

Articles + Publications | November 14, 2024

I Just Learned My Customer Filed for Bankruptcy – Can I Stop the Shipment of Goods?

Creditor's Rights Toolkit

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While post-petition shipments, and goods delivered to a debtor within 20 days before bankruptcy, will both enjoy administrative expense treatment, they leave the creditor exposed to the risk of administrative insolvency until payment occurs. Consequently, some sellers may choose to halt shipments on unpaid goods upon learning of a customer's impending or actual bankruptcy filing.

This article discusses the key issues and considerations related to stopping the transit of goods during or shortly before a bankruptcy case. To access this article and read other insights from our Creditor's Rights Toolkit, [please click here](#).

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