

HOA goes bankrupt to 'stop the financial drain' of homeowners' lawsuit

 *Justin Wingerter*  July 30, 2025  0



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The Todd Creek Farms subdivision in Brighton on Friday, Aug. 2, 2024. *(Photo by Hyoungh Chang/The Denver Post)*

A homeowners association in Brighton has gone bankrupt while trying to fend off accusations that its board president funneled a landscaping contract to his own company.

Todd Creek Farms, which has 370 lots across 750 acres, has attracted headlines for years because of its many HOA disputes, which [came to include death threats](#). Those tussles have also taken a financial toll, leading the HOA to file for Chapter 11 on July 15.

“This lawsuit, initiated by a small group of homeowners in 2023, has already cost the HOA more than \$800,000 in legal defense fees,” its board wrote in an HOA newsletter July 19.

“The board’s action to file Chapter 11 bankruptcy was a strategic move designed to end the lawsuit and stop the financial drain,” it stated. “This is not a delay tactic – it’s an end tactic, and it’s the only viable path to protect all homeowners from continued legal exposure.”

Whether the HOA’s bankruptcy ends the lawsuit against it and cancels a 2026 jury trial remains to be seen. But it is likely to at least delay what has already been a yearslong case.

“There’s no doubt that they’re frustrated,” said Peter Towsky, a lawyer for the 31 homeowners suing the HOA. “They believe that this is just another act in a long pattern of behavior sought to avoid accountability. The plaintiffs believe there needs to be accountability.”

In late 2022, two members of the five-person Todd Creek Farms HOA board resigned and were then immediately appointed by the remaining three members to each other’s vacant seat. This allowed president Jason Pardikes, one of the resigning members, to extend his time on the board by two years, since the seat he was appointed to wasn’t up for election until 2024.

The homeowners suing Pardikes, the HOA board and others say the swap was a way to keep the board in Pardikes’ control and avoid an accounting. They say that Method Landscaping was to receive \$27,000 for work in the subdivision in 2020 but inexplicably was paid \$215,000, and that an Adams County Sheriff’s Office investigation tied Pardikes to Method.

“We believe that not only was there an undisclosed connection between the landscaping company and HOA president Jason Pardikes, but that he financially benefited to the tune of well over \$100,000,” Towsky said. “I think you can fairly say over \$150,000.”

The 11 defendants in the case, which include the HOA and its five board members, plus Method Landscaping and Pardikes’ wife, deny doing anything wrong and Pardikes denies owning a stake in Method. The defendants claim that the plaintiffs are disgruntled homeowners “seeking to obtain by judicial fiat what they could not through” HOA board elections.

“To be clear,” the HOA board explained in a July 15 newsletter about its bankruptcy, “this filing was not due to mismanagement, lack of funds or unpaid vendor obligations. It was due to the unpredictable and uninsurable legal risk posed by the (homeowners’) lawsuit.”

In the spring, the board tried to assess \$30,000 in fees on each of the plaintiffs before being told by a judge that it couldn’t. It now predicts it will have to levy an assessment of several thousand dollars on all homeowners to cover legal costs if the case continues.

“The HOA was staring down the barrel of potentially \$1 million or more in legal costs, with no clear path to reimbursement,” its board wrote in mid-July. “We will not continue funding litigation driven by a small group, especially when there is now a viable path to end it.”

The Todd Creek Farms bankruptcy is unusual. Not only is it uncommon for a Colorado HOA to go bankrupt, but the HOA has more assets than debts and believes that a few small changes, like postponing its annual Fall Festival, will be enough to repair its finances, it says.



Todd Creek Farms resident Jason Pardikes outside his home in Brighton on Friday, Aug. 2, 2024. (Photo by Hyoungh Chang/The Denver Post)

“The question is whether there are actual solvency issues with the HOA,” said Towsky, the lawyer, “and we intend to ask the court to decide the legitimacy of the HOA’s bankruptcy proceedings; whether it was filed with a legitimate bankruptcy or solvency problem, or if it was filed without one solely to avoid or delay accountability in the state court case.”



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