

## In The News

# The Scooter Store Proposes 'Aggressive' Sale

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*Home Medical Equipment News*

NEW BRAUNFELS, Texas – The future of The Scooter Store is in the hands of prospective buyers now that it has filed for bankruptcy.

The Scooter Store has outlined a post-bankruptcy business model that would involve maintaining its core product offering and streamlining its footprint, but, ultimately, those decisions will be left to whoever buys the company's assets.

"We might not see the end of The Scooter Store," said Vishnevetsky, an associate at Munsch Hardt Kopf & Harr. "We might just see the end of this iteration."

The Scooter Store announced April 15 that it filed a Chapter 11 case in the U.S. Bankruptcy Court for the District of Delaware. It plans to sell "substantially all assets" through an auction process under section 363 of the U.S. Bankruptcy Code.

One possible draw for prospective buyers: competitive bidding contracts. A source close to The Scooter Store told HME News that a "corrective action status" with Medicare kept it off the list of Round 2 contract suppliers, but that there was a "pathway" onto the list for a new buyer.

CMS declined to comment.

The timeline The Scooter Store has proposed for the sale is "on more of the aggressive side," says bankruptcy expert Kevin Lippman. The company requested a bid deadline of July 23, an auction on July 25, and closing of any approved sale on July 30. The court has not yet approved those dates.

"Given the distressed nature of their business, I think it is imperative that they do conduct the auction relatively quickly," said Lippman, section head of the Insolvency, Restructuring and Creditors' Rights Group at Munsch Hardt Kopf & Harr. "If this operation has value, they need to get it into the hands of a new entity who hopefully can get past the concerns and issues that are dragging the business."

In the meantime, The Scooter Store's distribution and call centers are still operating, a source close to the company told HME News. Due to reduced staffing levels, however, there will be extended wait times, the source said.

In the wake of the filing, The Scooter Store has revamped its website, [www.scooterstore.com](http://www.scooterstore.com), to include service-related FAQs, and launched a new website, [www.scooterrestructuring.com](http://www.scooterrestructuring.com).

It hasn't been a good year so far for The Scooter Store: It was raided by the FBI in February and it laid off more than 1,500 employees in April.

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