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Florida Telco Manufacturer plans Asset Sale in Bankruptcy

Teltronics Inc, Florida's telecommunications equipment manufacturer has filed for a Chapter 11 bankruptcy exit plan that includes selling off its assets. However, little has been revealed in the form of details about the potential sale in the plan filed Friday in US Bankruptcy Court in Tampa, Florida. There is no information on possible buyers, an opening bid price and the status of its marketing efforts so far. The date of the close of the sale, however is known and expected to be before December 6. This is the date Teltronics is due to repay the \$3 million loan it took from Wells Fargo & Co. to continue operations throughout its bankruptcy.

Bankruptcy papers show that the estimated liability of the company topped \$19.8 million while its assets come up to a comparably smaller \$9.1 million. A summary of the bankruptcy plan, if it is approved by the bankruptcy court, will be sent to each of the company's creditors. But the plan did not estimate how much money other creditors could receive after the profits company makes from the sale.

The telecommunications equipment maker, whose clients include major players like the New York City Department of Education, the City of New York Department of Corrections and the Federal Bureau of Prisons, had to file for bankruptcy due to declining sales of its equipment. The company has been in business for 42 years and employs 133 workers. It started out as a company making phone dialers in 1969.

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

Bankruptcy court documents show that Teltronics filed for Chapter 11 bankruptcy on June 27. At that time, there was no indication of a sale of assets. Company executives said the bankruptcy would allow them to revitalize the finances and “emerge as a healthier, more profitable company” under a restructured business plan. Thus it must have surprised many to find out a sale of assets is being planned.

The company did not state any timeline for the planned sale, something which also requires court approval.

Based in Palmetto, Florida Teltronics Inc. designs, installs, develops, manufactures and markets electronic hardware and application software products for the military and security, industrial and medical industries.