

Large U.S. architecture firm, EYP, files for bankruptcy, may sell to subsidiary of Bitcoin miner

April 29, 2022

U.S.-based firm EYP Architecture + Engineering has filed for bankruptcy due to pressure from debt obligations. The firm, based in Albany, New York, has 11 offices across the United States and employs 470 staff. The firm has filed for Chapter 11 protection in the U.S. Bankruptcy Court for the District of Delaware owing \$149 million in debts.

To address its debt burden, EYP has agreed to a deal to sell itself to Ault Alliance Inc for \$68 million. Ault is a subsidiary company of BitNile, a cryptocurrency-focused company which owns and operates its own data center for mining bitcoin, and provides products orientated around disruptive technologies.

Yahoo Finance reports that Ault will make an offer of employment to all current employees of EYP, and that ongoing projects by the firm are not expected to be disrupted by the sale, which is expected to be completed by June 2022.

According to EYP, the decision to file for bankruptcy was not related to pressures from the COVID-19 pandemic but was instead the result of long-running complications from its debt obligations, and lawsuits brought by former employees.

According to Reuters, one lawsuit brought by employees accuses prior EYP shareholder Long Point Capital of duping employees into selling their equity in the company to an ESOP (employee stock ownership plan) in exchange for worthless notes. EYP is not listed as a defendant in the case but has “significant” indemnification obligations to former directors who are defendants.

EYP has been featured in several Archinect stories in recent years, including numerous awards. Back in 2015, the firm was listed as one of the Top 50 firms in the United States by Architect Magazine, including the top score for sustainability, while in 2017, the firm received first prize in the Office Building category for the Rethinking the Future Awards.

Last year, EYP was one of 19 firms to take part in the NOMA Foundation Fellowship, which saw 24 architecture students paired with leading architecture firms for the purposes of research and potential future employment.

Link to original press release:

<https://archinect.com/news/article/150308440/large-u-s-architecture-firm-eyp-files-for-bankruptcy-may-sell-to-subsiary-of-bitcoin-miner>