

U.S. commercial bankruptcies rise to record levels

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By Chelsea Emery

NEW YORK, June 2 (Reuters) - U.S. commercial bankruptcies soared 46 percent in May from a year ago and many more are expected as the slowing economy chokes consumers and businesses, according to a bankruptcy management firm.

There were some 5,233 commercial bankruptcy cases last month, up from 3,589 in the year-ago period, according to AACER, a database of U.S. bankruptcy statistics.

Commercial cases include bankruptcy filings from companies, as well as individuals who indicate they are running a business.

"It's a very sizable increase year over year, no doubt about that," said Mike Bickford, president of AACER.

And there are many more bankruptcy filings to come, according to Bickford.

"What we've seen over time using historical models is that (the filings) will stay fairly level from now through the end of August, then we'll see another spike for September and the fall months," said Bickford.

As many as 1.1 million bankruptcy cases, including personal filings, as well as commercial, are expected by the end of the year, he said. That is up from about 800,000 last year.

MAY SPIKE

There were an average 249 commercial filings every day last month. That is the highest monthly rate since new bankruptcy laws took effect in 2005, according to AACER.

A wide range of industries are struggling this year. Higher costs of food and fuel have stifled consumer spending and cut into retailers' profits, while home builders have been slammed by falling home prices. Higher fuel costs have also hurt airlines and transportation-related companies, which have difficulty passing on their higher expenses to customers.

Gadget retailer Sharper Image Corp SHRPQ.PK, Florida-based home builder TOUSA Inc TOUSQ.PK and air carrier Frontier Airlines Holdings Inc FRNTQ.PK are among companies that have filed for bankruptcy protection this year. (Editing by Andre Grenon)

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