Who's In The Room Video Glossary
Turnaround & Restructuring Industry Terms

13-Week Cash Flow Analysis: A short-term forecast projecting a company's weekly cash inflows and outflows over 13 weeks, used for liquidity planning.

363 Sale: A sale of assets under Section 363 of the U.S. Bankruptcy Code, allowing for the transfer of assets free and clear of liens, claims, encumbrances, and interests.
Appraiser: A Professional who assesses the value of assets (real estate, equipment, inventory) for sale, financing, or restructuring.

Asset-Based Loan (ABL): Financing secured by specific company assets, commonly used to provide liquidity in distressed situations.

Assignment for the Benefit of Creditors (ABC): A state-level alternative to bankruptcy where a debtor assigns assets to a trust overseen by a fiduciary called an Assignee to liquidate assets and pay creditor claims.

Assignee: A fiduciary overseeing an ABC, responsible for liquidating assets and distributing proceeds to creditors.

Auctioneer: An individual or firm that publicly sells a debtor's assets at auction, often employed in liquidations or "going out of business" sales.

Bankruptcy Court: A federal court overseeing a bankruptcy case.
Bankruptcy Code: Title 11 of the United States Code, containing most provisions affecting the administration of a bankruptcy case.

Bridge Loan: Short-term financing used to cover immediate cash needs until longer-term funding is secured by a debtor.

Chapter 11 Trustee: A Court-appointed fiduciary who assumes operational control of a debtor in Chapter 11 bankruptcy, appointed where the Debtor has been shown to be engaged in fraud, gross mismanagement, or other serious wrongdoing.

Chapter 7 Trustee: An independent fiduciary appointed by the U.S. Trustee's office who assumes control of a Chapter 7 debtor's assets, to liquidate those assets in Chapter 7 bankruptcy and distribute proceeds to creditors.

Chief Restructuring Officer (CRO): An executive brought in to lead a company's turnaround or restructuring efforts, typically from a turnaround financial advisory firm, whose staff assists with the restructuring or turnaround.

Claims and Noticing Agent: A third-party professional that manages legal noticing and claim documentation in large bankruptcy cases. These professionals act as agents of the bankruptcy court when employed to maintain the official claims register for the bankruptcy case.

Commercial Finance: Debt financing for businesses, including ABL, factoring, revolving lines of credit, term loans, and other debt instruments, used frequently in distressed situations.

Committee Counsel: The attorney for the Official Committee of Unsecured Creditors in a Chapter 11 case.

Collateral: assets pledged by a debtor to satisfy the claim of a secured creditor.

Debtor Financial Advisor: An advisor retained by a debtor to support operations, cash management, restructuring strategy, and creditor negotiations.

Debtor's Counsel: The debtor's attorney in a distressed transaction or proceeding.

Factoring: Commercial financing through which a lender (factor) purchases a debtor's accounts receivable at a discount, providing the debtor with immediate liquidity.

Fiduciary: A person or entity with a legal obligation to act in the best interests of stakeholders, such as trustees or receivers.

Financial Advisor: Advises debtors or creditors on financial strategy, valuation, M&A, and restructuring.

Hairy Deal: Industry slang for a complex or risky distressed transaction.

Independent Director: An unbiased board member, often engaged in distressed situations to help with a debtor's governance and to ensure compliance with fiduciary obligations to appropriate parties.

Interim Management: Temporary executives (e.g., CEO, CFO) engaged by a debtor to stabilize or lead turnaround efforts.

Lender Financial Advisor: A lender's financial advisor providing lenders or credit groups analysis and advice regarding restructuring strategy and potential recoveries on claims.

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Liquidating or Litigation Trust: A trust created for the benefit of creditors into which a debtor assigns certain tangible and nontangible assets, claims, and causes of action to be liquidated, and the proceeds distributed to creditors according the debtor's plan.

Liquidating or Litigation Trustee: A fiduciary appointed following confirmation of a chapter 11 plan to liquidate remaining assets, manage and reconcile creditor claims, pursue litigation claims, and distribute funds to creditors.

Liquidator: A professional or firm responsible for selling off company assets in distress scenarios.

Machinery & Equipment: Tangible business assets commonly appraised or liquidated during restructuring.

Manage Assets: Overseeing, preserving, or selling business assets to maximize recovery in a distressed context.

Merger & Acquisition (M&A): The sale or combination of businesses; often done under distress (e.g., 363 sales).

Middle Market: Companies with revenues of $10M to $1B—frequent participants in restructurings.

Non-Performing Loan (NPL): Loan in default or significantly delinquent, typically moved to workout or special assets.

Official Committee of Unsecured Creditors: A group of unsecured creditors appointed in Chapter 11 case by the U.S. Trustee to represent the interests of all unsecured creditors of a debtor in the case.

Plan or Chapter 11 Plan: A contract between a debtor and its creditors governing the terms by which the debtor will reorganize or liquidate its assets. The debtor proposes the plan to creditors, which then have the opportunity to vote for or against, and is subject to approval by the bankruptcy court.

Receiver: A state-court-appointed fiduciary granted authority to assume control of an asset or business, charged with managing and/or liquidating the company or its assets for the benefit of creditors.

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Secured Creditor: A lender with secured interest in a lien on specific collateral, whose secured claim is repaid from its collateral ahead of unsecured creditors.

Special Assets, Managed Assets, Special Situations, Workouts Divisions: A department within a bank or other lender tasked with managing distressed loans and overseeing workouts or recoveries. Names of these groups or divisions vary.

Subchapter V: A Chapter 11 case for which only small business debtors are eligible. Equity holders can "ride through," a Subchapter V Chapter 11 case without paying creditor claims in full.

Subchapter V Trustee: A fiduciary appointed in a Subchapter V Chapter 11 case who does not assume control of the debtor's business or assets automatically, and is charged with facilitating negotiations toward a consensual plan of reorganization between the debtor and its creditors.

Turnkey Sale: A business sale where the buyer receives a fully operational company with systems and staff in place. Also referred to as a "going concern" sale.
Uniform Commercial Code (UCC) Sale: Asset sale under Article 9 of the UCC by a secured lender after borrower default.

U.S. Trustee: A division within the U.S. Department of Justice charged with overseeing bankruptcy cases and preserving the integrity of the bankruptcy system.

Workout: An out-of-court agreement between a debtor and one or more creditors (often a secured creditor) to restructure debt obligations, avoiding a formal restructuring process such as bankruptcy.