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Las Vegas Charity Files for Bankruptcy 20 Months After Debt Sale.

- **Bonds issued through agency that specializes in risk debt**
- **Invesco Ltd. largest debtholders with \$12.5 million on hand**

Goodwill Industries of Southern Nevada, which runs 50 donation centers and retail stores in Las Vegas, filed bankruptcy 20 months after issuing about \$22 million of unrated municipal bonds to finance the acquisition of three retail facilities.

The non-profit issued the debt through a Wisconsin agency, the Public Finance Authority, which specializes in acting as a conduit for risky debt. Borrowers for speculative projects sometimes forgo credit ratings rather than risk the taint of being labeled junk.

A consultant hired by Goodwill Industries of Southern Nevada to improve management expressed concern that the non-profit overstated its inventory, according to a July 20 letter to Goodwill's board of directors.

Goodwill also had too many employees, needed to reduce rent and change a culture where "excuses and laying blame for others for poor performance are tolerated at every level."

Sales at Goodwill stores began declining in the fall of 2016, corresponding with a nationwide retail downturn. "The recent expansion, the retail downturn, and increased operating costs to run our retail stores have led us to make the difficult decision to file for Chapter 11 reorganization," the charity said on its website.

Goodwill's chief executive officer, Steve Chartrand, resigned in May after working for 20 years at the non-profit, the Las Vegas Review-Journal reported. He was replaced by John Helderman, a former vice president of finance for Caesars Entertainment Corp, who is serving on interim basis. Sean Corbett, a Goodwill spokesman, declined to comment.

Invesco Ltd. held \$12.5 million of the bonds as of June 30, the biggest holder of the debt, most in its high-yield municipal fund, according to data compiled by Bloomberg. Delaware Investments held \$5 million in its national high-yield municipal bond fund.

Bonds with a 5.5 percent coupon and maturing in 2035 are valued at about 88 cents on the dollar, according to Bloomberg Valuation Service.

Goodwill Industries of Southern Nevada listed assets and liabilities between \$10 million and \$50 million in its Aug. 11 bankruptcy filing.

Bloomberg

By Martin Z Braun

August 14, 2017, 9:34 AM PDT August 14, 2017, 12:32 PM PDT

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