

Bankruptcy filings stacking up in San Antonio

BY DONNA J. TUTTLE

As several economists and insolvency experts predicted, the number of San Antonio bankruptcy petitions filed in federal court continues to climb. For the first three months of 2009, bankruptcy filings totaled 1,127 — a 22.5 percent increase from the 920 filed between January and March of 2008.

A total of 393 new San Antonio cases were filed in March. Last March, 357 petitions were filed in the U.S. Bankruptcy Court for the Western District of Texas involving San Antonio petitioners. Almost all the cases filed are Chapter 7 liquidations, the exception being a handful of Chapter 11 reorganizations.

“We have seen a dramatic increase in the number of calls from people asking for assistance,” says Deborah D. Williamson, head of the bankruptcy practice at San Antonio’s Cox Smith Matthews Inc. “Unfortunately for many, they have either waited too long or their liquidity issues are so dire, that a bankruptcy reorganization can’t work and a liquidation is the only option.”

Bankruptcy filings throughout the San Antonio-based Western District — which includes San Antonio, Austin, El Paso, Midland and Waco — were up as well. A total of 3,042 cases were filed district-wide during the first quarter of 2009, compared with a total of 905 for the first three months of 2008.

Cities across Texas posted the following tallies for March 2009: Dallas (700), Austin (305), El Paso (265), Waco (146), Midland (24).

Wells Fargo economist Eugenio J. Aleman recently painted a not-so-rosy picture of the Alamo City economy based on the latest employment and industry statistics from the Federal Reserve Bank of Dallas. He predicts the local economy will technically enter the recession this year.

Until now, San Antonio has ridden the wave of a diversified economy. “However, even highly diversified economies cannot remain above water during the type of environment we are going through today,” Aleman says.