



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Point Blank files for Bankruptcy

The US Army's supplier of body armor, Point Blank Solutions Inc. has filed for bankruptcy protection Wednesday. This was partly due to the legal costs it incurred pertaining to a former chief executive's indictment for fraud. Its former CEO, David Brooks is the company's largest shareholder with a 22.6% ownership of the company. He is currently on trial in New York after being charged for fraud and related crimes.

Court documents show that the company spends as much as \$600,000 a month on legal fees alone. On top of that, it is also the subject of a Securities and Exchange Commission investigation and faces a lawsuit by some of its shareholders.

As at December 31, the company's assets totaled \$68 million while its liabilities amount to \$72 million. It had secured a Debtor in Possession (DIP) loan for \$20 million to fund its bankruptcy expenses. Among its shareholders are Prescott Group Capital Management and Steel Partners, who provided the DIP loan.

The company stated in court that it had appointed Scott Avila of CRG Partners Group LLC as their chief restructuring officer to negotiate its sale as a going concern.

Point Blank Solutions, based in Pompano Beach in Florida supplies about 80% of the US military's soft body armor vest requirements employing 920 staff members.

St. Vincent's files for Bankruptcy

St. Vincent's Hospital in Manhattan filed for Chapter 11 bankruptcy Wednesday in Federal District Court of Manhattan. In its bankruptcy application form, the hospital stated its liabilities as 'more than \$1 billion'. How much more is anybody's guess.

The hospital has revealed that its biggest unsecured creditor is a federal pension insurance agency, the Pension Benefit Guarantee Corporation. The second largest creditor is a medical malpractice trust monitor to whom the hospital owes \$113 million.

The Pension Benefit Guarantee Corporation itself is unable to pay some \$180 million in pension claims as the fund currently is in deficit. The Pension Benefit Guarantee Corporation is an arm of the federal government. However, both a spokesman for St. Vincent's Hospital, Michael Fagan, and that for the pension fund, Jeffrey Speicher reiterated that the pensions of their staff were 'not at risk' and that 'the nurses are going to get their pensions.'

The hospital said that it was taking the step of filing for bankruptcy so that it could continue to care for its patients as it closes down.