

Bankruptcy 101

Corporate Bankruptcy 101 for Consumer Litigators

This is an outline of how the process generally flows in Chapter 7 and Chapter 11 bankruptcies. However, the process may vary.

A company files for bankruptcy.

In that filing, the company will designate the type of bankruptcy it has filed.

Each type of bankruptcy has a different set of procedures the court must use to adjudicate the case. Chapter 7 and 11 bankruptcies are the primary types of bankruptcy for major corporations. Click on the type of bankruptcy to learn more.

Chapter 7

Chapter 7 bankruptcy liquidates and dissolves a company.

[LEARN MORE](#)

Chapter 11

Chapter 11 bankruptcy will reorganize a company (but, in many cases, the company will still go out of business).

[LEARN MORE](#)

A Consumer With a Legal Claim Against a Corporation Can Participate In The Business's Bankruptcy as a Creditor

In either type of bankruptcy, a consumer will need to file a proof of claim to establish the right to payment or part of the debtor's estate. Their claim will be adjudicated within the bankruptcy. For more information on how the claims process works, click either type of bankruptcy case above.

[Click here for additional NCLC bankruptcy resources](#)

[More information about consumer bankruptcy law and practice](#)