

## Involuntary Bankruptcy Filed on PMA in Illinois

Editorial Staff

A flurry of activity has recently surfaced regarding Practice Management Associates (PMA), repercussions of financial dealings dating back over five years.

On March 31, 1987, Peter G. Fernandez, DC, and his wife Eva executed a mortgage note for \$2,200,000 with Sun Bank of Tampa Bay, guaranteed by PMA. The mortgage was on commercial property located at 3491 Gandy Blvd., Pinellas Park, Florida, the current corporate headquarters of CliniCorp.

On November 12, 1991, Sun Bank filed a lawsuit in Pinellas County Circuit Court claiming that the Fernandezs' were in default on the loan as of August 1991. A summary final judgment was ordered on January 4, 1993 against the Fernandezs' and PMA for \$1,888,734. According to Sun Bank's legal council, they are foreclosing on the property.

Dr. Fernandez declined the opportunity to comment about the case.

On another front, involuntary bankruptcy was filed on PMA November 19, 1993 by Attorney Larry Beard in southern Illinois. Attorney Beard represents a number of chiropractors who have filed lawsuits in Illinois against PMA. Mr. Beard gave this assessment of PMA's position:

"We knew the PMA organization was totally insolvent. PMA's Comptroller Valerie Carbonneau stated in a court hearing that PMA had no assets, were insolvent, all bank accounts had been seized, had no physical plant and was no longer an ongoing concern besides litigation.

"Chiropractors who have had experiences with PMA now have an opportunity to put in a claim for any money due them from PMA. The bankruptcy trustee will examine each claim, attempt to locate any assets that PMA has and distribute their assets to anyone presenting a legitimate claim. All DCs who feel they may qualify should direct their claims to the Bankruptcy Court for the Southern District of Illinois."

PMA attorneys have filed a motion to dismiss the involuntary bankruptcy petition. The PMA motion asserts, in part:

"That venue is not proper in the Southern District of Illinois in that the debtor has not been domiciled, had a residence, a principal place of business, or have principal assets in the Southern District of Illinois.

"That the allegation in said petition that the principal assets of the Debtor are located in 'Southern Illinois, Perry County,' is false, and said allegation was made in bad faith in order to harass the Debtor and to delay litigation between Petitioners and the Debtor.

"That the Petitioners, who filed the Involuntary Bankruptcy Petition, did not have proper standing to file said petition in that the debt allegedly owed to Petitioners is

unliquidated, in dispute and is subject to litigation currently pending in DuPage County Circuit Court..."

PMA is seeking dismissal of the involuntary petition, costs and "reasonable attorney's fees..." plus damages, including "punitive damages against the Petitioners and counsel for Petitioners for filing the Involuntary Petition in bad faith,..." and for "... further relief as the Court deems appropriate."

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