

Cliffs' empire crumbles



FILE PHOTO

Jim Anthony, pictured here in a 2005 file photo, founded and branded a group of upscale golf communities in Upstate South Carolina and Western North Carolina. His Cliffs' properties filed for bankruptcy protection on Thursday.

Files for bankruptcy day after \$24 million Oconee judgment

BY CARLOS GALARZA
THE JOURNAL

WALHALLA — Cliffs Communities filed for Chapter 11 bankruptcy Thursday just one day after an Oconee County judge slapped the group with a \$24 million judgment to satisfy a debt.

The judgment in Oconee is almost half of the estimated \$50 million owed by the conglomerate of upscale golf course communities in the Upstate and Western North Carolina.

Judge Ellis B. Drew, Master-In-Equity for Oconee County, ruled Wednesday that investment groups associated with Cliffs Communities owe a Georgia partnership just more than \$24.2 million stemming from an unpaid mortgage loan.

Drew ordered that multiple tracts owned by The Cliffs be sold on auction to the highest bidder at the Oconee County Courthouse on March 5.

Properties to be sold include lots in The Cliffs at Keowee Vineyards and The Cliffs at Keowee Falls North and South.

Drew ruled in favor of Worthington Hyde Partners of Norcross, Ga., which filed a lawsuit two years ago against Keowee Investment Group, LLC; Keowee Falls Investment Group, LLC; The Cliffs At Glassy Inc.; The Cliffs Communities Inc. and Jim Anthony.

Worthington claimed The Cliffs group defaulted on a \$20 million loan issued Aug. 8, 2008.

As of this week, The Cliffs owed Worthington \$17.7 million on the

As of this week, The Cliffs owed Worthington \$17.7 million on the principal, \$5.8 million on accrued interest and more than \$287,000 in late fees. The Cliffs also owe more than \$215,000 in property taxes and \$194,000 in attorney fees.

principal, \$5.8 million on accrued interest and more than \$287,000 in late fees. The Cliffs also owe more than \$215,000 in property taxes and \$194,000 in attorney fees.

Worthington's attorney, Brent Young of Johnson City, Tenn.,

was surprised when The Journal called him Thursday for a reaction to the bankruptcy filing. Young said he had not been notified about the action.

SEE CRUMBLES, PAGE A5

CRUMBLES: 'I'm not a bankruptcy guru'

FROM PAGE A1

Young said The Cliffs' bankruptcy would put the March 5 property sale in jeopardy.

"I'm not a bankruptcy guru, but typically what occurs is there would be an automatic stay and creditors are asked not to take any further action until the bank-

ruptcy process works its course," Young said.

Young added that he would await a notice of the bankruptcy filing and take the necessary steps required by the bankruptcy court.

"We would take any legal steps to protect our client's interest," he said.

Young said that at Wednesday's hearing

before Judge Drew, the defendants appeared in court without an attorney. He said their attorney, Brad Rustin of Nelson, Mullins, Riley & Scarborough, recently got permission from the judge to withdraw from the case.

Anthony is the founder and majority owner of The Cliffs. It is reported

that Anthony is turning over control of The Cliffs' properties to Steve and Penny Carlile of the Carlile Group in Marshall, Texas. The successful business couple founded Home and Garden Party — a direct selling company — in 1996.

carlos@dailyjm.com | (864) 973-6685

