

WALL HOMES INC. FILES CHAPTER 11 BANKRUPTCY



The tough economic times have wreaked havoc for a noted home builder in San Antonio.

Wall Homes Inc. announced late last week that it had filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court in the Northern District of Texas, Dallas Division.

In addition, **Wall Homes Texas LLC**, which is listed as a subsidiary of Wall Homes Inc., has also filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. That petition was also filed in the U.S. Bankruptcy Court in Dallas.

According to court filings, Wall Homes Inc., a Delaware corporation, was established in 2005. Wall Homes Texas was formed in 2006. Over the next several years, this “collective operation” developed, constructed and marketed single-family homes in nearly 50 neighborhoods in Austin, Dallas, Fort Worth, Houston and San Antonio, the court pleadings state.

Wall Homes Inc. is the 100 percent owner of Wall Homes Texas.

Court documents show that Wall Homes Inc.’s two largest creditors are New York-based **Warburg Pincus** — under the name Warburg Pincus Private Equity VIII LP — and Jen I LP.

Warburg Pincus owns 73.11 percent of Wall Homes Inc.’s outstanding common stock and 81.55 percent of the firm’s outstanding preferred stock, court pleadings show.

Jen I owns 12.9 percent of Wall Homes Inc.’s outstanding common stock and 14.39 percent of the company’s outstanding preferred stock.

As part of the bankruptcy proceedings, the two debtors have filed to have the two cases jointly administered and designated as complex cases. The motion would allow for a single general docket for each debtors’ case, while also allowing both debtors to save time and money on administrative tasks, including legal motions and orders and notices.

In its bankruptcy petition, Wall Homes Inc. states that its estimated number of creditors stands between 200 and 999 entities. The company lists its estimated assets as being between \$500,001 and \$1 million, and its debts as ranging between \$10 million and \$50 million.

The subsidiary Wall Homes Texas lists its estimated assets as ranging between \$100 million and \$500 million, and its liabilities as ranging between \$50 million and \$100 million.

Wall Homes Inc. has also filed papers with the bankruptcy court that would enable the firm to ensure that those buyers purchasing homes after the bankruptcy filing will still be able to obtain clear title to those homes.