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WSJ: Fortress's Brightline Private Railroad Teeters Under Heavy Debt Burden.

The nation's largest private railroad is negotiating with creditors to avert what could become one of the largest defaults in U.S. municipal bond market history

Investors who poured billions into Florida's Brightline railroad are confronting a potentially steep financial hit as the nation's largest private intercity rail operator teeters on the verge of one of the largest municipal-market defaults in U.S. history.

Brightline, controlled by Fortress Investment Group, amassed $5.5 billion in debt to get its rail lines up and running, mostly through tax-exempt municipal bonds. The company has since struggled with tepid ridership growth and personal-injury lawsuits tied to accidental deaths on its tracks. Cash is also running low, leaving Brightline on the precipice of a creditor takeover.

Now the company and Fortress are in restructuring talks and seeking new capital, warning that without a financial lifeline it might not continue as a going concern.

Continue reading.

The Wall Street Journal

By Alicia McElhaney

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