



MIDYEAR 2026 UPDATE

Trends in Large Corporate Bankruptcy and Financial Distress

REVIEW & ANALYSIS



CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

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Executive Summary

Large corporate bankruptcy filings remained elevated relative to historical averages despite declining over the last 12 months (2H 2025–1H 2026) compared to the prior 12 months (2H 2024–1H 2025). Consistent with the previous year, the most common reported drivers have been high inflation and interest rates, reduced consumer demand, and shifts in the regulatory and political landscape.

BANKRUPTCY FILING TRENDS

A total of 100 large companies filed for bankruptcy in the last 12 months (2H 2025–1H 2026), a decrease of 15% from 117 in the prior 12 months (2H 2024–1H 2025). Despite this recent decline, bankruptcy filings were still 22% above the 2005–2025 annual average of 82 bankruptcies. (page 1)

There were 28 large bankruptcy filers with reported assets over \$1 billion (“mega” bankruptcies) in the last 12 months, down from 32 in the prior 12 months but above the 2005–2025 annual average of 23. (page 1)

Of the mega bankruptcy filers, 73% identified reduced demand due to consumer preferences, market competition, and/or industry factors as a contributor to their financial distress and bankruptcy. (pages 4–5)

Bankruptcies in the Manufacturing industry remained among the most common filings, along with the Services and Finance, Insurance, and Real Estate industries, collectively representing 64% of all filings. (pages 6–7)

BANKRUPTCY VENUES

The Southern District of Texas has overtaken Delaware as the most common venue for large corporate bankruptcies. The Northern District of Texas has also maintained its position as the third most common bankruptcy venue. In contrast, bankruptcies in the Southern District of New York continue to decline, dropping out of the top five venues. (page 8)

PRIVATE CREDIT TRENDS

Private credit has grown as a source of debt financing for borrowers over the past five years, with global private credit assets under management currently exceeding \$2 trillion. Over the past 12 months, multiple mega bankruptcy filers received private credit financing. (page 9)

Figure 1: Key Trends in Bankruptcy Filings
2005–1H 2026

	2H 2025–1H 2026			2H 2024–1H 2025	Annual Average 2005–2025
	2H 2025	1H 2026	Total		
Total Chapter 7 and Chapter 11 Bankruptcy Filings	49	51	100	117	82
Mega Bankruptcies	17	11	28	32	23
Percent	35%	22%	28%	27%	28%
Bankruptcy Filings by Public Companies	10	10	20	36	44
Percent	20%	20%	20%	31%	54%

Source: BankruptcyData

Note: For companies where an estimated range of asset values is available, the lower bound of the estimated range is used. Asset values are not adjusted for inflation. Mega bankruptcies are those filed by companies with over \$1 billion in reported assets at the time of their bankruptcy filing.

Bankruptcy Filings

NUMBER OF BANKRUPTCY FILINGS

In the last 12 months, 100 companies with over \$100 million in assets filed for Chapter 7 or Chapter 11 bankruptcy, compared to 117 in 2H 2024–1H 2025. Despite decreasing from the prior year, the number of bankruptcy filings remained over 20% above the historical annual average of 82 between 2005 and 2025.

