

EXERCISE

THE 363 SALE PROCESS

Background

You represent a distressed company that's preparing for a Chapter 11 filing. The company has decided it needs to sell some of its assets and wants to do it as soon as possible. The client's general counsel agrees that the sale should be done under Section 363 of the Bankruptcy Code. She has asked for your help preparing for a meeting with the company's board of directors, where she'll have to explain the 363 sale process.

She said that the board is most interested in understanding the following:

- Why companies pursue 363 sales.
- What the typical process is for a 363 sale.
- How soon the process can start.
- Whether there are any bankruptcy specific requirements that differ from a standard asset sale.
- Any additional costs they should consider related to the process.

Instructions

Come prepared to discuss what you'll tell the general counsel to help her prepare for her meeting.