

Tom Salerno Quoted in the *Wall Street Journal* on Bankruptcy after PPP Loans

In the News

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Partner [Thomas J. Salerno](#) was recently quoted in a [Wall Street Journal article](#) on an uptick of bankruptcy filings from recipients of Paycheck Protection Program (PPP) loans. Many companies reported that funds from the PPP weren't enough to keep their businesses going, leaving many to file for bankruptcy or liquidate.

Because of this wave of bankruptcies, the Small Business Association, who guaranteed the loans, will likely suffer losses. Tom commented on the fact that many small businesses in bankruptcy may not have the funds to fully repay creditors either. "That loan is going to be a general unsecured claim," he said. "If [unsecured creditors] get 5 cents on the dollar, that's what the SBA gets."

Clients turn to Tom for his national and international experience helping private and publicly-traded companies in a broad range of industries continue operations as they negotiate restructuring plans. He has advised lenders, distressed companies, committees and asset acquirers in bankruptcies and out-of-court settlements. A member of Stinson's Coronavirus Task Force, Tom advises clients firmwide on bankruptcy and restructuring matters during the pandemic.

CONTACT

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