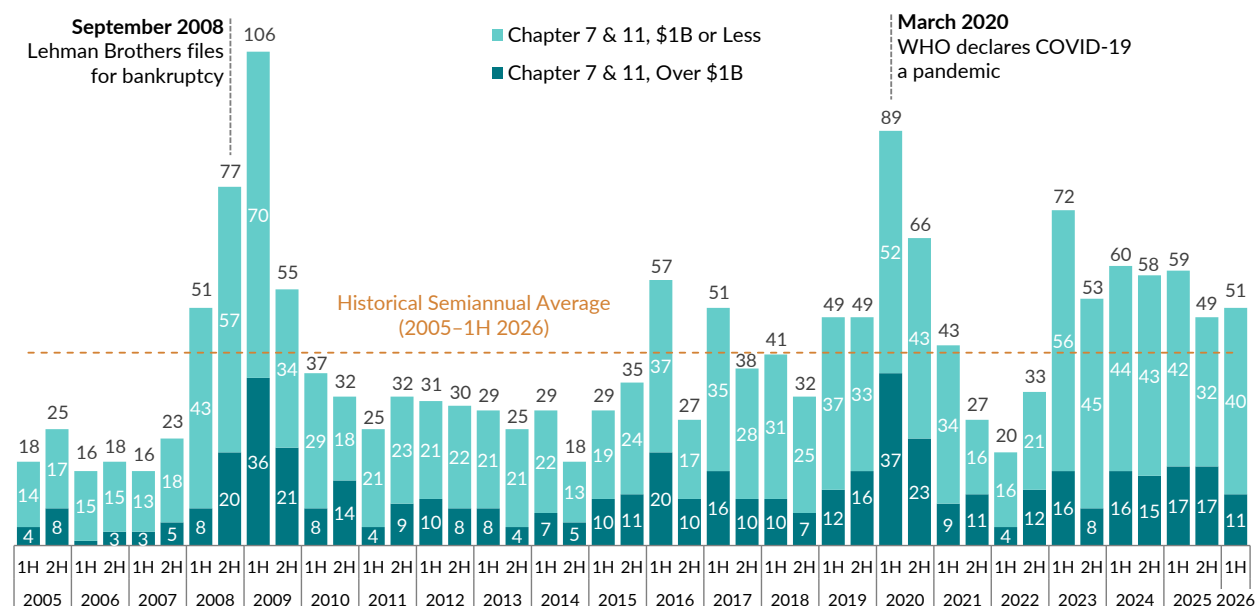
The number of bankruptcy filings for the most recent six-month period (51 filings in 1H 2026) increased marginally compared to the prior six-month period (49 filings in 2H 2025). The number of bankruptcies over the past 12 months was also stable on a quarterly basis. The second quarter of 2026 had 26 bankruptcies, the first quarter of 2026 and the fourth quarter of 2025 each had 25 bankruptcies, and the third quarter of 2025 had 24 bankruptcies.

100

Number of bankruptcy filings in 2H 2025 and 1H 2026 by companies with over \$100 million in assets

In the last 12 months, there were 28 mega bankruptcies (filed by companies with over \$1 billion in reported assets), a decrease from 32 in 2H 2024–1H 2025 but still above the 2005–2025 annual average of 23. The proportion of bankruptcy filings that were classified as mega bankruptcies was elevated in 2H 2025 compared with historical averages (35% in 2H 2025 compared to 28% between 2005 and 2025). Two Chapter 7 mega bankruptcies were filed in the last 12 months, the first such filings to occur since 2011.

Figure 2: Semiannual Chapter 7 and Chapter 11 Bankruptcy Filings
1H 2005–1H 2026



Source: BankruptcyData

Note: For companies where an estimated range of asset values is available, the lower bound of the estimated range is used. Asset values are not adjusted for inflation. Lehman Brothers filed for bankruptcy on September 15, 2008. The World Health Organization (WHO) declared COVID-19 a pandemic on March 11, 2020.

In the last 12 months, monthly bankruptcy filings were generally above the historical average of nearly seven bankruptcies per month, with filings below average only in May 2026. This continues a trend of elevated monthly filings that began in early 2023.

