

## NORDAM reaches agreement with Gulfstream that is expected to shorten bankruptcy, resume PW800 program

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NORDAM had suspended its production of nacelle system components for the Gulfstream G500 (above) and G600 business jets because of a contract dispute with engine-maker Pratt & Whitney Canada. SHUTTERSTOCK

Tulsa-based NORDAM Group has reached an agreement with Gulfstream Aerospace Corp. that NORDAM believes will lead to a Chapter 11 reorganization that will provide “substantial (if not complete) recoveries for all creditors,” documents show.

Facing outstanding funded debt of about \$286 million, aerospace manufacturer and repair firm NORDAM Group Inc., along with its domestic subsidiaries, filed a voluntary petition July 22 for protection under Chapter 11 reorganization. The action followed a long

contract dispute with Pratt & Whitney Canada regarding the PW800 nacelle system used in Gulfstream G500 and G600 aircraft.

Unanticipated costs connected with the program led NORDAM to spend more than \$200 million on it, a move that “materially jeopardized” its profitability, federal records show.

But in U.S. Bankruptcy Court motions filed Tuesday in Delaware, NORDAM said a pact has been reached that, subject to the court’s approval, will provide for GAC’s acquisition

of NORDAM’s interest in the program, will immediately restart the program and grant a sale of program assets from NORDAM to Gulfstream Aerospace in exchange for GAC’s assuming about \$18 million of third-party vendor and contract counter-party liabilities and a series of mutual releases terminating all disputes between NORDAM, Pratt & Whitney and GAC with respect to the program.

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