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Plastic-to-Fuel Recycling Plant Owing Muni Debt Goes Bust.

An Indiana recycling plant that tapped municipal bond investors for capital six years ago has filed for bankruptcy after the facility was marred by design flaws and production sputtered.

Brightmark Plastics Renewal LLC, which converts waste plastic into fuel, filed for Chapter 11 on Sunday, listing assets and liabilities between $100 million and $500 million. The plant employs 113 people and has $172.5 million in outstanding municipal bonds.

The filing came after Brightmark Plastics missed a roughly $13 million debt payment due March 1. The plant's owner, San Francisco-based Brightmark Energy, had contributed more than $211 million in equity and determined it couldn't keep investing in the project, according to a court filing. The company's bonds last traded at about 16 cents on the dollar on Feb. 10. They were issued in March 2019.

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Bloomberg Markets

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March 18, 2025

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