

What Is an Involuntary Bankruptcy and How Can Creditors Use This Powerful Tool?

Creditor's Rights Toolkit

CONTACTS

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

In most bankruptcies, the company decides to file for relief. In involuntary bankruptcies, creditors force the company into bankruptcy. Involuntary petitions are an extreme remedy, and therefore the requirements and standards for filing such petitions are strictly construed and applied. If creditors meet the requirements under the Bankruptcy Code for filing an involuntary petition, it can serve as a powerful tool to use against a debtor.

This article discusses the requirements for filing an involuntary bankruptcy. To access this article and read other insights from our Creditor's Rights Toolkit, [please click here](#).

RELATED INDUSTRIES + PRACTICES

- [Bankruptcy + Restructuring](#)
- [Debtor + Committee Representations](#)
- [Distressed Mergers + Acquisitions](#)
- [Trade Creditors Representation](#)