

MORT FALLER AND STEVE METZ OBTAIN CONFIRMATION OF SECURED CREDITOR'S PLAN IN CONTESTED CONFIRMATION HEARING REGARDING COMPETING CHAPTER 11 PLANS

April 8, 2009

Mort Faller and Steve Metz, partners in the Firm's Bankruptcy and Creditors' Rights Practice Group, recently obtained confirmation on their secured creditor client's Chapter 11 plan, filed jointly with the debtor, in a contested confirmation hearing with a competing plan filed by an investor, in the United States Bankruptcy Court for the District of Maryland. After purchasing a \$5.5 million loan in 2006, which was secured by approximately 140 acres of unimproved land in St. Mary's County, Maryland, and which was under contract to be sold for more than \$26 million at one time, the borrower defaulted and filed bankruptcy to stop the client's foreclosure sale. Ultimately, an investor filed a plan proposing to pay a portion of the client's claim up front, with the remaining balance to be paid several years later only after litigating over the client's claim. On behalf of the client, Shulman Rogers filed a competing plan, proposing to transfer ownership of the valuable real estate to the client and terminate the litigation over its claim. After a three day contested confirmation hearing, the Bankruptcy Court denied confirmation of the investor's plan and confirmed the client's plan, enabling the client to take title to the valuable real estate and conclude the litigation over its claim.

ATTORNEYS

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PRACTICE AREAS

Bankruptcy and Creditors'
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