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## Rocketplane in Bankruptcy

Rocketplane, a pioneer in the space tourism industry has filed for Chapter 7 bankruptcy protection last month in Wisconsin, where it relocated after shutting down its operations in Oklahoma. The company, started by CEO George French, was initially based in Oklahoma's Will Rogers World Airport with its hangar at Oklahoma Spaceport in Burns Flat.

In addition to filing bankruptcy for Rocketplane, CEO French filed bankruptcy for himself also, plus 2 other associated companies, namely Rocketplane Global and Rocketplane Kistler. In bankruptcy papers, French was listed to have debts of about \$8.2 million, Rocketplane's debts amounted to some \$3.7 million, Rocketplane Global debts came up to \$2.6 million and finally Rocketplane Kistler owes about \$7.4 million.

On the other hand, the company's assets include structural components and the intellectual property from the company's design of a spacecraft to transport tourists into space, which was patented. These design

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patents may now have to be sold as part of the Chapter 7 bankruptcy liquidation process. French confirmed that the company had reached the 'preliminary design review' stage in its efforts to build the world's first tourist spacecraft.

When it was first formed in 2003, the company received an \$18 million state tax credit (called the Space Transport Vehicle Provider Credit) to offset its taxes. The tax credit was later sold to the Bank of Oklahoma and expired at the end of the year. Besides the state tax credit, Rocketplane received numerous investments from individuals and companies. The bankruptcy filing listed creditors that include individuals, financial institutions and other businesses throughout the U.S. and overseas. Some of the local creditors include:

1. \$1,464.64 to Four Points by Sheraton hotel in Oklahoma City.
2. \$447.60 to Thrifty Car Rental in Oklahoma City.
3. \$43,780.45 to Tulsa accounting firm Woodrum Kemendo Tate & Westemeir.
4. \$47,981.65 to Oklahoma City accountants Cole & Reed.
5. \$62,553.44 to former program manager David Faulkner.
6. \$897.26 to Oklahoma Office Systems.
7. \$260 to the Petroleum Club of Oklahoma City.

CEO French himself is a creditor in one filing, as he's owed a deferred salary of more than \$735,500.

All the money Rocketplane received went primarily to a few expenses.

The most expensive item was the building of the spacecraft itself. A lot of money was spent on jet engines to power the spacecraft and on a contract with a rocket engine manufacturer to build a liquid oxygen/kerosene engine.

Then came administrative expenses like the payroll. Rocketplane had about 50 employees in 2006. About \$18 million was spent on "employees' 200,000 hours of design work," according to French. When funding started to ebb in 2007, the company struggled to stay afloat.

Nevertheless, French expressed optimism that Rocketplane will emerge from bankruptcy and return to Oklahoma.

If you or your company are struggling to stay afloat in your business, consider bankruptcy as a way out. Call us at (813) 200-4133 for a free consultation or visit <http://tampabankruptcy.pro>.