

The SFS Law Group announces that Protection Systems Technologies (“PST”) has successfully completed a reorganization under Chapter 11 of the Bankruptcy Code and emerged from bankruptcy. PST sought protection under Chapter 11 of the Bankruptcy Code in August 2014 as the result of business divorce litigation among its shareholders and the entry of Judgment against the company that rendered the company insolvent and created an immediate financial emergency. Despite its solid earnings and operations and pending appeal, the company could not secure a bond to prevent aggressive collection efforts that would have seized essential assets and destroyed the business.

For PST, Chapter 11 was the best avenue for preserving the business and serving its customers while it dealt with the consequences of the adverse judgment. The company continued its operations, serviced its customers and emerged under a reorganization plan that transferred assets to a new company, PST II, which will satisfy the plan obligations and allow the business to continue to operate and prosper while it resolved its obligations.

“When unexpected results in litigation may threaten the continued operations of a successful and viable company, Chapter 11 has proven to be an effective remedy that can bring order to the dispute, find room for negotiation and protect the business and its stakeholders from unnecessary losses” said Dennis O’Dea. Dennis O’Dea of The SFS Law Group was legal counsel to PST during its reorganization.