

What Is a Structured Dismissal of a Bankruptcy Case and How Does It Affect Creditors?

Creditor's Rights Toolkit

CONTACTS

[David M. Fournier](#) | [Evelyn J. Meltzer](#) | [Kenneth A. Listwak](#) | [Tori Lynn Remington](#)

More often than not, Chapter 11 debtors seek to exit bankruptcy by confirming a Chapter 11 plan of reorganization or liquidation. However, not only is this approach expensive, but it requires that the debtors have sufficient funds to pay administrative and priority claims in full in order to confirm the plan. A structured dismissal is sometimes proposed as an alternative to a Chapter 11 plan of liquidation or conversion of the bankruptcy case to Chapter 7.

This article will go over the key issues of a structured dismissal for creditors in a bankruptcy case. To access this article and read other insights from our Creditor's Rights Toolkit, [please click here](#).

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