



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Bankruptcy Judge Rules for Musicians in Louisville

In the dispute between Louisville Orchestra Inc. and its musicians, bankruptcy judge David Stosberg has ruled in favor of the musicians and denied the Orchestra's request to suspend its collective agreement with its musicians for 120 days. The ruling is not appealable. The suspension was to have taken place retroactive from December 15. The suspension would also entail canceling the orchestra's remaining performances this season except for April and May's performances.

The Louisville Orchestra Inc. is currently under bankruptcy protection, having filed for Chapter 11 reorganization bankruptcy on December 3 last year.

The management for the orchestra submitted the request to suspend the agreement because they could not find the means to pay the musicians and needed time to renegotiate the agreement so that they could find new sources of income to finish the season. The management also intended to reduce the size of the orchestra from 71 full-time musicians to 55 and reduce the number of weeks in the season from 37 to 33 weeks.

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Under the terms of the agreement, the musicians draw a salary of \$2.4 million per annum, \$130,000 in pensions and \$273,000 in healthcare benefits. This amounts to an average salary of \$34,366 per musician, excluding benefits.

In his judgment, Judge Stosberg said that the Orchestra had not presented sufficient proof that continuing the agreement would cause irreparable harm to the orchestra. On the other hand, if the agreement were to be suspended, there would be worse repercussions. The Orchestra would be answerable to more creditors - the people who already paid to see the concert and guest performers scheduled to perform at the concerts.

Not to mention the reputation of the Orchestra would suffer and the Orchestra's funding from the Fund for the Arts might be withdrawn. According to the Louisville Musicians Association chairwoman Kim Tichenor, suspending the agreement might cause the Orchestra to lose several performers who have been offered other offers while holidaying and might not return should it be suspended.

On behalf of the Orchestra, its attorney Mark Robinson said a single page among the orchestra's exhibits clearly displayed the orchestra's projected cash flow from December to March and forms the basis of the Orchestra's arguments.

The Orchestra's CEO Rob Birman testified in the hearing that under the best case situation where the orchestra receives all its funding, pays its musicians their salaries and benefits and holds all its scheduled performances, it would leave it nearly \$646,000 in the red by March.

Orchestra president Charles Maisch said the orchestra's board of directors will now decide how to proceed next and declined any further comment.

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