

# Fort Lauderdale-based treatment center Destination Hope files for bankruptcy protection

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Destination Hope, an addiction treatment center, filed for Chapter 11 reorganization protection Aug. 27 in U.S. Bankruptcy Court in Fort Lauderdale.

The Fort Lauderdale-based company listed \$8.58 million in debt in its bankruptcy petition. It had between \$500,000 and \$1 million in assets. The petition was signed by Destination Hope President Benjamin Brafman.

According to the case management summary, Destination Hope has 80 employees and 45 to 50 patients. The center has had a drop in patients amid the Covid-19 pandemic.

Destination Hope provides substance abuse and mental health treatment for adults at two Fort Lauderdale locations, and one in Tamarac. All of the facilities are leased.

“Destination Hope will continue to provide the same standard of excellent care that it has since 2007,” said Boca Raton attorney Aaron Wernick, who represents the debtor. “The facilities will remain open and the patient treatments will continue uninterrupted. Destination Hope will continue treating its existing patients and will welcome new patients, as well.”

Wernick said the company filed Chapter 11 as a temporary measure to restructure some of its debt. The pandemic caused a temporary decline in revenue, and social distancing was initially challenging in the residential treatment setting.

The case summary says Destination Hope also had difficulty obtaining payment from some insurance companies.

The company’s largest creditors include Newtek Financial (\$2.89 million), SG Capital (\$1.78 million), Tricare (\$1.5 million), Miami-based City National Bank of Florida (\$1.23 million Payroll Protection Program loan), EastGroup Properties (\$800,000 for a lease), and the Halpern Family Trust (\$600,000 loan).

“Destination Hope looks forward to utilizing the Chapter 11 process in order to emerge leaner and more profitable,” Wernick said.