

SVB FINANCIAL GROUP ANTICIPATED TO FILE FOR BANKRUPTCY RELIEF

It is increasingly likely that Silicon Valley Bank's (SVB) parent company, SVB Financial Group, will file for Chapter 11 bankruptcy relief in the wake of SVB's collapse. On March 15, 2023, The Wall Street Journal reported that creditors of SVB Financial Group are forming a creditor group to participate in the anticipated bankruptcy and related sale. The creditor group is said to include Centerbridge Partners, Davidson Kempner Capital Management and Pacific Investment Management Co.

The creditor group reportedly purchased SVB Financial Group's bonds in the past several days and are believed to hold a large portion of the bond's cumulative \$3.4 billion par value. The apparent intent of the creditor group is to push SVB Financial Group to auction off its nonbank business through a bankruptcy sale. SVB Financial Group acknowledged on Monday that a restructuring committee was appointed by its board of directors.

Other examples of financial institutions that have filed for Chapter 11 bankruptcy and sold off their assets for the benefit of their creditors include Lehman Brothers and Washington Mutual in September 2008.

We continue to monitor events as they develop, including any potential bankruptcy filings. If you have any questions specific to your organization, please contact your regular Armstrong Teasdale lawyer or one of the authors listed below.

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