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Miami Trustee Secures 99 Percent Recovery for Former NFL Quarterback Michael Vick's Creditors



SHUTTERSTOCK

Michael Vick's largest creditors included the Atlanta Falcons, former agent Joel Enterprises and multiple mortgage lenders on the athlete's homes and properties he'd purchased for relatives.

by Samantha Joseph

Miami-based liquidating trustee Joseph Luzinski secured a 99 percent recovery for creditors of former National Football League quarterback Michael Vick, who filed for Chapter 11 bankruptcy protection in 2008.

Luzinski made a final distribution of about \$1.5 million Thursday to creditors who recovered about \$17.4 million on verified claims of about \$17.6 million.

"This is highly unusual. Most bankruptcies don't pay that high on creditor claims," said Luzinski, who is senior managing director of Miami financial advisory firm Development Specialists Inc. "In a lot of business bankruptcies, 5, 10, 15 percent is a more average recovery."

Vick played for 13 seasons in the NFL with the Philadelphia Eagles, New York Jets, Pittsburgh Steelers and Atlanta Falcons. His career stalled when he pleaded guilty in 2007 to participating in a dog-fighting ring operated at one of his properties in Virginia. He spent 18 months in a federal prison in Kansas. Vick rejoined the NFL and later spent a summer as a coaching intern with the Kansas City Chiefs, before landing a position in August as an NFL studio analyst with Fox Sports Interactive Media LLC .

SEE VICK, PAGE A2

FROM PAGE A1

VICK

Luzinski applauded the pro-footballer's choice of Chapter 11 proceedings over Chapter 7, which would have used the assets available at that time to repay creditors. Instead, by filing for Chapter 11 reorganization, Vick agreed to a reorganization plan that would dis-

tribute a percentage of his future earnings to repay his debts.

"If he had just flushed it off through a Chapter 7 and went on his way, maybe his creditors might have gotten 14 cents, 10 cents, 8 cents (on the dollar). Who knows?" Luzinski said.

Vick's largest creditors included the Atlanta Falcons, former agent Joel Enterprises and multiple mortgage lenders on the athlete's homes and proper-

ties he'd purchased for relatives. His debts hovered around \$18 million before claims adjudication reduced that number by about \$400,000.

Creditors received six distributions, with the final payment issued this week. Their initial pay-out plan was supposed to have spanned five years, but Luzinski and his team of financial experts from DSI requested more time for a maximum recovery.

"Vick was able to pay back most of what he owed thanks to salaries he received from playing pro football again," Luzinski said. He "has been a stand-up guy from the very beginning."

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