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Originally Published: May 05, 2014 6:30 PM **Modified: May 06, 2014 2:47 PM**

## Lakeshore TolTest files Chapter 7 bankruptcy

By [Chad Halcom](#)



**Lakeshore TolTest Corp.**, the Detroit civil engineering firm with troubles ranging from the Kilpatrick corruption scandal to a loss of lucrative defense contracts in Afghanistan, is now in Chapter 7 bankruptcy liquidation.

**LTC Corp. Government Services Inc.**, doing business as Lakeshore TolTest, along with LTC Holdings and several other Lakeshore entities sharing a headquarters in Chicago since at least January, all filed petitions late Friday at U.S. Bankruptcy Court in Delaware.

The company, based in Detroit until a few months ago, claims about 10,000 creditors, and liabilities of between \$50 million and \$100 million on estimated assets between \$50 million and \$100 million, in documents filed at the bankruptcy court.

Andrew Haliw, executive vice president and general counsel of Lakeshore TolTest, did not immediately return a message seeking comment about the Chapter 7 petitions. Calls to the company's main phone number in Detroit went unanswered or yielded a busy signal Monday, and the company's website ltccorp.com appears to have come down late last week.

Private equity firms **Gridiron Capital LLC** of Connecticut and **Elston Capital Partners LLC** of Indiana, which each reported owning a stake in Lakeshore TolTest among their respective portfolio companies last week, also have removed references to the company from their respective websites.

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[Lakeshore Global can't keep DWSD sewer repair contracts; \\$60M work likely to go to Lanzo Cos.](#)

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**Starboard Capital Partners LLC**, another Connecticut private equity firm, still lists Lakeshore TolTest in its portfolio on its website; managing member Marc Bergschneider declined to comment when contacted by *Crain's* on Monday.

"The LTC Chapter 7 filing is consistent with other small construction company liquidations in circumstances where companies requiring liquidity enter construction contracts that they had initially underbid," Audrey Young, senior strategic communications advisor to Gridiron and Lakeshore TolTest at **Holland & Knight LLP**, said in a statement late Monday.

Founded in 1994, the former Lakeshore Engineering Services Inc. claimed \$624 million revenue in 2010 after acquiring Maumee, Ohio-based TolTest Inc. to form Lakeshore TolTest.

The chairman and CEO at that time, Avinash Rachmale, still owns a minority stake in LTC but resigned from the company's board of directors on April 2 and is now president and owner of Detroit-based **Lakeshore Global Corp.**, which is still operating.

The LTC entities relocated their headquarters to Chicago a few months ago after closing on a lease on offices there last October.

Rachmale contends [in a lawsuit filed last week](#) against Gridiron, Starboard and several senior executives that the company leadership has committed shareholder oppression, unjust enrichment, civil rights violations and breaches of contract, fiduciary duty, good faith and fair dealing, in a lawsuit at **Wayne County Circuit Court**.

"The bankruptcy filing of Lakeshore TolTest Corp. and related entities is tragic and substantiates what we allege in our complaint," said Gerard Mantese, a partner at Troy-based **Mantese Honigman Rossman and Williamson PC** and attorney for Rachmale in that case, said of the bankruptcy petition.

Lakeshore TolTest in 2013 reached a settlement valued at about \$5.1 million with the **Detroit Water and Sewerage Department**, terms of which included transferring the deed to property it had acquired adjacent to a department wastewater treatment plant.

It was also one of 14 to be suspended in December 2011 from contracting with DWSD as non-responsible bidders, based on their connections to an alleged corruption and kickback scheme that landed former Detroit Mayor Kwame Kilpatrick in federal prison.

But Lakeshore challenged that decision and later agreed to withdraw from DWSD bids for one year. Rachmale was a prosecution witness in that federal court case.

The company also had at least three defense contracts terminated for default last year with the **U.S. Army Corps of Engineers** and the **U.S. Air Force Materiel Command**, valued at more than \$70 million for various infrastructure projects in Afghanistan. It had appealed those decisions to the federal **Armed Services Board of Contract Appeals** in Falls Church, Va., but no decision has been reached in those cases.

The DWSD **Board of Water Commissioners** late last month approved two three-year contracts worth a combined \$60 million for sewer lining and repair contracts worth \$30 million each and reassigned them to Lakeshore Global. But those awards are now under protest by two rival bidders.

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A previous DWSD contract worth \$21.8 million was also approved by the board but later placed on hold by Detroit Emergency Manager Kevyn Orr.

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## Construction and Engineering Company Overview of Lakeshore Engineering Services, Inc.

May 14, 2014 8:19 AM ET

### Snapshot

### People

#### Company Overview

Lakeshore Engineering Services, Inc. provides construction management, oil and gas, and environmental services to federal and municipal government agencies, commercial clients, oil and gas clients, and the United States Department of Defense. It offers construction services, such as military contracting, infrastructure construction, airfield construction, electrical construction, marine construction, historical renovation, demolition/deconstruction, and sustainability. The company also provides environmental services, including remediation and restoration, compliance, waste management, decontamination, demolition, decommissioning, and green demolition. In addition, it offers energy services,...

#### Detailed Description

7310 Woodward Avenue  
Suite 500  
Detroit, MI 48202  
United States

**Phone:** 313-875-4115

**Fax:** 313-875-2732

Founded in **1994**

#### Key Executives For Lakeshore Engineering Services, Inc.

**Mr. Avinash Rachmale**  
Founder

**Mr. Jeff R. Miller**  
Chief Financial Officer and Treasurer

**Mr. Ernest C. Enrique**  
Executive Vice President

**Mr. Andrew J. Haliw**  
Executive Vice President

**Mr. Robert J. Leduc**  
Executive Vice President

Compensation as of Fiscal Year 2013.

#### Lakeshore Engineering Services, Inc. Key Developments

##### LTC/Lakeshore Toltest Corporation Presents at Houlihan Lokey's Global Industrials Conference, May-09-2013 02:00 PM

May 10 13

LTC/Lakeshore Toltest Corporation Presents at Houlihan Lokey's Global Industrials Conference, May-09-2013 02:00 PM. Venue: Grand Hyatt, 109 East 42nd Street at Grand Central Terminal, New York, NY 10017, United States.

##### Lakeshore TolTest Corp. Wins \$75 Million Federal Contract from the U.S. Naval Facilities Engineering Command

May 8 13



Lakeshore TolTest Corp. won a \$75 million federal contract from the U.S. Naval Facilities Engineering Command, Naples, Italy, for the construction of aircraft hangar and telecommunication facility at Camp Lemonnier. Place of performance will be in Djibouti.

### Lakeshore Engineering Services, Inc. Wins \$75 Million Federal Contract

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Lakeshore Engineering Services, Inc. (Lakeshore Toltest Corp.) was awarded a share of a federal contract valued at up to \$75 million by the U.S. Naval Facilities Engineering Command for construction services at Camp Lemonnier. Places of performance will be in Djibouti and Kenya, Africa. Barlovento LLC, Dothan, Ala.; Prime Projects International Construction Ltd., Deira, Dubai; and PAE Government Services Inc., Arlington, Va., shared in the award amount.

#### Similar Private Companies By Industry

Company Name	Region
Western Utility Contractors, Inc.	United States
Waterford Custom Homes, Inc.	United States
AGS LLC	United States
Apex Inflatables	United States
Modern Cabana, LLC	United States

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