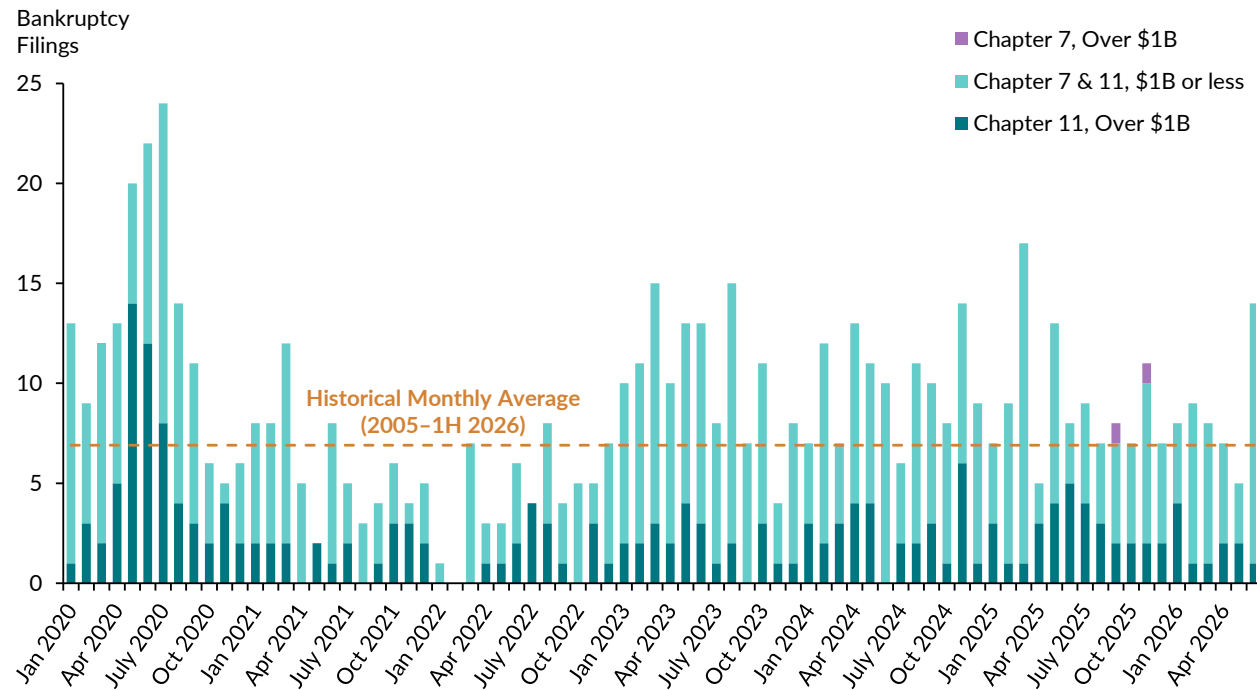
June 2026 (14 filings) marked the highest number of total bankruptcies of the past 12 months.

51

Number of bankruptcy filings in 1H 2026 by companies with over \$100 million in assets

Figure 3: Monthly Chapter 7 and Chapter 11 Bankruptcy Filings (Recent Trends)

January 2020–June 2026



Source: BankruptcyData

Note: For companies where an estimated range of asset values is available, the lower bound of the estimated range is used. Asset values are not adjusted for inflation.

DRIVERS OF FINANCIAL DISTRESS FOR LARGEST BANKRUPTCY FILERS

Of the 26 Chapter 11 mega bankruptcies filed in the last 12 months, first day declarations in those bankruptcies most commonly cited the following drivers of financial distress: (i) reduced demand due to consumer preferences, market competition, and/or industry factors; (ii) challenges in the regulatory, legal, and policy landscape; (iii) reduced demand and/or increasing costs due to high inflation; and (iv) increasing operational and/or financing costs due to high interest rates.¹ See Appendix 1 for details on each company included in this analysis that filed for mega bankruptcy.

73%

Companies filing Chapter 11 mega bankruptcies that identified reduced demand due to consumer preferences, market competition, and/or industry factors as one of the contributors to their financial distress

Shifts in Consumer Behavior and Competition

Reduced demand due to consumer preferences, market competition, and/or industry factors was the most frequently cited driver of mega bankruptcies, identified in 73% (19) of the 26 Chapter 11 bankruptcies. For example, DISH DBS Corporation, the largest mega bankruptcy in the last 12 months by total assets (\$8.4 billion), noted “numerous operational challenges in recent years associated with industry-wide cord-cutting, steadily increasing programming costs, and increased competition from streaming platforms.”² Spirit Aviation Holdings, the parent company of Spirit Airlines, also attributed its bankruptcy to shifting consumption patterns, stating that “[b]usiness travel through 2023 had not fully returned to pre-COVID volumes, and premium leisure demand soared which, in combination with unbundled fare competition, allowed Legacy carriers to compete for an even greater portion of basic economy share.”³ Cumulus Media, a radio broadcaster, cited “[i]ntensifying competition from digital audio and

streaming platforms, a shift toward programmatic and performance-based ad buying, and the continuation of negative secular changes in listener behavior” as reasons for “industry-wide pressure on advertising demand and core broadcast revenues.”⁴

Challenges in the Regulatory, Legal, and Policy Landscape

Challenges in the regulatory, legal, and policy landscape were the second most common driver of mega bankruptcies, cited by 65% (17) of the 26 mega bankruptcies’ first day declarations. A commonly cited issue was international trade and tariffs.

