



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

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## **New Jersey Motorsports Park gets Bankruptcy Approval for First Day Motions**

The New Jersey Motorsports Park (NJMP) had all seven of its motions approved by US Bankruptcy Court in Camden including those asking permission to pay wages and its debt to the Millville Rescue Squad. With the approval of these motions, the Park is able to pay workers' salaries, guarantee the presence of emergency medical technicians and perform other required actions to enable it to continue operating in the 2011 race season.

Besides these approvals, Judge Gloria Burns also prevented the Park's bank accounts from being frozen and ordered utility companies to continue providing the Park with amenities without alterations. But according to NJMP attorney Louis Lipsky, the approvals were somewhat of a formality.

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The Park filed for Chapter 11 bankruptcy assuming the motions would be approved. Lipsky said, "It never entered the conversation that the motions would be rejected." Two of the Park's biggest creditors namely the Millville Rescue Squad to whom more than \$520,000 is owed and the Cumberland Empowerment Zone, the lender of a December 2009 loan amounting to \$425,000, will be paid in full. As for all other creditors, they will be receiving their dues according to the plan term sheet filed with the bankruptcy documents submitted to the court on March 7.

When the Park opened in the summer of 2009, the city of Millville loaned \$600,000 to it and the city confirmed that the Park has never missed a repayment. These monthly repayments are set to continue as will be payments to the Cumberland Empowerment Zone. The payment to the Millville Rescue Squad is set to be in two installments of \$200,000 each payable now and in the summer followed by monthly payments over a number of months.

As for the upcoming racing season, the Park's activities will be unhindered. No workers will be laid off and hiring of workers will continue. From the spectators' point of view nothing will be different despite the bankruptcy.

The next meeting between the NJMP and its creditors is scheduled to take place March 24 and a cash collateral hearing will be held April 12.

If you are contemplating filing for bankruptcy (for yourself or your business), call us at (813) 200 4133 for a free consultation. Bankruptcy is your right under the law and is designed to give you a fresh start in life.

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