

Chapter 55

We joked about “Chapter 33” for TWA (the former Trans World Airlines). How about Chapter 55?

Strauss Auto, a discount auto-parts retailer, managed this feat. Its first bankruptcy was in 1978. It emerged from Chapter 11 and thrived for a while. Its owners got “an offer they couldn’t refuse” from a British company, who in 1993 in turn sold to Merrill Lynch Capital Investors. But by 1998 Strauss was struggling and filed for bankruptcy No 2. It emerged from bankruptcy in 2000 but was back again in 2006 (No. 3). The company was then purchased by a Japanese auto-parts company, which threw in the towel in 2009 (No. 4). At that point ownership passed to a trust representing the company’s creditors, who brought back a former investor and manager in an attempt to revive the business. The attempt failed, and the company filed again in June 2012 (No. 5).

Unfortunately Strauss has no chance for Chapter 66. The company is being shut down and its assets liquidated.

Source: S. Gleason, “Bad News: You’re in Chapter 55,” *Wall Street Journal*, July 6, 2012, pp. B1-B2.