

Register for arkansasbusiness.com | Site Help | Contact ABPG

username password [SIGN IN](#)



Search ArkansasBusiness.com [START](#)

- [home](#)
- [news](#)
- [research](#)
- [people](#)
- [events](#)
- [jobs](#)
- [links](#)

Tuesday, August 10, 2010 12:06:20 PM

Free daily news

Sign up for daily updates from the Arkansas Business newsroom!

[GO!](#)

arkansas industry news

- [Agriculture & Poultry](#)
- [Architecture](#)
- [Banking & Finance](#)
- [Business Services](#)
- [Construction](#)
- [Education](#)
- [Energy](#)
- [Government & Politics](#)
- [Health Care](#)
- [Insurance](#)
- [Investments](#)
- [Legal](#)
- [Manufacturing](#)
- [Media & Marketing](#)
- [Nonprofits](#)
- [Public Companies](#)
- [Real Estate](#)
- [Restaurants & Food](#)
- [Retail](#)
- [Small Business](#)
- [Technology & Telecom](#)
- [Tourism](#)
- [Transportation](#)



arkansas business news story

Jim Lindsey Blazes Trail On Son's \$169.6M Bankruptcy

By Worth Sparkman
8/9/2010

Jim Lindsey has set out to systematically buy properties that were part of his son's \$169.6 million bankruptcy. The plan is to liquidate the property and pay the creditors, he said.

"I hope John David's creditors get to come out of this some way without having any loss," Lindsey said. "Our goal is to have ... protection of the banks."

Since January, through various LLCs, Jim Lindsey has purchased 99 properties valued at a combined \$20.2 million that once belonged to his son and his partners.

Jim Lindsey is the owner of three companies - Lindsey Management Co., Lindsey & Associates Inc. and Lindsey Construction Co. - and former chairman of the University of Arkansas board of trustees.

John David Lindsey is the principal broker and general manager of Lindsey & Associates, the realty sales arm. He filed for Chapter 7 bankruptcy in February, claiming less than \$10 million in assets.

Change font size a a a
[print article](#)
[read article](#)

- Subscribe To**
- [Arkansas Business](#)
 - [Nominate Greenest Office](#)
 - [Subscribe To Arkansas Business](#)
 - [Follow @ArkBusiness](#)
 - [On Twitter](#)
 - [Subscribe To NWA Business Journal](#)
 - [Register For Arkansas Economic Issues Breakfast](#)
 - [Buy NWABJ 40 Under 40 Tables And Tickets](#)



research & lists

- Book of Lists
- Trends & Analysis
- New Business Lists
- Company Profiles
- Manufacturer's Directory
- Buy 1 Year of Archive Access

OUR SERVICES

- Manage Your eNews
- Register for ArkansasBusiness.com
- Subscribe to Arkansas Business Print Edition
- Forgot Your Password?
- Requesting Reprints & Article Rights Inquiries
- RSS / XML Feeds
- Advertise Your Company on ArkansasBusiness.com
- Download the Arkansas Business Media Kit
- Download the ArkansasBusiness.com Media Kit

Jobs on

ArkansasBusiness.com

- Post a Job Listing
- Search Job Listings
- Post a Resume
- Search Resumes

Local Guides

- All Cities
- Arkadelphia
- Bella Vista
- Benton
- Bentonville
- Blytheville
- Cabot
- Conway
- El Dorado
- Fayetteville



Jim Lindsey said lenders in Northwest Arkansas have been good to him during the past 40 years of business, so he wants to reduce the overall impact of the bankruptcy.

The purchases began in earnest in early June with the organization of a group of LLCs with the Fireblaze moniker, all under an umbrella named D&G Assets LLC. Jim Lindsey said D&G stands for "David and Goliath."

Between June 1 and July 15, Fireblazes I, II and III have assumed debt on a total of 85 properties and mortgaged, or modified mortgages, on a combined \$17.57 million with three lenders - Arvest Bank, Signature Bank of Arkansas and First Security Bank.

D&G Assets, which was formed in early January, purchased 14 homes for a combined \$2.64 million on Jan. 27 - before the bankruptcy was filed - all from Harrison-based First Federal Bank.

The properties are mostly single-family homes John David Lindsey owned individually or as a partner with Kirk Elsass in L&E Equity Investments LLC. A handful of the properties are four-plexes.

Getting the Lindsey properties off the market could go a long way in helping the Northwest Arkansas economy get back on track, said Kathy Deck, director of the Center for Business and Economic Research.

"When you look at one of the great impediments we've had to economic growth, it has been uncertainty," she said. "If we can reduce the uncertainty, then we can begin to grow."

One of the biggest uncertainties hanging in the air for the first half of 2010 was tied to John David Lindsey's property. Fear and speculation that it would "get dumped on the market" worried Realtors that prices would take another dive.

Purchases like the Fireblazes' help banks settle their books and eliminate some of the fear of the unknown, Deck said.

Retiring or buying a vacation home in Arkansas?

Living in Arkansas has ideas.

Click Here For a Free Copy

arkansas business legal notices

ARKANSAS BUSINESS
BOOK OF LISTS
DIGITAL EDITION
Buy Lists as Spreadsheets

Part Partners

Kirk Elsass, senior vice president and executive broker for Lindsey & Associates, was a partner with John David Lindsey in L&E Equity Investments LLC, which owned about 60 homes.

