



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

November 2, 2010

## Bashas Exit Bankruptcy

A federal bankruptcy court judge recently approved the emergence from bankruptcy of Arizona grocer Bashas Inc. despite the objections from banks and insurance companies who are the secured creditors of the company. Bankruptcy judge James Marlar was of the opinion that the 100% repayment plan proposed by Bashas was sufficient to satisfy the court. This payment plan received the backing of Bashas' unsecured lenders, primarily made up of its suppliers. In his ruling, Judge Marlar said that the objections of the secured creditors would have served no purpose but to delay matters further, which would have been beneficial to no one concerned in the bankruptcy.

Bashas Inc. is a family-run company based in Chandler, Arizona. Before it filed for bankruptcy protection in July 2009, it had 155 Bashas stores which were all in Arizona except for two stores. Now this number has been reduced to 132. In addition, the company had to lay off about 1,000 of its workers and renegotiate the leases for its stores in efforts to

<http://tampabankruptcy.pro/blog/>

cut costs. In addition to the Bashas grocery stores, the company also ran Food City, an outlet that targeted the Hispanic population and the high-end AJ Fine Foods grocery store. Bankruptcy papers show that the company had \$386 million in assets and \$271 million in liabilities at the point of bankruptcy. Its reason for seeking bankruptcy protection was the slow growth of the company's business, added competition in the grocery market from other groceries in the Phoenix area and the credit squeeze due to the economic recession. However, the company continued to conduct its business throughout the bankruptcy. During the period of time the company was under bankruptcy, it renegotiated its leases, sold excess assets to raise funds, closed underperforming or non-performing stores which had no future potential and operated within its budget. Most importantly, the company had started to make profits again.

Now Bashas Inc. has about \$100 million in cash reserves, which it plans to use in paying off priority claims, bring its interest payments up to date and settling the expenses of its bankruptcy. It intends to pay off its creditors over a period of 3 years and refinance the remaining \$155 million of its debt and pay off all its current obligations.

If your business is struggling to stay afloat, consider bankruptcy protection to ease your debt burdens. Many companies, both big and small have benefited from bankruptcy and yours can, too. Call us at (813) 200-4133 for a free consultation or visit <http://tampabankruptcy.pro>.

*<http://tampabankruptcy.pro/blog/>*