of anger, resentment, and frustration, but in the end you realize how lucky you really are. Don't stay angry; it takes too much effort to be angry and it's very unproductive. move on and do what you do best!"

TreePaad reopened unofficially on February 19, 2013 and held their official ribbon cutting on May 2, 2013. For more information, visit www.treepaad.com.

Written By



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