

CHARTER COMMUNICATIONS INC. MIGHT BE HEADED FOR BANKRUPTCY



The fourth largest cable company in the United States may be headed for bankruptcy. Co-Owner of Charter, Paul Allen, recently hired the Kirckland & Ellis law firm and an investment bank, Lazard Ltd, to consult on a potential upcoming bankruptcy. The company seems to be getting prepared for the worst as some speculations indicate they may file for bankruptcy in as little as a week. Charter claimed to be working with bondholders on “financial alternatives” after they missed an interest payment to investors. Currently, they hold more than \$20 billion in debt, which comes out to around \$4,000 per subscriber. The massive “I owe you” is driving speculation that they will soon be filing for bankruptcy. They have lost more than \$1 billion dollars during the first three quarters of 2008. Charter has not turned a profit since 1998, when Allen took the cable company public. They failed to pay out nearly \$75 million in interest fees that were due January 15. They now have 30 days from that date to come through with those payments before they will have to default. With about 5 million subscribers in 28 states, it is not certain how the pending bankruptcy will affect customers. However, it won't be long before we find out. Keep up on all the latest business and employment news at [Employment Crossroads](#).