

MEDIA MENTIONS

Schulte partner and co-chair of the Business Reorganization Group Doug Mintz featured in *The Deal* on the decline of liquidations in bankruptcy

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Schulte Roth & Zabel partner Douglas Mintz recently shared his insights on the decline of liquidations in bankruptcy, which have hit their lowest point in 15 years due to private credit, fees and out-of-court deals, among other factors.

Doug recently told *The Deal* that “The market’s gotten more efficient at how it deals with distress. You have different players than you used to have who pride themselves on efficiency — private credit providers versus banks pride themselves on efficiency, private equity sponsors versus capital markets [do the same] – it’s just the nature of a more efficient market and a never-ending drive toward that.”

While liquidations were fundamental to early insolvency and bankruptcy law, modern bankruptcy has evolved into a tool of the larger restructuring belt. Today, the sophistication of lenders and their due diligence have made distressed entities abruptly submitting a petition far less likely.

“On a short string, [private credit] can step in and provide liquidity solutions very quickly. Private credit providers as an existing lender would be more likely to attack the problem further out,” Doug said. “Freefalls are more likely to trigger liquidations, and freefalls are surely down. Bankruptcies, even if they’re up this year, are broadly down, so when you put all that together, you end up with fewer liquidations,” he added.

Read more [here](#).

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Douglas

Mintz

Partner

Washington, DC

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