

Palm Beach County pharmaceutical company files for Chapter 11 bankruptcy

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By Ashley Portero

Riviera Beach-based Sancilio Pharmaceuticals Co. filed for Chapter 11 bankruptcy in June, and recently closed two asset sales in Delaware.

The Ocean Blue division of the company, a producer of fish oil supplements, was purchased by K.D. Pharma Group for \$2.5 million in a sale that closed in August.

Micelle Biopharma paid \$19.2 million cash for Altemia and the ALT Platform, a phase three-ready product for sickle-cell disease. It also purchased Sancilio's plants, lab and prenatal and dental portfolio of prenatal vitamins and fluorides, according to [Cassel Salpeter](#) & Co., which advised Sancilio in its Chapter 11 sale of business assets.

The sale saved several Sancilio jobs in Palm Beach County, [Cassel Salpeter](#) Chairman James Cassel told the *Business Journal* in a statement. The *Business Journal* was unable to reach a representative for Sancilio.

"Many employees that were with Sancilio prior to and during the bankruptcy proceedings were hired by the two acquiring companies," he said. "As is true with many distressed situations, some of the employees found other places of employment during the pendency of the bankruptcy, while others were offered opportunities with the acquirers."

The U.S. Bankruptcy Court for the District of Delaware approved the sale of Sancilio assets to the two buyers in July, Cassel said, adding that a liquidation plan would likely be filed in the case.

In June, Sancilio reported it had about \$11.9 million in assets and more than \$25 million in liabilities, according to [court filings](#). About \$19.2 million of those liabilities were secured claims, including almost \$19 million to MidCap Financial Services LLC.

Sancilio received \$3.8 million in job-creation subsidies from the state, county and city [in 2016 as part of a job-growth incentive deal](#). The company was given \$3 million from Florida's Quick Action Closing Fund, and \$825,000 in tax rebates from Florida's Qualified Target Industry program. In turn, Sancilio said it would retain 149 jobs and create 275 new jobs by mid-2019.