

Eastern Band of Cherokee Indians

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Brooks Pierce partners John Small and Howard Williams recently represented Kituwah LLC, a company owned by the Eastern Band of Cherokee Indians in its \$5.8 million purchase of Cardinal Homes. The tribe is hoping the acquisition will both diversify its income and help provide quality, affordable housing for its members.

Cardinal Homes, a modular building manufacturer based in Wylliesburg, Virginia, invested heavily in equipment upgrades and renovations before the housing market crash in 2008. Though it survived the recession, the company struggled with the expenses of the loan and ultimately filed its own bankruptcy reorganization case in late 2019 in an effort to sell the company as a going concern. Kituwah provided loans to Cardinal Homes in the bankruptcy case to enable it to continue operations. Kituwah was one of 40 companies that expressed interest in Cardinal Homes, and was selected as the buyer by Cardinal Homes both because of its high offer but also its commitment to operating the company long term. The Bankruptcy Court approved the company's asset sale to Kituwah. Brooks Pierce represented Kituwah in its capacity as lender to Cardinal Homes and as purchaser of its assets.

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