



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

March 15, 2011

New Jersey Motorsports Park files Bankruptcy

New Jersey Motorsports Park (NJMP) has filed for Chapter 11 bankruptcy protection after 4 years of operations at US Bankruptcy court in Camden.

However, its 2011 race calendar will not be affected by the filing neither will any employee be laid off.

With the bankruptcy filing, creditors of the Motorsports Park face an uncertain period of waiting to see how much of their dues they would get back. But the park is current on all its municipal tax and utility bills as well as repayment on a \$600,000 municipal loan.

The motorsports park's General Manager Brad Scott said that their principal lender, the Bank of America has already forgiven some of the debt owed to them while current owners are putting in some of their own money into the operations and repaying debt. The decision to file for bankruptcy was made after 90 days of deliberation and in discussion with Bank of America.

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

The city's leaders confirmed that the park's officials requested a meeting with them over their financial situation. Vice Mayor Joseph Derella along with city Solicitor Richard McCarthy and city Administrator Sue Robostello met Brad Scott and Joseph Savaro (one of the partners in the business).

In the meeting, the city's officials expressed their concerns over all the creditors who have supported the business of the NJMP, especially the unsecured creditors of the park.

Nevertheless, the park is current in its financial obligations to the city including its municipal loan of \$600,000 for which Managing Partner Lee Brahin and Harvey Siegel, another Motorsports Park partner, both signed personal repayment guarantees that is unaffected by the court filing.

The New Jersey Motorsports Park was a major development project in the city of Millville and Cumberland County and was envisioned to provide economic stimulus to the region. The park was built to promote motorsports and draw in fans and tourists for the most part of the year, albeit in smaller crowds of 10,000 to 30,000 people. It sits on 500 acres of land and once fully developed would encompass 700 acres. The project received strong backing from the city and county when it was first launched in June 2004.

Now that the park has filed for bankruptcy, Derella expects a backlash of criticisms. But despite this reversal, city officials continue to hold on to their belief in the park being an integral part of the city's future.

If you or your business would like to file for bankruptcy protection, call us at (813) 200 4133 for a free consultation.

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