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Homebuilder TOUSA files plan to emerge from bankruptcy

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Homebuilder **TOUSA** Inc. says it has filed a plan of reorganization with **U.S. Bankruptcy Court** for the Southern District of Florida in Fort Lauderdale.

The Hollywood, Fla.-based company builds homes in Austin under the **Newmark Homes**, **Trophy Homes** and [Fedrick, Harris Estate Homes](#) brands.

TOUSA (Pink Sheets: TOUSQ) said in a statement that it has worked for nine months to restructure its operations in what has been a difficult market.

The plan includes a substantial reduction in debt obligations, which will allow the company to emerge from Chapter 11, which President and CEO John Boken says will give the company a "stronger balance sheet and greater financial flexibility that will position TOUSA to compete effectively in the industry and to continue to deliver quality homes to our customers."

The plan calls for the conversion of more than \$200 million in second lien debt to equity, and extinguishes more than \$1.6 billion in bond debt and \$600 million in other unsecured obligations.

The plan consists of separate Chapter 11 plans for each of the companies 39 debtor entities. However, the plans for the majority of the debtors provide for identical treatment for similarly situated classes of creditors, the company said.

TOUSA filed voluntary petitions for Chapter 11 on Jan. 29.

Courtesy of JB Goodwin