



Hawaii Inc.

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Isle's Thrifty Car Rental files Chapter 11

**The company, which has
\$1.7 million in debt, plans
to stay open**

By Peter Wagner
Star-Bulletin



Less than 18 months after it was reclaimed in Hawaii, Thrifty Car Rental is in bankruptcy.

The company, a franchise of Thrifty Rent-A-Car System Inc. of Tulsa, Okla., on Friday filed for protection under Chapter 11 of the federal bankruptcy code.

The action will allow Thrifty, with more than \$1.7 million in debts to 150 creditors, to continue operating pending approval of a business reorganization plan.

"We're going to continue to be open," said Bradley Skinner, who bought the franchise last March. "The purpose of this is to allow time to reorganize to stay in businesses and that's exactly what we intend to do."

Court documents show Thrifty with assets of \$1,757,658 and debts of \$2,420,618. Among the largest creditors are the the state Department of Taxation, owed \$258,000, and Honolulu advertising firm Loomis & Pollock, now Loomis Inc., with \$103,619 in unpaid billings.

At a hearing before U.S. Bankruptcy Judge Lloyd King yesterday, Thrifty was allowed to pay employee wages, travel agency commissions, and honor rental vouchers purchased before the Friday bankruptcy filing.

The company operated in Hawaii for more than 20 years before closing in 1993. Former owner Bernard Ebbers of Mississippi cited changes in the industry -- notably less generous buy-back policies by car manufacturers -- among problems.

In a letter to Thrifty's 100 employees yesterday, Skinner said, "This company like many other Hawaii companies has been experiencing financial difficulties for the past year or more."

He would not elaborate but noted Thrifty has grown quickly, with more than 1,000 vehicles now in its fleet and three times the 33 employees it started with 18 months ago.

"I needed some breathing room because it's just grown so fast," Skinner said.

He also said last year was not a good time to open a business in Hawaii because of the weak economy.

But Thrifty still plans to open a new location, in Hilo, and to double its reservations staff within the next 30 days, Skinner said.

Thrifty operates in Waikiki, on Nimitz Highway near the airport, and in Kona, Kahului and Lihue. The company wants to move from its current location in Waikiki into a hotel.

Skinner yesterday told employees their jobs are not in jeopardy.

Skinner, acting president of the Car and Truck Rental and Leasing Association in Hawaii, operated Aloha Funway Rentals in 1975. The company became Courtesy Car & Truck Rental in 1991.

Thrifty Rent-A-Car System, along with sister company Dollar Rent A Car Systems, was spun off by parent **Chrysler Corp.** last year. Operating as Dollar Thrifty Automotive Group Inc., the two companies had sales of \$843.9 million last year.

While personal bankruptcies have been skyrocketing in Hawaii in recent years, business bankruptcies are down sharply. Just 19 companies filed under Chapter 11 in the first nine months of the year compared with 40 the year before.

But some businesses opt to liquidate under Chapter 7, or simply walk away from a failure. A study by **Dun & Bradstreet Corp.** released this year showed 630 businesses failed in Hawaii in 1997, nearly a 60 percent increase over the year before.

Nationally, business failures rose 16 percent last year. The report said companies in Hawaii were suffering because customers weren't spending.

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