Tariff policy was cited as a driver in five mega bankruptcy filings. For example, Klöckner Pentaplast, a manufacturer of packaging for consumer products, stated that the “uncertainty over tariff changes caused customers to engage in a ‘wait-and-see’ approach to orders, modestly depressing demand.”⁵ First Brands Group (First Brands), an aftermarket automotive parts supplier, stated that “the United States government imposed new tariffs that increased the cost of landed inventory across the entire aftermarket parts industry.”⁶ QVC Group, an e-commerce and video retailer, listed U.S. tariff policy among the factors contributing to its loss of customers and revenue.⁷

Other mega bankruptcy filings referenced idiosyncratic regulatory issues that contributed to the bankruptcy. For example, STG Logistics, a freight services and logistics provider, cited “uncertain regulatory oversight in the U.S., including evolving California Air Resources Board regulation requirements . . . as well as classification of drivers as independent contractors under the Fair Labor Standards Act.”⁸ Anthology Inc., an education technology company, stated that “reduced government subsidies have created budget pressure” and that it “faced certain governmental regulations that limited the profitability of Student Success products.”⁹

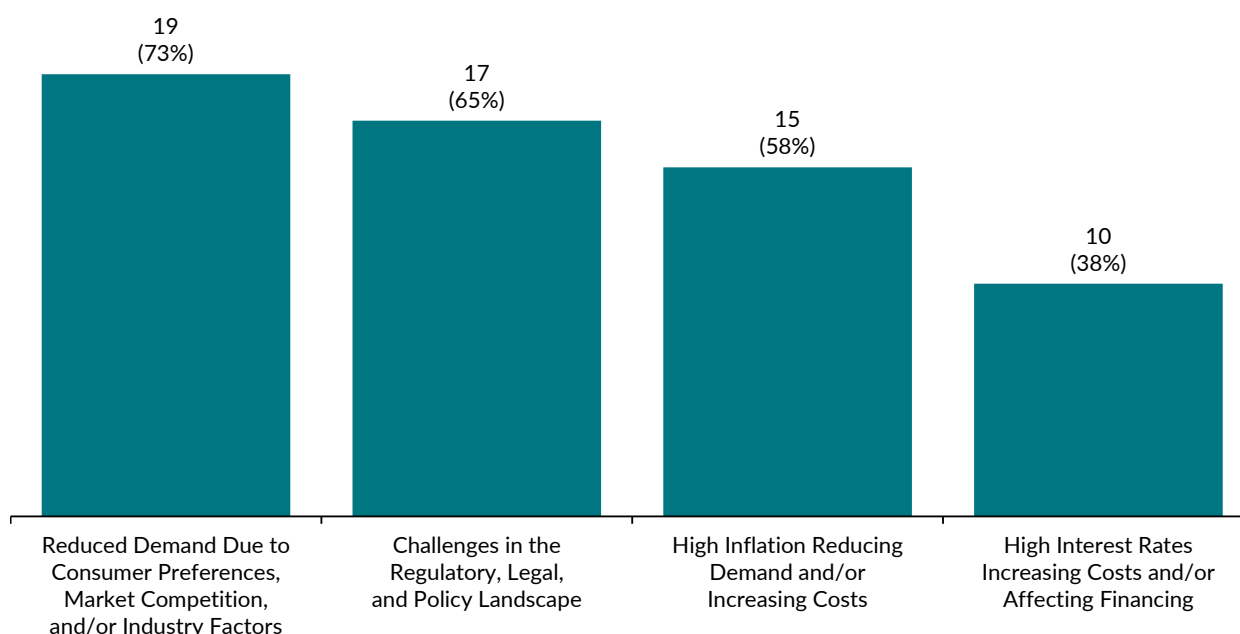
Inflation

Reduced demand and/or increasing costs due to high inflation remained a frequently cited driver of mega bankruptcies, identified in 58% (15) of the 26 Chapter 11 mega bankruptcies. For example, Klöckner Pentaplast stated that inflation in raw material costs was a “persistent challenge” that “depressed the Company’s adjusted EBITDA margins.”¹⁰ Similarly, Pine Gate Renewables, a developer and owner-operator of solar power facilities, noted that “continued inflation has led to increased costs in project development and construction.”¹¹

High Financing Costs

The impact of high interest rates was identified as a driver of financial distress in 38% (10) of the 26 mega bankruptcies. For example, Del Monte Foods Corporation (Del Monte), a manufacturer of packaged foods, stated that “interest rates have continued to increase” as the “capital structure has been refinanced.”¹² United Site Services (USS), a provider of portable sanitation systems, noted that, along with other factors, “more expensive financing costs from pre-existing floating-rate debt began to erode USS’s profitability.”¹³

