

News

PARTNER QUOTED BY LAW.COM ON BUSINESS-RELATED BANKRUPTCY FILINGS

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BCLP Partner Scott Olson was quoted Aug. 17 by Law.com’s “Delaware Law Weekly” regarding possible scenarios for business-related bankruptcy filings in the coming months. With some COVID restrictions being lifted and businesses at least partially back to business, the first half of the year has seen a slowdown in filings. But the end to various loan forgiveness programs, paired with the delta variant’s erratic effect, has left bankruptcy lawyers wondering what’s next. Olson said commercial real estate companies could see more bankruptcy filings if companies continue to have employees work from home rather than in office spaces. He added that those in retail, airlines, oil and gas, and the hospitality industries could be among those that end up filing for bankruptcy in higher numbers. “We do see that companies are increasing their debt loads and some companies have certainly gotten themselves in a bigger hole to climb out of by overleveraging their companies. We’ll see some challenges in the coming years in certain sectors,” Olson said. “A tick-up in interest rates will drive more bankruptcies down the road. That could cause companies to face more of a cash crunch than they have previously.”

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