



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## **Flying J to Exit Bankruptcy**

Fuel stop chain owner and oil refiner Flying J plan to exit bankruptcy this year after 19 months under Chapter 11 bankruptcy since December 2008. Flying J cited falling oil prices and an inability to obtain credit as its reasons for filing bankruptcy. The company is also seeking FTC approval for its proposed merger with long-time rival, Pilot Travel Centers. Ogden-based Flying J owns 270 travel centers and fuel stops have submitted their reorganization plan to the bankruptcy court.

Upon exiting bankruptcy the company will be a smaller but debt-free one that Forbes magazine once rated as a top 20 private company in the US with total turnover of \$18 billion in 2008. Bankruptcy has resulted in Flying J reducing its number of plants and associated companies. Its oil refinery in Bakersfield, California was sold for \$40 million to Paramount Petroleum Corp., a subsidiary of Alon USA Energy together with the value of the refinery's inventory. Another company that was sold was Flying J Insurance Services that underwrote insurance policies for truckers and the companies they worked for. The buyer was The Buckner Company, an insurance broking company based in Salt Lake City, Utah and the sale took place in November.

In July last year, the Longhorn Partners Pipeline subsidiary company was sold to Magellen Midstream Partners for \$250 million including the value of Longhorn's petroleum products in its conduit that was 700 miles in length between Houston and El Paso, Texas. It was in July also that Flying J agreed terms to sell its fuel stop business to Pilot Travel Centers that operate 300 travel centers in the US. On its part, Pilot agreed to provide \$100 million to Flying J as 'debtor in possession' financing to help it through its bankruptcy process.

Another refinery in North Salt Lake was originally put on the market but Flying J decided to keep it at the end. Other companies retained include Transportation Alliance Bank that provides financial services to truck drivers and their companies, Transportation Clearing House (TCH), a credit card issuing company and a stake in the merged Pilot-Flying J travel center company. How much equity Flying J will own in the newly-merged company has yet to be determined.

In another related matter, Flying J has settled a lawsuit it initiated against Comdata Corp, an electronic payment processor. With this settlement, TCH's fleet cards will now be accepted at the point of sales by Comdata's devices.

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If you are faced with huge debts, consider filing for bankruptcy. Bankruptcy enables you to either discharge your debts through liquidation or pay off your debts progressively through a scheduled payment plan. Call us at (813) 200 4133 for a free consultation or visit <http://tampabankruptcy.pro>.