Figure 4: Drivers of Financial Distress Cited for Mega Bankruptcies
2H 2025–1H 2026



Source: BankruptcyData

Note: Mega bankruptcies are those filed by companies with over \$1 billion in reported assets at the time of their bankruptcy filing. All companies reflected in this figure filed for Chapter 11 bankruptcy. For companies where only an estimated range of asset values is available, the lower bound of the estimated range is used. Asset values are not adjusted for inflation. Contributing factors for bankruptcy filings are identified from each company’s first day declarations.

BANKRUPTCIES BY INDUSTRY

In the last 12 months, the Manufacturing, Services, and Finance, Insurance, and Real Estate industries had the highest shares of bankruptcy filings, each accounting for 21%–22% of filings. The share of bankruptcies in the Manufacturing and Services industries declined from the prior three years, whereas the Finance, Insurance, and Real Estate sector's share increased above recent levels and historical averages.

The Manufacturing sector had the highest share of mega bankruptcies (32%). Among the nine mega bankruptcies in the Manufacturing industry, reduced demand due to consumer preferences, market competition, and/or industry factors was the most commonly cited driver of financial distress (in seven filings, or 78%). Three of these seven were filed by companies that manufacture plastics products and materials. For example, Trinseo PLC, a specialty chemical manufacturer that produces plastics and latex binders, stated that “the demand environment for chemicals has become increasingly challenging. Specifically, the combination of persistent macroeconomic uncertainty, trade policy volatility, and ongoing geopolitical tensions has resulted in weak underlying demand across many of the Company's end applications.”¹⁴ Another plastics manufacturer, Pretium Packaging, cited volatile demand in the sector, claiming that following “unprecedented [COVID-19-related] demand surges, customer purchasing behavior normalized and widespread inventory destocking began,” and that “[t]hese industry-wide dynamics reduced the Company's order volumes and led to lower utilization rates across multiple plants.”¹⁵

Del Monte also referenced post-pandemic shifts in demand, stating, “[a]fter the pandemic subsided, consumer demand decreased, and Del Monte was left with substantial excess inventory that it was forced to variously store, write-off, and sell at substantial losses.”¹⁶

32%

Share of 2H 2025–1H 2026 mega bankruptcies filed by Manufacturing companies

Services industry bankruptcies in the last 12 months (22%) were above their historical average share of 17% from 2005 to 2025, despite a modest decline from recent years. There were six Services industry mega bankruptcies (Chapter 7 or Chapter 11), including three within healthcare-related services. Each of the healthcare mega bankruptcies referenced challenges in the regulatory, legal, and policy landscape as a driver of the bankruptcy. For example, ModivCare Inc., a provider of non-emergency medical transportation, personal care services, and remote patient monitoring, stated that recent legislation marked “a sizeable regulatory change in the healthcare industry and imposes significant reductions in the funding of and services covered by the Medicaid program, as well as the number of persons enrolled in Medicaid.”¹⁷

The Finance, Insurance, and Real Estate industry represented 21% of bankruptcy filings in the last 12 months, remaining elevated after increasing from a 9% share in 2023. There were two mega bankruptcies in this sector: Office Properties Income Trust, a real estate investment trust (REIT) that owns and leases office and mixed-use properties, and Apple Tree Life Sciences Inc., a venture capital enterprise focused on biotechnology investments. Office Properties Income Trust cited high interest rates, among other factors, as a driver of its financial distress. (See Appendix 1.)

The share of bankruptcy filings in the Transportation, Communications, and Utilities industry rose to 18% in 1H 2026. The Transportation, Communications, and Utilities industry also had the second-highest number of mega bankruptcies over the last 12 months (seven).

The Mining, Oil, and Gas industry saw its share of bankruptcies rise to 10% in 1H 2026, returning close to its historical average after a period of relatively low bankruptcy filings between 2022 and 2025.

