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What Is a Subchapter V Bankruptcy and How Does It Differ From a Traditional Chapter 11 Bankruptcy?

Creditor's Right Toolkit

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Subchapter V is a subchapter of Chapter 11 of the Bankruptcy Code and is intended to be a streamlined, cost-effective path to reorganization for small businesses. However, Subchapter V cases lack some creditor protections that are hallmarks of traditional Chapter 11 cases, thereby putting creditors at a potential disadvantage.

This article discusses the key creditor protections that Subchapter V lacks. To access this article and read other insights from our Creditor's Rights Toolkit, please click here.

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