

## ECLIPSE AVIATION BEGINS LIQUIDATION, LAYS OFF 800



Eclipse Aviation Corporation, based in Albuquerque, New Mexico, will not contest a motion by senior secure creditors to turn the company's bankruptcy proceeding into a Chapter 7 liquidation. Eclipse says it expects to suspend all business operations. The company furloughed all 800 of its employees on February 18, but at the time it was seen as a temporary move. The company told its employees in a letter, dated February 24, that the furloughs had turned into layoffs effective February 19. The company, which makes a very light, 6-seat jet called the Eclipse 500. New Mexico Governor Bill Richardson's office reported that more than half of the laid off employees have already filed for benefits. The company initially filed for Chapter 11 in November. At the time, according to their filings, Eclipse said it had more than \$1 billion in liabilities and 5,000-plus creditors, but only between \$100 million and \$500 million in assets.

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