Figure 5: Heat Map of Bankruptcies by Industry
2005–1H 2026

SIC Industry Division	Average 2005–2025	2020	2021	2022	2023	2024	2025	2H25– 1H26	1H26
Services	17%	15%	19%	17%	27%	28%	23%	22%	18%
Manufacturing	26%	17%	11%	25%	30%	26%	28%	21%	20%
Finance, Insurance, and Real Estate	14%	6%	21%	25%	9%	14%	18%	21%	20%
Transportation, Communications, and Utilities	12%	10%	17%	11%	8%	11%	9%	13%	18%
Retail Trade	12%	20%	7%	11%	13%	12%	9%	11%	10%
Mining, Oil, and Gas	12%	28%	13%	4%	2%	2%	2%	6%	10%
Wholesale Trade	3%	2%	9%	6%	3%	4%	7%	5%	4%
Construction	2%	1%	1%	2%	2%	3%	3%	0%	0%
Agriculture, Forestry, and Fishing	1%	0%	1%	0%	3%	0%	1%	1%	2%
Public Administration	0%	0%	0%	0%	2%	0%	0%	0%	0%
Number of Bankruptcies	82	155	70	53	125	118	108	100	51

Legend	0–5%	5–10%	10–20%	20–30%	30% and above
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Source: BankruptcyData

Note: The Standard Industrial Classification (SIC) Industry Division “Mining” is labeled as “Mining, Oil, and Gas” to reflect the specific industries under the Industry Division. The SIC Industry Division “Transportation, Communications, Electric, Gas, and Sanitary Services” is labeled as “Transportation, Communications, and Utilities.”

Bankruptcy Venues

The top five venues (Southern District of Texas, Delaware, Northern District of Texas, New Jersey, and Central District of California) accounted for 77% of large corporate bankruptcies in the last 12 months and 69% in 1H 2026.

Breaking from prior years, the Southern District of Texas overtook Delaware to become the most common venue for large bankruptcy filings, accounting for 32% of such filings in the last 12 months and 29% in 1H 2026. Delaware dropped to the second most common venue, accounting for 20% of filings in both the last 12 months and in 1H 2026. The Northern District of Texas was the third most common venue, accounting for 10% of total filings in the last 12 months. This was largely driven by filings in 2H 2025, as its share dropped to 2% of filings in 1H 2026.

According to a *Bloomberg Law* report, some potential factors contributing to bankruptcy filings moving to Texas jurisdictions include that Texas bankruptcy rules provide predictable case

handling, attorneys have familiarity with current Texas judges, and Texas courts were reopened faster during the COVID-19 pandemic.¹⁸

The District of New Jersey and the Central District of California both continued upward trends with increases in filings in the past 12 months. The venues accounted for 9% and 6% of filings, respectively, and were the fourth and fifth most common venues.

Large bankruptcy filings in the Southern District of New York continued a downward trend, declining to 4% of the total filings in the last 12 months, compared with the historical average of 16% from 2005 to 2025. The decline in filings has moved the Southern District of New York out of the top five bankruptcy venues.

Filings in venues outside these primary jurisdictions—categorized as “Other”—comprised 19% of large bankruptcies from 2H 2025 to 1H 2026, close to historical norms.

Figure 6: Heat Map of Bankruptcies by Venue
2005–1H 2026

Court	Average 2005–2025	2020	2021	2022	2023	2024	2025	2H25– 1H26	1H26
Texas - Southern	13%	30%	24%	17%	26%	20%	27%	32%	29%
Delaware	42%	37%	34%	43%	42%	44%	29%	20%	20%
Texas - Northern	3%	1%	6%	4%	2%	5%	12%	10%	2%
New Jersey	2%	2%	3%	2%	6%	6%	6%	9%	14%
California - Central	2%	0%	3%	4%	2%	4%	5%	6%	4%
New York - Southern	16%	14%	16%	17%	8%	6%	5%	4%	4%
Virginia - Eastern	2%	4%	3%	0%	0%	1%	0%	0%	0%
Other	20%	13%	11%	13%	15%	14%	18%	19%	27%
Number of Bankruptcies	82	155	70	53	125	118	108	100	51
Legend		0–5%	5–10%	10–20%	20–30%	30% and above			

Source: BankruptcyData

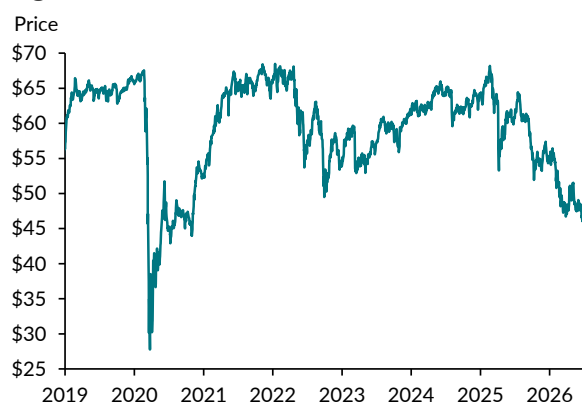
Note: “Other” includes courts with fewer than five bankruptcies in all years during the time period.

