



1700 Farnam Street, Suite 1500 – Omaha, NE 68102 – 402.344.0500 – www.bairdholm.com

FOR IMMEDIATE RELEASE

Favorable Decision Obtained by Baird Holm Creditor's Rights Team

October 15, 2025 (OMAHA, Neb.) - Baird Holm is proud to announce the successful completion of its representation of a private lender client who was finally repaid more than \$45 million on a busted \$26 million construction loan after an extended period of default by the bankrupt borrower. Baird Holm's team, led by Baird Holm partner and global distressed asset monetization specialist, [Jeremy Hollembeak](#), achieved this positive outcome for its client through a combination of strategic litigation and deal-making. Click [here](#) to access a copy of the Alabama Bankruptcy Court decision approving the transaction and continue reading below for more detail.

In 2022, Baird Holm's client ("DIP Lender") had advanced \$26 million of debtor-in-possession financing in the Chapter 11 bankruptcy case of a residential real estate developer ("Debtor") to fund the Debtor's development of 1100 raw acres in coastal North Carolina into 2500 permitted lots ready for new, upscale homes. In 2024, when development stalled and the Debtor could not repay the loan, DIP Lender called upon Baird Holm to get it out of the situation on the best possible terms. Over the next 13 months, Baird Holm's team deployed a strategy to enhance and protect DIP Lender's collateral rights, keep competing creditors at bay, and ultimately force the Debtor to obtain sufficient refinancing to repay DIP Lender the full principal amount of the loan plus an additional \$19 million in accrued interest and fees.

According to [Hollembeak](#), Baird Holm proactively drove this highly positive outcome for its client through a combination of strategic litigation and deal-making:

"Once we called a default and the Debtor's original refinancing plans fell through, we brought actions in the Alabama bankruptcy court last November to establish the first priority of our client's DIP lien against the development property and unwind the transactions by which the Debtor had granted competing liens without DIP Lender's knowledge or permission. We then settled with competing lienholder-defendants in exchange for subordination agreements which enabled us to commence a non-judicial foreclosure action against the property in North Carolina. Meanwhile, we continued prosecuting liability claims the Debtor and certain insiders, even as they pursued new refinancing opportunities. Baird Holm's actions on behalf of the DIP Lender were instrumental in forcing the Debtor to urgently pursue these opportunities at its maximum borrowing capacity. In turn, this minimized the repayment discount DIP Lender was forced to take to enable the Debtor to refinance the loan as an alternative to DIP Lender spending the next several years earning back its investment through collateral liquidation and expensive litigation. Ultimately, on the eve of DIP Lender's foreclosure sale, the Debtor closed on a refinancing transaction that returned \$45.3 million to the DIP Lender, representing 100% of its original investment and 80% of its accumulated interest and fees."

This outcome is not only a positive result for Baird Holm's client but also highlights the depth of experience and geographic reach of Baird Holm's Creditors' Rights team. According to [Hollembeak](#),

"Our team represents both national and international lenders and distressed investors in complex workouts and transactions across the United States. Our attorneys are admitted to practice in

numerous key jurisdictions for bankruptcy and commercial activity across the country, and work collaboratively with local counsel when necessary for litigation before other state and federal courts. And we were recently recognized as one of the top fifty-five U.S. law firms providing the highest quality client-service alongside Biglaw firms that charge materially higher hourly rates.” Find more information [here](#).

If you would like to learn more about Baird Holm’s Creditors’ Rights team or other practice groups, please visit our website at www.bairdholm.com.

About Baird Holm LLP

Baird Holm LLP’s integrated team of 100 attorneys, licensed in 21 states, is committed to connecting each of its valued clients to the positive outcomes they seek. With extensive and diverse expertise, Baird Holm leverages each attorney’s skills to respond efficiently to its clients’ local, regional, national, and international legal needs. For more than 150 years, Baird Holm has proudly represented public and private companies, individuals, private funds and other investors, financial institutions, governmental entities, and nonprofit organizations. Learn more at www.bairdholm.com.

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