

Is a Windstream Bankruptcy Filing Imminent?

Windstream exposed to the risk of bankruptcy following a court ruling that deemed the telecommunications services provider to have defaulted on its bonds.

GREENSBORO, NC, USA, February 21, 2019 /EINPresswire.com/ -- There is growing speculation that a Windstream bankruptcy or massive downsizing is imminent in the wake of a devastating court ruling, which was handed down by the U.S. District Court of the Southern District of New York on February 15.

The court ruled that in 2015 when Windstream spun out its internally-managed real estate trust Uniti Group, that it improperly transferred over \$300 million worth of assets that served as security for bonds issued by Aurelius Capital Management LP. Uniti Group is Windstream's largest customer, with assets that include over 4 million fiber strand miles and around 850 wireless towers.

In an interview with [Bloomberg](#), Morningstar Analyst Matthew Dolgin said: "If the verdict is upheld throughout all potential appeals, we think there is a reasonable probability that Windstream would be forced into bankruptcy."

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DigitalPhone.io, has welcomed ex-Windstream customers, especially business customers who are not getting the responsiveness, support, services, features and affordability they were promised by others."

*Nicky Smith, President,
DigitalPhone.io*

Anders Bylund of the [Motley Fool](#) was more blunt in his assessment: "Windstream has been circling the drain for years, but the situation is reaching a critical point in a quicker and more dramatic fashion than expected. The court decision will be appealed to a higher court, but Windstream's rearview mirror already looks back at many years of dwindling revenue and shrinking cash flows. Whatever happens to Aurelius and its claims, I don't see a future for this company."

At the end of trading on February 19, shares of

Windstream stock plunged 62% below the close on February 15 (before the court ruling was made public), while shares of Uniti stock dropped 39 percent.

Windstream Bankruptcy: How it Impacts Employees and Customers

While much attention is being paid to how a Windstream bankruptcy would impact investors, there are two additional groups that will also bear the brunt of a Chapter 11 filing: employees and customers.



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Windstream could be exposed to the risk of bankruptcy following a court ruling that deemed the telecommunications services provider to have defaulted on its bonds.

With respect to employees, Windstream workers are already sounding the alarm bells about impending layoffs. Reads an anonymous post from an anxious Windstream worker at thelayoff.com:

We are headed for bankruptcy

Windstream can last for a couple more years, when some debt comes due, unless Aurelius forces them into Chapter 11 bankruptcy sooner. The FCC and various state public service commissions will weigh in during bankruptcy since they need to maintain 911/landline services to Win's ILEC subscribers. The challenge for a bankruptcy judge will be finding another telecom operator who wants to take over these customers without owning the underlying assets, most of which are now owned by Uniti. Let's hope another operator is better than the current inept executive team, who understands little about telecom.

And with respect to customers, it is a foregone conclusion that any restructuring will, at least for several months or even years, disrupt normal operations. And while acquisition by another company may pacify investors, there is no assurance that a new player will have the capacity or desire to provide Windstream customers with the service and performance standards they expect. It is more likely that the focus will be on generating revenues by providing new customers with big incentives vs. providing existing and loyal customers with better service.

DigitalPhone.io: Welcoming Ex-Windstream Customers

At DigitalPhone.io, we have been welcoming ex-Windstream customers for several years — especially small and mid-sized business customers who are not getting the responsiveness, support, services, features and affordability they were promised.

Regardless of whether a Windstream bankruptcy or massive downsizing happens in the coming months or years from now, if you are a Windstream customer then we invite you to learn more about our state-of-the-art cloud telephone solution. In addition to saving thousands of dollars a year vs. a traditional telephone system, your business will get a wide range of advanced calling features such as auto attendant, voicemail-to-email, live call transfer, chat/SMS, find-me-follow-me, and more.

We have been a leader in the cloud telephone marketplace for 20 years. We do not over-promise and under-deliver, or make financial decisions that boost our bottom line at the expense of our customers. We put our customers FIRST, which is why they trust and recommend us.

To learn more, contact us today for a free, no-obligation and no-risk demo of our cloud telephone solution. The demo can be provided to you over the web, or in-person at your location. Call us today (336) 544-4000.

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