

What Are Some Alternatives to Chapter 11 and How Do They Affect Creditors?

Creditor's Rights Toolkit

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There are many reasons why a company might be experiencing financial distress, including overwhelming debt, cash flow problems, substantial litigation claims, and/or economic downturn. Companies sometimes use Chapter 11 as a vehicle to address these issues, especially since Chapter 11 allows the company to reorganize and continue as a going concern. However, Chapter 11 is an expensive process and may not be the best option for a financially distressed company.

This article discusses alternatives to Chapter 11 and how these alternatives may affect creditors. To access this article and read other insights from our Creditor's Rights Toolkit, [please click here](#).

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