

22,000 JOBS MAY BE SAVED WITH NEW BLOCKBUSTER DEAL



Blockbuster Inc. has received a ruling on March 10 on what it can do with the company after having filed for bankruptcy on September 23. According to the ruling by Judge Burton Lifland, Blockbuster can be auctioned off to several lenders, including Monarch Alternative Capital LP, and avoid being liquidated. Lifland also plans on approving the proposed sale of Blockbuster. At the same time, he said that so deeply in debt, the company may not be able to pay back every one of its creditors. Although it may still have a lot of debt to deal with, even after it is auctioned off, there is very good news in all of this. With this new ruling, Blockbuster should be able to save 22,000 jobs. The new agreement will not allow the future owners of Blockbuster to convert it into Chapter 7 bankruptcy and liquidate the company, which is still something that some creditors, and even a lawyer from the U.S. Trustee's office, want to do instead. Although a date for the auction has not been set by Lifland, Blockbuster has proposed that it be April 4, and requiring all bids to be in by March 31. The initial bid for Blockbuster, which was rejected by the judge, was also rejected by 45 of Blockbuster's creditors, including Universal Studios, Walt Disney Company, Yahoo! Inc., the U.S. Trustee's office, and many others. Time will tell how everything goes down, but if Blockbuster really can save 22,000 jobs with this deal, then I'm all for it. I'll keep you posted on any updates in this deal as it unfolds.

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