

Bankruptcy Doldrums Persist Despite Economic Pressures

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John Carroll is quoted in a *Law360* article that discusses the stagnant rate of bankruptcy filings in the first quarter of 2022 despite rampant inflation and increasing interest rates. The article also covers how this pattern has affected many firms and what experts think the future holds.

It was predicted early on during the pandemic that rapid government restrictions would result in a significant number of companies filing for bankruptcy. In this article, John shares his thoughts on why the effects of COVID-19 surprisingly did not lead to an increase in filings in 2021.

John points out that lenders are hesitant to force borrowers into bankruptcy due to coronavirus aid packages causing a less active market for the assets of insolvent companies.

"I think what's going on right now is that some of the borderline companies are treading water and still have the residue of the pandemic stimulus," says John.

"Short-term, you're going to see some borderline companies that have managed to survive based on pandemic stimulus and also the generosity of lenders kicking the can down the road not being able to do that any longer," he adds.

John shared that he has been doing more commercial litigation work than bankruptcy work. "To be a bankruptcy practitioner, you need to be able to do commercial litigation, labor and employment law, commercial lending, real estate, all of those things," he stated.

To read the full article, [click here](#).

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