

# Woodlake Fetches \$3.5M at Auction, Setting Stage for Local Ownership

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*The flooded front gate of Woodlake Resort and Country Club in the aftermath of Hurricane Matthew in 2016.*

Photograph by Jaymie Baxley/The Pilot

The embattled Woodlake community is expected to see new ownership following a foreclosure auction at the Moore County Courthouse on Thursday.

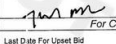
Atlantic National Capital, an investment group based in Fayetteville, was the only entity to bid on the development, which sold for \$3.5 million. Keith Allison, a local businessman who has owned property in Woodlake for about 25 years, is involved with the company.

Shortly after its formation in September, Atlantic National Capital obtained the deed of trust for Woodlake. The previous owner of the gated subdivision was a company managed by Illya

Steiner, a German investor who bought Woodlake from another German investor for \$750,000 in 2015.

In an interview with The Pilot earlier this month, Allison said Steiner no longer had a stake in the community.

“There was an agreement reached between our venture capital company and Steiner and all Steiner-related companies to clear up all matters that involved Steiner and Woodlake, and any interest that he may have had in Woodlake,” said Allison, adding that he could not go into specifics about the arrangement because of a non-disclosure agreement.

STATE OF NORTH CAROLINA MOORE COUNTY	FILED 2021 FEB 25 A 10 19	File No. 20 SP 170 In the General Court of Justice Superior Court Division Before the Clerk
Mortgagor-Grantor Woodlake CC Corp.	MOORE CC., C.S.C.	
Mortgagee-Trustee Substitute Trustee Services, Inc.		REPORT OF FORECLOSURE SALE/RESALE
Deed of Trust-Book And Page No. Book 4804, Page 547		G.S. 45-21.26
If Not Recorded, Description Of Property		
Owners Of Record, If Not Original Mortgagors		
<input checked="" type="checkbox"/> Report of Sale By authority of the power of sale contained in the above Mortgage or Deed of Trust and by authorization of the Clerk of Superior Court, there having been default under the terms of the obligation secured, the undersigned offered for sale at public auction, and sold the real property described above:		
<input type="checkbox"/> Report of Resale As directed by Order of Resale by the Clerk of Superior Court issued upon the default of the successful bidder in this foreclosure proceeding, the undersigned offered for resale at public auction, after due and lawful advertisement and sold the real property described in the Mortgage or Deed of Trust described above:		
Name And Address of Purchaser And Highest Bidder Atlantic National Capital, LLC P.O. Box 39410 Raleigh, NC 27639 Please fax upset bids to: 910-884-3944	Amount Bid \$ 3,547,173.55	Place Of Sale Carrhage, North Carolina
	Date February 25, 2021	Time Of Sale 10:00 AM <input type="checkbox"/> AM <input type="checkbox"/> PM
Date Of Report February 25, 2021		
Name Of Mortgagee-Trustee, Attorney-Agent Substitute Trustee Services, Inc., Substitute Trustee		
Signature Of Mortgagee-Trustee, Attorney-Agent 		
For Clerk's Use		
Last Date For Upset Bid		
Minimum Amount Of Next Upset Bid \$		
Amount Of Deposit Required To Upset Bid \$		

Report of sale filed at the Moore County Courthouse on Feb. 25, 2021.

Atlantic National Capital was represented at the auction by attorney Janene Aul, who is Allison’s daughter. She did not immediately respond to an email seeking comment on Thursday.

While another entity or individual can place an upset bid through March 7, they would need to offer 5 percent more than Atlantic National Capital.

## Troubled History

Woodlake has gone through multiple owners and three bankruptcies since it first opened in the 1970s. The subdivision was built around Lake Surf, an impoundment created by an earthen dam with structural deficiencies, according to multiple safety notices issued over the years by the state.

Lovick Suddath and Henry Mayer, a German businessman, bought the development for \$2.5 million in 1980. It was acquired four years later by Ingolf Boex, a German investor.

After Boex filed for bankruptcy in 2014, his company's local holdings were auctioned off on the courthouse steps. The only bidder was a Germany-based investment firm led by Steiner, an associate of Boex.

Lake Surf was drained after the dam's cracked spillway nearly buckled under the deluge of rain from Hurricane Matthew in 2016. The state later dismantled the dam to prevent water from pooling in the empty impoundment.

The loss of the lake adversely affected property values at Woodlake, which is home to about 2,000 people. Many of them said the lake was the reason they decided to move there in the first place.

In 2018, residents of the subdivision won a class action lawsuit against Steiner's organization, Woodlake Country Club Corp. The lawsuit accused the corporation of engendering the lake's demise by failing to comply with the state's orders to repair the dam before Hurricane Matthew hit.

Superior Court Judge James Webb awarded the plaintiffs \$40.6 million in compensatory damages and \$121.8 million in punitive damages, but they have yet to see any of the money.

## **A Fresh Start**

The lawsuit was spearheaded by the Restore Woodlake Committee, a group formed with the goal of bringing water back to the lake. Charlie Jones, a founding member of the committee, was among the 20 residents who gathered in the atrium of the courthouse to witness Thursday's auction.

In a phone interview, Jones said the sale "extinguished" the many tax liens and court judgments incurred by the previous ownership, allowing Atlantic National Capital to take over on a clean slate.

"We've been in discussions with Keith about the disposition of the lake," Jones said. "It's not a done deal, but we anticipate that he will transfer the deed to the lakebed, the dam and associated properties to an as-yet undetermined limited liability company. With a clear title to the property, that LLC can start looking for ways to fund the lake's restoration."

Photograph by Jaymie Baxley/The Pilot

Jones said he and other residents have discussed improvements they'd like to see in the community moving forward. Near the top of their wishlist: a new name.

“A couple of guys and myself had a conversation earlier today about the need to change the name of this place,” Jones said. “No matter what you do, ‘Woodlake’ is always going to have this pall over it.”



**Jaymie Baxley**

Reporter

Jaymie Baxley is an award-winning reporter covering public health, social issues and general news for The Pilot. He worked previously at The Robesonian in Lumberton and at The Daily Courier in Forest City.