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AMERICAN BILTRITE INC
Form 8-K
October 21, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 20, 2005

AMERICAN BILTRITE INC.

(Exact name of registrant as specified in charter)

Delaware	1-4773	04-1701350
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(State or other jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

57 River Street, Wellesley Hills, Massachusetts 02481-2097

(Address of principal executive offices, including zip code)

(781) 237-6655

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

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American Biltrite Inc.'s majority-owned subsidiary Congoleum Corporation ("Congoleum") announced on October 20, 2005 that the law firm of Gilbert Heintz & Randolph LLP ("Gilbert Heintz") will be withdrawing as Congoleum's insurance coverage counsel by mutual agreement of Congoleum and Gilbert Heintz following the recent United States Third Circuit Court of Appeals' ruling that Gilbert Heintz had other representations which were in conflict with its representation of Congoleum. Congoleum further announced that it will be retaining the firm of Covington & Burling to represent Congoleum in Congoleum's insurance coverage litigation and insurance settlement matters previously handled by Gilbert Heintz. The transition is subject to Bankruptcy Court approval. The New Jersey firm of Dughi, Hewit & Palatucci, P.C. will continue to serve as co-counsel in Congoleum's insurance coverage litigation.

Congoleum also announced that, because of the time required to make the transition of counsel and to make any further modifications to Congoleum's proposed plan of reorganization that may be appropriate in light of the Third Circuit Court of Appeals' ruling, Congoleum has asked the Bankruptcy Court to postpone Congoleum's deadline for submission of a revised plan until December 5, 2005. Congoleum further stated that it expects to request a lengthier adjournment in its insurance coverage case to facilitate the counsel transition. Congoleum also stated that it remains hopeful that it will have a plan confirmed in the first half of 2006.

Interested parties should refer to the documents that will be filed by Congoleum for a complete description of the modified plan.

On December 31, 2003, Congoleum filed a voluntary petition with the United States Bankruptcy Court for the District of New Jersey (Case No. 03-51524) seeking relief under Chapter 11 of the United States Bankruptcy Code as a means to resolve claims asserted against it related to the use of asbestos in its products decades ago.

Forward-Looking Statements

Some of the information presented in this Current Report on Form 8-K constitutes "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks, uncertainties and assumptions. These forward-looking statements are based on American Biltrite Inc.'s expectations, and American Biltrite Inc.'s understanding of Congoleum's expectations, as of the date of this report, of future events, and American Biltrite Inc. undertakes no obligation to update any of these forward-looking statements except as required by the federal securities laws. Although American Biltrite Inc. believes that these expectations are based on reasonable assumptions, within the bounds of its knowledge of its business and operations, there can be no assurance that actual results will not differ materially from its expectations. Readers are cautioned not to place undue reliance on any forward-looking statements. There can be no assurance that Congoleum will be

successful in obtaining confirmation of its proposed amended Chapter 11 plan of reorganization in a timely manner or at all. Any alternative plan of reorganization pursued by Congoleum or confirmed by the bankruptcy court could vary significantly from the version of the plan currently being pursued by Congoleum, including with respect to the matters described in this report. Furthermore, the estimated costs and contributions required to confirm and to effect the proposed amended plan of reorganization or an alternative plan could be significantly greater than currently estimated. Any plan of reorganization

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pursued by Congoleum will be subject to numerous conditions, approvals and other requirements, including bankruptcy court approvals, and there can be no assurance that such conditions, approvals and other requirements will be satisfied or obtained.

Some additional factors that could cause actual results to differ from Congoleum's and American Biltrite Inc.'s objectives for resolving asbestos liability include: (i) the future cost and timing of estimated asbestos liabilities and payments; (ii) the availability of insurance coverage and reimbursement from insurance companies that underwrote the applicable insurance policies for Congoleum and American Biltrite Inc. for asbestos-related claims; (iii) costs relating to the execution and implementation of any plan of reorganization pursued by Congoleum; (iv) timely reaching an agreement with other creditors, or classes of creditors, that exist or may emerge; (v) American Biltrite Inc.'s and Congoleum's satisfaction of the conditions and obligations under their respective outstanding debt instruments, and amendment of those outstanding debt instruments, as necessary, to permit Congoleum and American Biltrite Inc. to satisfy their obligations under Congoleum's proposed plan of reorganization; (vi) the response from time-to-time of American Biltrite Inc.'s and Congoleum's lenders, customers, suppliers and other constituencies to the Chapter 11 process and related developments arising from the strategy to settle asbestos liability; (vii) Congoleum's ability to maintain debtor-in-possession financing sufficient to provide it with funding that may be needed during the pendency of its Chapter 11 case and to obtain exit financing sufficient to provide it with funding that may be needed for its operations after emerging from the bankruptcy process, in each case, on reasonable terms; (viii) timely obtaining sufficient creditor and court approval of any reorganization plan; (ix) developments in and the outcome of insurance coverage litigation pending in New Jersey State Court involving Congoleum and certain insurers; (x) developments in, and the outcome of, proposed federal legislation that, if adopted, would establish a national trust to provide compensation to victims of asbestos-related injuries that would be funded in part by assessments against companies with asbestos-related liabilities such as American Biltrite Inc. and Congoleum; and (xi) compliance with the Bankruptcy Code, including section 524(g). In addition, in view of American Biltrite Inc.'s relationships with Congoleum, American Biltrite Inc. could be affected by Congoleum's negotiations, and there can be no assurance as to what that impact, positive or negative, might be. In any event, the failure of Congoleum to obtain confirmation and consummation of its anticipated Chapter 11 plan of reorganization would have a material adverse effect on Congoleum's business, results of operations or financial condition and could have a material adverse effect on American Biltrite Inc.'s business, results of operations or financial condition. Other factors that could cause or contribute to actual results differing from its expectations include those factors discussed in American Biltrite Inc.'s other filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2005.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 21, 2005

AMERICAN BILTRITE INC.

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By: /s/ Howard N. Feist III

Name: Howard N. Feist III

Title: Chief Financial Officer