



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

September 12, 2010

## Former Bank Boss Close to Bankruptcy

Former chairman of Anglo Irish Bank, Sean FitzPatrick is set to be declared a bankrupt by the court when it blocked his attempt to agree on settlement terms with his creditors. In a meeting with his creditors in his Dublin office, FitzPatrick apologized to them saying that the financial crisis had left him in severe difficulty as almost his entire net worth consisting mainly of shares in Anglo, AIB and the Bank of Ireland had been wiped out. At the meeting also, FitzPatrick gave details of a proposed arrangement which would give him time to repay creditors some of their debts as his assets are sold in order over a period of time. He also apparently offered his family home and half of his pension as part of the settlement proposal but his creditors were not interested.

FitzPatrick's largest creditor is state-owned Anglo Irish Bank, to whom he owes €110 million which represents about 70% of his total debts. The bank is blocking his settlement proposal, leaving FitzPatrick facing almost certain bankruptcy. His proposal for settlement required the support of 60% of his creditors based on the number and value of the debts.

Since Anglo held more than 40% of FitzPatrick's debts, it asked the court last month to declare its former chairman a bankrupt. Furthermore, contends the bank, without its support any proposal for settlement would never gain sufficient approval. The court will hear the case again on Monday when bank creditors are scheduled to vote on the proposed settlement.

According to a reliable source, FitzPatrick may preempt the move by the court to declare him a bankrupt by applying for bankruptcy himself. He is expected to declare his total overall debts at about €150 million and assets at about €70 million, leaving him a shortfall of about €80 million.

FitzPatrick explained to his creditors that his assets were massively reduced when his shares in the banks devalued. FitzPatrick owned 4.5 million shares in Anglo that were worth €80 million at its peak in 2007 but became effectively worthless after the bank was nationalized in early 2009 just after it was discovered that he had hidden millions of euros of loans over eight years. FitzPatrick still faces a criminal inquiry into his dealings when he was chairman of the bank and could still be sent to jail.

In support of his proposed settlement, FitzPatrick's financial advisors told creditors that accepting his proposal would be more beneficial to them than bankruptcy which would be a more long-drawn and expensive affair. A few of the creditors supported his proposal.

Besides Anglo, other creditors of FitzPatrick's include investment firm Friends First, the Bank of Scotland (Ireland), Ulster bank and its sister bank, First Active, Haven (subsidiary of EBS Building Society), AIB and Revenue.

No matter what job you hold, what social status you may have, you may still be struggling financially through these tough economic times. If you have debts that are too much for you to

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

repay, consider filing for bankruptcy protection. Call us for a free consultation at (813) 200 4133 or visit <http://tampabankruptcy.pro>.

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