Jim Lindsey said Elsass is "like family" and that he's taken over Elsass' stake in the homes. Jim Lindsey said Elsass would have the opportunity to get back into the investments at the same price after the dust settles - if he wants to.

Elsass confirmed that was the agreement. He was 50 percent partner, but backed the loans with a 100 percent personal guarantee.

L&E Equity is part owner of five commercial properties and one rural property. Elsass has taken possession of John David Lindsey's portion of those loans through a capital call clause, but will have to clear it with the U.S. Bankruptcy Court before it's a done deal, he said.

Elsass is grateful to Jim Lindsey for lifting his debt burden on those homes and thinks all the Fireblaze purchases have helped stabilize the market.

About a year to a year-and-a-half ago, Elsass and John David Lindsey started to talk with Jim Lindsey about their precarious position. And for about six months prior to the bankruptcy, Jim and John David Lindsey worked to avoid a bankruptcy, Elsass said.

In the end, it was inevitable, but groundwork had been laid for some of the Fireblaze deals.

"He basically had the deals done prior to the bankruptcy," Elsass said, "but they wanted to make sure the courts reviewed it."

It makes sense that at least a gentleman's agreement had been reached. In March, the trustee filed a motion to employ Lindsey Management Co. as the rental agent on John David Lindsey's rental properties.

Price is Right

Another view expressed by some in Northwest Arkansas is that Jim Lindsey is taking advantage of his son's bankruptcy to profit.

An examination of a couple of the transactions doesn't necessarily bear that out.

The difference between the original 2007 loan on 57 homes mortgaged by First Security Bank and the modifications made in July is about \$273,000 (in favor of Jim Lindsey). That doesn't account for any equity in the property, but it's not a wild swing south.

"He was willing to help people out, but not at '07 rates," Elsass said. "That would've been financial suicide."

Deck throws in a nugget of optimism: "The folks who buy these homes are buying them at a price that they think they can get a return on."

"There are still some that are working through," Jim Lindsey said, indicating that more transactions are on the horizon.

On July 22, John Lee of Siloam Springs, John David Lindsey's trustee, filed a motion to sell John David's interests in various business entities. Most notable were Shiloh Apartments LP for \$5,000 to Fireblaze IV LLC and Copperstone Appartments LP for \$10,000 to Fireblaze V LLC.

Fireblaze VI, VII and X are already set up.

"I'd like for this to be a thing where we come out of this with more credibility than when we went into it," Jim Lindsey said of the Lindsey name and the family's companies.

"Don't sell the Lindseys short," he added.

Smoke Signals

A look at known transactions where Jim Lindsey has taken over debt his son, John David, had.

D&G Assets

D&G Assets LLC purchased 5 homes in Washington County and nine in Benton County for a combined \$2.64 million on Jan. 27 from Harrison-based First Federal Bank.

The averaged price per home paid was \$188,789.

The averaged appraised value of the houses - the value each county uses to assess taxes and not necessarily a fair market value - was \$234,103 each, a combined \$3.2 million.

Fireblaze I

On June 4, Jim Lindsey, under the D&G Assets LLC umbrella, signed a mortgage for \$1.52 million with Arvest Bank-Fayetteville. Four homes in Washington County and four in Benton County were deeded to Fireblaze I, making the averaged price per home paid \$169,669.

The averaged appraised value of the houses - not fair market value - was \$201,868 each.

But that value is skewed by two homes: a 3,253-SF two-story home located in the Peaks subdivision in Rogers appraised at \$397,000 and one home that was deeded through a quit claim to the LLC.

Fireblaze II

On June 1, Fireblaze II, under D&G Assets, signed two mortgages with Fayetteville's Signature Bank of Arkansas valued at \$2.02 million and \$6.97 million for nine houses in Washington County and 40 in Benton County.

The averaged price paid per house was \$183,815, but the actual values were varied.

Fireblaze III

On July 15 Fireblaze III LLC assumed two mortgages from First Security Bank. Two loan modifications were filed, one for \$6,820,176 and another for \$219,258 (\$7.03 million total) for 48 homes in Benton County and nine in Washington County, all the homes listed on one schedule in John David Lindsey's bankruptcy.

The averaged price paid per house was \$123,499.

Mortgages for a combined \$7.31 million were originally signed by John David Lindsey and his then-wife, Amy Lindsey, in mid-2007.

[[Link to this article](#)]

today's headlines



- Power Usage In Arkansas, Other States Sets Record
- Collins Haynes Files Chapter 7 Bankruptcy
- Inside The Arkansas Business Health Care Symposium
- Soderquist Center Tells Firms To Keep Culture Simple
- Jim Lindsey Buys Properties In Son John David's \$170 Million Bankruptcy
- UPDATE: Chicago Firm Will Manage Northwest Arkansas Mall
- Mike Ross: Extend Bush-Era Tax Cuts

Featured Firms

- [Little Rock Soiree](#)
- [Thinc Marketing](#)
- [Bank of the Ozarks](#)
- [Mainstream Technologies](#)
- [Stephens](#)
- [Metropolitan National Bank](#)
- [ClintonLittleRock.com](#)
- [Pulaski Tech](#)
- [DD&F Consulting](#)



[About ABPG](#) | [Terms Conditions & Notices](#) | [Privacy Policy](#) | [Contact](#) | [FAQ](#)



122 East Second Street :: Little Rock, AR 72201 :: (501)372-1443 or (888)322-6397
Copyright © 2010, [Arkansas Business Limited Partnership](#). All rights reserved.

designed & powered by 