



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

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Bankruptcy News

Borders on the Verge of Bankruptcy?

Bookstore chain Borders has announced that they are delaying payments to their publishers. Could this be a sign of imminent bankruptcy? It's anyone's guess.

Borders has been taking steps to find new financing sources in order to keep the terms of their credit agreements but without much success so far. Borders company spokeswoman Mary Davis said the company is currently working with its publishers to restructure their payment arrangements. Presently, publishers Borders with their books and only get paid later according to the terms of the agreements. The publishers are also liable for returned books after receiving payments.

However, in light of the fact that Borders has not been able to secure new financing sources, it appears likely that payments to publishers look set to be delayed. On their part, Borders seem set to sell their assets and close their stores to bring in some badly needed revenue.

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Should Borders file for bankruptcy protection owing money to publishers and having so much of their books in stock, it would be disastrous for certain publishers like comic book publishers. The graphic novel and paperback segment of the book industry has seen a resurgence into bookstores over the last decade and Borders has had a lot to do with it.

Shares of Borders has fallen by about 10% as a consequence of all this.

Taste of Minnesota in Bankruptcy

Last year's Taste of Minnesota festival held in Harriet Island might be the last one ever. As it turned out, the high prices of tickets and bad weather combined to bring attendances down. Furthermore, the festival's owners - Andy Faris, Terry Moore and Dan Hare of International Event Managements LLC - did not pay the workers and vendors. The total amount owed by them was about \$1 million.

Taste event organizers, Andrea and Kevin Campbell said Faris, the most involved of the 3 owners, had exceeded the festival's entertainment budget.

As a result of all this, early last month the creditors pushed for Taste to file for involuntary bankruptcy. The deadline for the owners of Taste to pay up or come up with a proposal that would satisfy creditors passed and Judge Robert J. Kressel signed the order at the end of last month. Taste's owners have 7 days to compile a list of all creditors failing which the creditors forcing the bankruptcy would do so.

The city of St. Paul has confirmed that there will be no Taste event in 2011.

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