

Matt Ferris in FreightWaves Podcast: Change in Bankruptcy Laws Provides Greater Access to Chapter 11 Reorganization

May 11, 2020 Matt Ferris

PRACTICES Restructuring, Chapter 11 Debtor

Haynes Boone Partner [Matt Ferris](#) participated in a *FreightWaves* podcast to discuss a changed provision in federal bankruptcy law that could keep smaller companies alive rather than forcing them to liquidate.

Here is an excerpt of the podcast, titled “Drilling Deep:”

Plenty of trucking companies are going bankrupt. We know that. But what if a change in the bankruptcy law last year could keep a lot of them alive?

On this week’s Drilling Deep podcast, host John Kingston brings in attorney Matt Ferris from the firm of Haynes Boone to talk about a changed provision in federal bankruptcy law that could keep a lot of smaller companies alive when liquidation might otherwise have been the only course of action.

“It’s a very significant piece of legislation,” Ferris said. “Chapter 11 generally is an expensive process, and the cost of the process can be prohibitive for companies of a certain size. As you noted in your introduction, the practical result of that is that many companies are forced to go to Chapter 7 models, which effectively means they liquidate their assets and are forced to end their business.

Larger companies utilize Chapter 11 to reorganize and continue on; as Ferris notes, it’s been tougher for smaller companies to do that. But those changes in the law will open the door a little wider to staying solvent rather than disappearing.

“By streamlining the Chapter 11 process and eliminating some of the more costly elements of a typical Chapter 11 case, the Small Business Reorganization Act makes it possible for companies that otherwise wouldn’t have been able to avail themselves from Chapter 11 to reorganize and continue operations.”

Excerpted from a *FreightWaves* podcast. To listen to the full podcast, click [here](#).