

## COURTS

# Supra's reorganization plan passes

■ **Supra Telecom's reorganization plan was approved by the U.S. Bankruptcy Court, but the sale of the company won't be done until March.**

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Supra Telecommunications Wednesday won approval from its creditors and the U.S. Bankruptcy Court for a reorganization plan that would give the Miami-based local phone company a new owner in a deal valued at approximately \$27 million.

But Supra's saga isn't over.

Supra's expectant owner, an investor group headed by H.I.G. Capital of Miami and Endeavor Capital of Westport, Conn., still needs to raise at least \$10 million to complete the purchase.

Russ Lambert, Supra's CEO, said the funds H.I.G. is

expected to raise are critical to Supra's future. The company will need that money to pay for equipment and personnel to switch its local phone service from leased lines on BellSouth's network to its own facilities.

The H.I.G.-Endeavor deal, initially set to close at the end of January, is now expected to close March 21. Between now and late February, H.I.G. is required to add \$500,000 to the \$1 million it has already posted.

"We don't think H.I.G. would be willing to post the additional deposit unless it expected to close" this deal, said Michael Budwick, an attorney at Meland Russin, Hellinger & Budwick P.A., who is representing Supra.

The deal calls for \$8 million in equity and \$5 million in a subordinated note. Supra's buyers will also assume \$2 million owed in

taxes and \$6 million owed to BellSouth, which will be paid with a two-year note.

BellSouth, which is Supra's largest creditor, will receive full payment of a \$17.125 million claim that resolved a billing dispute between the two companies. BellSouth will collect \$10.7 million when the Supra sale closes and the rest is to be paid over two years.

It was that billing dispute between Supra and BellSouth that pushed Supra to seek Chapter 11 protection in October 2002.

Supra's unsecured creditors, originally owed \$3.65 million, including a \$1.14 million claim from a former attorney representing the company, will walk away with \$750,000 for now.

Paul Singerman, BellSouth's attorney, said his client is looking forward to working with Supra and its new owners.