

# Distressed Situations Overview

## May 21, 2025



**Robert Haupt**  
Lathrop GPM



**Brendan Cronin**  
Forvis Mazars

# Why Are We Here?

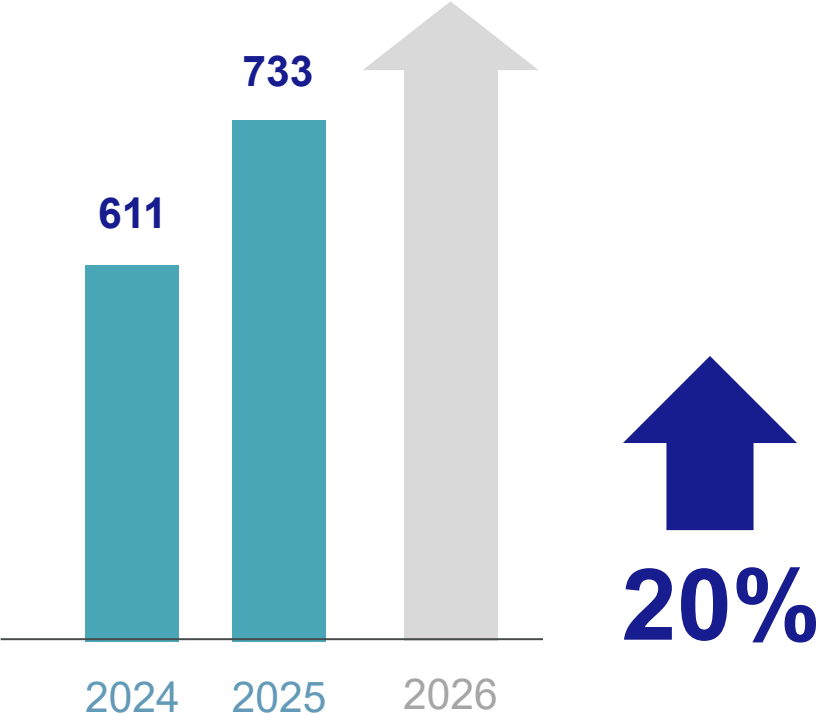
## Recent Headlines:

- “Bankruptcy Filings Up 16.2 Percent” (US Courts. 11/7/24)
- “Commercial chapter 11 filings increased 20 percent to 733 in March 2025 from the 611 filings recorded in March 2024” (ABI. March 2025)
- “US corporate bankruptcies soar to 14-year high in 2024; 61 filings in December” (S&P Global. 1/15/25)
- “US public energy companies record highest median default risk at 2024-end” (S&P Global. 1/15/25)
- “January Chapter 11 Commercial Filings Increase 16 Percent Over Last Year” (Epiq News)
- “March Commercial Chapter 11s Increase 20 Percent from Previous Year” (Globe Newswire by notified)
- “In 2025, global business bankruptcies were expected to grow by 6%, and a full-blown trade war could increase this to 7.8% in 2025 and 8.3% in 2026” (Law360.com)
- “Forecasting the expected filing numbers for the remainder of 2025, the data suggests the nation will see approximately 390,949 additional bankruptcies filed across the remaining 36 weeks of the year” (Bankruptcywatch.com. March 2025)
- “If current trends continue, projections indicate approximately 534,983 bankruptcies will be filed by the end of 2025” (Bankruptcywatch.com. March 2025)
- “Bankruptcy Inquiries Reach Pandemic-Era Highs as Tariff Effects Loom” (MortgagePoint)
- “Farm bankruptcies are on the rise” (Marketplace, April 25, 2025)

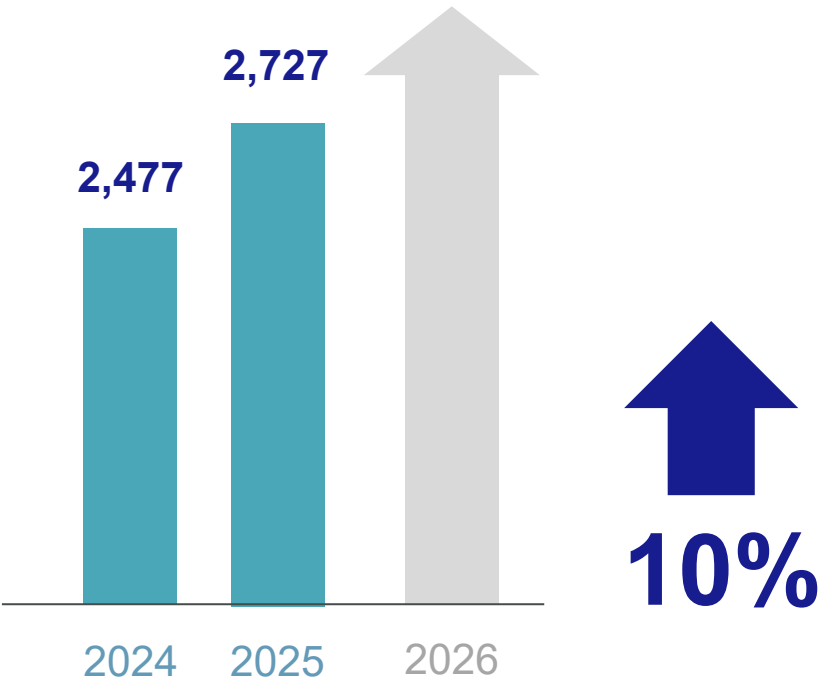
# Commercial Chapter 11



**Commercial chapter 11 filings** increased 20 percent to 733 in March 2025 from the 611 filings recorded in March 2024.



**Commercial filings** were 2,727, a 10 percent increase in March 2025 compared to the 2,477 filed in March 2024.



Source: Epiq Bankruptcy Analytics/American Bankruptcy Institute

# Initial Assessment & Developing a Restructuring Plan

- Financial & Operational Diagnosis
- Identifying the Root Causes of Distress
- Stakeholder Expectations & Legal Risks
  - Financial Stabilization Strategies
  - Operational Turnaround Measures
    - Strategic Adjustments
- Building Trust & Communication Strategies
  - Negotiation Tactics for Success
    - Role of Debtor

# Implementation, Execution, & Post-Restructuring Follow-Up

- Executing Financial & Operational Changes
- Monitoring Progress & Making Adjustments
  - Ensuring Long-Term Stability
- Ongoing Performance Monitoring

# Key Challenges & Solutions in Restructuring

## Common Challenges

- Stakeholder Resistance
- Legal & Financial Risks for Business Owners (Principals)
  - Time & Resource Constraints
- Operational Disruptions & Customer Confidence

## Solutions & Best Practices

- Early Intervention & Proactive Planning
- Strategic Negotiations & Communication
  - Legal & Compliance Considerations

# Case Studies & Real-World Examples

## **Scenario 1: Non-Bankruptcy Restructuring** (with bankruptcy in background)

- Good-Faith
- Transparency
- Cost-Effective

## **Scenario 2: Successful Bankruptcy Restructuring**

- May Be Liquidation
- Issues

## **Scenario 3: Example of Failed Turnaround**

- Contributing Factors
- Lessons Learned

# Q&A & Wrap-Up

- Open Floor for Questions
- Key Takeaways & Closing Remarks



# Contact

## Forvis Mazars

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

© 2025 Forvis Mazars, LLP. All rights reserved.