

# Blue Mountain looks to liquidate

by Terry Brennan for the Deal.com

Billboard advertiser Blue Mountain Outdoor Inc. expects to file a plan of liquidation soon, now that all its assets have been sold.

The Pittsburgh-based company generated another \$1.27 million for its estate in three sales that each topped the initial stalking-horse bids, said **Terrence Morgan**, the chief restructuring officer at Blue Mountain.

Blue Mountain was forced into involuntary Chapter 7 liquidation by three creditors on Nov. 27, 2002, in U.S. Bankruptcy Court for the Western District of Pennsylvania in Pittsburgh.

The company had ceased operations and shut its doors about four weeks prior to the filing, said Morgan, of turnaround specialist NachmanHaysBrownstein Inc.

"We were brought in when the company was dead, and we revived it and kept it alive long enough to generate three separate competitive auctions to bolster the estate," he explained.

Morgan said he hired six vendors and moved the company into NachmanHaysBrownstein, Inc.'s Cleveland office to revive the business because he thought it had greater sale value as a going concern.

All three sales closed by fall 2003, he said.

Senior lender Deutsche Bank Trust Co. Americas pushed to have the former management removed after the involuntary filing.

NachmanHaysBrownstein, Inc. was brought in by Chapter 7 trustee John Prostko, a Pittsburgh sole practitioner.

Deutsche Bank was paid \$4.2 million on its secured claim in November, and trade creditors are expected to be made whole on their \$30,000 claims from the estimated \$100,000 remaining in the estate, Morgan said.

An additional \$750,000 was generated after a \$1 million stalking-horse agreement for about 200 California and Arizona billboards was turned into a \$1.75 million sale.

Rainier Capital in Seattle won the auction after five formal bids came in to top the initial offer by San Diego entrepreneur John Aguilar.

An auction for about 150 billboards in Pennsylvania attracted a winning bid of \$2.15 million from Denver's Prime Outdoor Inc.

This was after Ace Outdoor Inc., Blue Mountain's Columbus, Ohio-based rival, became the stalking-horse bidder with a \$1.79 million bid.

The three bids attracted an extra \$455,000 in that competitive auction, Morgan noted.

Beau Burkett Media Inc. of Amarillo, Texas, came in with a \$565,000 winning bid for about 70 Texas and Oklahoma billboards to beat out cross-town competitor Look Outdoor Inc.

Look Outdoor had filed a \$400,000 stalking-horse offer to trigger the sales