

*This is your revised*

# **Financially Distressed Companies Answer Book**

## **2019 Edition**

**Fredric Sosnick**

*Shearman & Sterling LLP*

In order to survive, a company in financial distress must approach its business and capital structure differently than a financially sound company. A company in financial distress may, for example, need to preserve cash by stretching accounts payable, to raise cash by selling assets, to know if its creditors can prevent it from filing for Chapter 11 relief, or to arrange for emergency liquidity from institutional lenders. The response of a company to its deteriorating financial condition will almost certainly affect, perhaps in material ways, a company's key constituents.

*Financially Distressed Companies Answer Book, 2019 Edition* provides a broad overview of topics relating to financially distressed companies. It is intended to be an easy reference with respect to issues for the management of a company finding itself in financial distress, a vendor or other creditor trying to manage its exposure or understand a bankruptcy process, or a non-bankruptcy lawyer needing a description of the legal concepts relevant to distressed companies. Topics include: the possibility of a non-debtor exercising a termination right; the meaning of a "death trap" in a bankruptcy plan; and whether a lender is required to make new loans following the commencement of a Chapter 11 case. The book provides detailed answers to provide a working understanding of concepts, and relevant statutory and case-law cites to facilitate any necessary further reading. Examples and practice tips help illustrate concepts and provide practical guidance.

Thank you for purchasing *Financially Distressed Companies Answer Book, 2019 Edition*. If you have questions about this product, or would like information on our other products, please contact customer service at [info@pli.edu](mailto:info@pli.edu) or at (800) 260-4PLI.

Practising Law Institute  
1177 Avenue of the Americas  
New York, NY 10036  
**#239380**

