

IMMINENT BLOCKBUSTER BUYOUT PUTTING 865 JOBS AT RISK



Blockbuster Inc. is warning Texas regulators that 865 jobs could potentially be cut after they are sold. The bankrupt movie and game rental chain is still waiting to see what happens with the bids for buying the company. Blockbuster filed for bankruptcy last September, and announced shortly thereafter that it was closing 145 of its stores. The company sent a letter on February 23rd to the Texas Workforce Commission, in which it told 627 workers at its McKinney, Texas distribution facility, as well as all 238 employees working at its Dallas headquarters, that there might be possible layoffs as a result of the sale of the business. The good news for now, however, is that based on the letter, it doesn't look like any layoffs are imminent. Jason Treu, a spokesman for Blockbuster, said that employees were told that "the company is trying to do everything it can to remain an ongoing entity". The initial bid that Blockbuster has received is about \$290 million from Cobalt Video Holdco LLC, a group of senior lenders. If the deal is finalized, Cobalt may offer employment to anyone that currently works for Blockbuster, but they are not required to, according to the letter sent from Blockbuster to the state regulators. Blockbuster is trying to get permission from the bankruptcy court so that it can auction itself, but several creditors have given reasons that they shouldn't be able to, one being that only senior lenders are allowed to change the case to Chapter 7 liquidation. A hearing has been set for March 10th, which will allow creditors to express any requests they have to reclaim any of their property or to liquidate Blockbuster.

<https://blog.granted.com/>