Private Credit

Private credit—debt financing provided by non-bank lenders, including private credit funds and business development companies (BDCs)—has grown into a significant source of corporate debt financing.¹⁹ In a December 2025 report, *Fitch Ratings* estimated that global private credit assets under management doubled from \$1 trillion in 2019 to more than \$2 trillion by 2024 and are expected to exceed \$2.5 trillion by the end of 2026.²⁰

While private credit has historically supplied loans to medium-sized companies, as the asset class has grown, private credit has expanded to larger companies.²¹ Multiple large corporate bankruptcy filers in the past 12 months received financing from private credit lenders. For example, prior to the mega bankruptcy of First Brands, private credit lenders had provided \$250 million in direct loans and additional supply-chain financing.²² BDCs also invested in First Brands's public syndicated loans.²³ Tricolor, a subprime auto lender, also reportedly received private credit financing prior to its Chapter 7 mega bankruptcy.²⁴

Figure 7: S&P BDC Index



Source: S&P Global

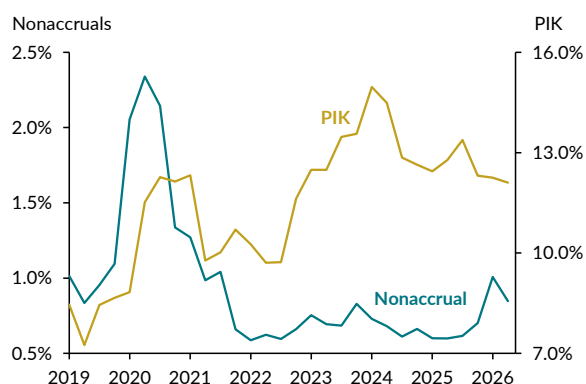
Note: The S&P BDC Index tracks stock performance of BDCs trading on major U.S. exchanges.

BDC Fund Performance

Public market pricing of BDCs provides a market-based perspective on private credit conditions.²⁵ Over the prior 12 months, the S&P BDC Index declined over 20%, reaching a low of \$46 in June 2026, the lowest level since the COVID-19 pandemic. Market commentators have pointed to high-profile defaults and loan exposure to software companies at risk of AI disruption as contributors to the price declines.²⁶ Federal Reserve economists have also noted variation in BDC loan portfolio quality, finding that the fair market value (FMV) of some BDC loan portfolios remains at or above purchase cost, while other BDC loan portfolios have fallen below purchase cost.²⁷

Financial reporting from publicly traded BDCs offers observable potential indicators of credit conditions aggregated across private credit portfolios. Over the past 12 months, nonaccrual loans—those not currently receiving scheduled interest payments—increased from 0.7%, peaking at 1.0% of the FMV of BDC investments, but remained well below levels seen during the COVID-19 pandemic. On the other hand, the share of PIK loans—under which interest is added to loan principal rather than paid in cash—has risen from 10% in 2022 to above 12% over the past three years.

Figure 8: Nonaccruals and PIK Share of BDC FMV



Source: PitchBook

Note: Nonaccruals and PIK are measured as a percentage of investment fair market value.

Market Indicators

Over the past 12 months, while equity markets have produced strong overall returns supported by the information technology sector in particular, credit market indicators showed elevated borrowing costs and heightened expectations of future interest rates. Geopolitical tension has driven up energy prices, renewing inflation concerns and pushing expectations of the effective federal funds rate (EFFR) higher along with long-term Treasury yields. At the same time, credit spreads for the most highly leveraged corporate borrowers have increased. Loan default rates have moderated over the past year along with a recent decline in out-of-court distressed exchanges.

