Katten

PODCAST



# TMA Chicago/Midwest Podcast Hosted by Paul Musser | Steven Victor on the 'ABCs' of Assignments for the Benefit of Creditors

June 26, 2025

In the latest Turnaround Management Association (TMA) Chicago/Midwest podcast episode, host and Insolvency and Restructuring Partner Paul Musser sat down with Senior Managing Director at Development Specialists, Inc. (DSI), Steven Victor, to discuss the industry's evolution over the span of Steve's career and assignments for the benefit of creditors as a valuable alternative to Chapter 7 bankruptcy. Steve, who began his career in 1988 after a chance meeting with DSI's founder, Bill Brandt, reflected on how the industry has evolved from a stigmatized field into a vital part of the business landscape. He went on to share insights from his decades of experience guiding both public and private companies through complex bankruptcies, out-of-court workouts and, in particular, assignments for the benefit of creditors (ABCs).

Steve explained that ABCs have become an essential tool in the restructuring toolkit, offering a faster, more cost-effective alternative to traditional bankruptcy proceedings. Unlike Chapter 7, ABCs often allow for a more tailored and commercially reasonable sale process, so as to maximize recoveries for creditors. Steve emphasized that while ABCs don't provide all the legal protections of Chapter 11 — including the automatic stay or a free-and-clear section 363 bankruptcy sale order — they are typically less adversarial and more efficient, making them especially attractive in situations where time and resources are limited.

Steve and Paul also delved into trends in the use of ABCs, with Steve noting a significant shift from their traditional use in family-owned businesses to their growing popularity among venture-backed startups and larger companies. Steve pointed out that this change is driven by the need for a "quiet" wind-down process that avoids the publicity that can accompany bankruptcy proceedings, which is particularly appealing to private equity and venture capital investors. He said that ABCs are increasingly being used as part of broader restructuring strategies, enabling companies to efficiently

divest non-core divisions without the ripple effects of a formal bankruptcy filing. States such as Delaware, California and Florida have become popular venues for ABCs.

Finally, Steve shared his perspective on the importance of writing and active participation in professional organizations such as the TMA. He believes that contributing to industry publications and serving on committees not only deepens one's skill set but also helps to build credibility and foster valuable connections within the restructuring community. Steve said that he also encourages his colleagues to engage in educational programming and conference panels, since he views these activities as essential for one's professional growth as well as the advancement of the industry.

Listen to more episodes of "TMA Chicago/Midwest Podcast Hosted by Paul Musser."

## CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



**Paul T. Musser**
+1.312.902.5620
paul.musser@katten.com

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2026 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at katten.com/disclaimer.