

## EXERCISE

# OVERVIEW OF A CHAPTER 11 CASE

### Background

You represent a distressed company that has decided to restructure under Chapter 11 of the Bankruptcy Code. The client's general counsel wants to have a call to discuss the process of a Chapter 11 case as well as anything else they should take into consideration when filing.

She tells you that:

- The company was incorporated in Delaware but has its headquarters in Denver, CO.
- It also has 40 retail locations spread throughout the United States, several of which have leases that are particularly onerous to the company.
- The company doesn't have a lot of money in the bank and projects that it will need additional financing within 3 months.
- The company is behind on some payments and a few suppliers have threatened to start collection efforts against the company.
- They have a number of assets they'd like to sell, preferably for cash.

### Instructions

Come prepared to discuss what you'll tell the general counsel, be sure to cover:

- Where the company can file its Chapter 11 case.
- How their projected liquidity runway affects their filing.
- What the typical process is for a traditional Chapter 11 case.
- What tools are available both in the First Days and during Case Administration that may be able to address some of the company's concerns.
- What the company will need to do to be able to exit Chapter 11 successfully.