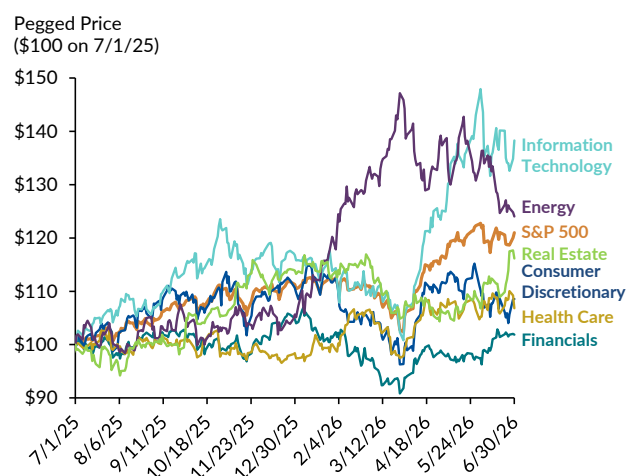
Over the last 12 months, the S&P 500 Index rose 20% with broad momentum across sectors. The Information Technology sector led the rally, with demand for semiconductors and AI-related infrastructure contributing to the growth.²⁸ The Energy sector also outperformed the S&P 500, driven by AI-related demand and rising energy prices amid geopolitical conflict.²⁹ Financials finished the 12-month period with a positive return despite a pullback in the first quarter of 2026.

Figure 9 Source: LSEG Workspace

Figure 9 Note: Select sector indices shown. All indices are pegged to 100 on July 1, 2025.

Figure 9: Broad Equity Market and Sector Index Performance

July 1, 2025–June 30, 2026



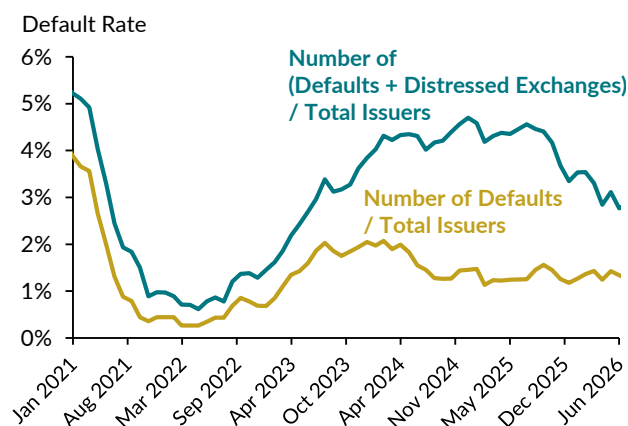
The dual-track default rate, which incorporates distressed exchanges including Liability Management Transactions (LMTs), declined from 4.5% to 2.8% over the past 12 months, reversing increases in default rates over the two years prior to June 2025. A reduction in the rate of distressed exchanges was the primary contributor to this decline. The default rate excluding distressed exchanges remained steady at rates below 1.6% throughout the year, well below COVID-19 pandemic-era levels.

Figure 10 Source: PitchBook

Figure 10 Note: Data are reported each month as the cumulative number of defaults or defaults and distressed exchanges over the last 12 months divided by the total issuers over the last 12 months.

Figure 10: Leveraged Loan Defaults and Distressed Exchanges

January 1, 2021–June 30, 2026

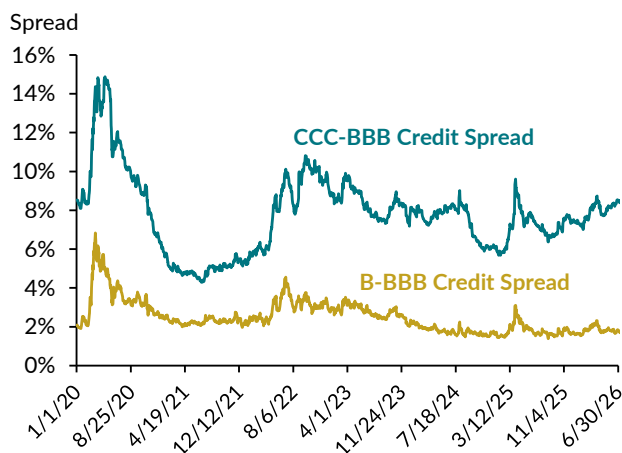


Over the last 12 months, credit spreads in the high-yield market have gradually increased, signaling marginally heightened default risk for speculative-grade issuers. In particular, spreads between CCC-rated and investment-grade BBB-rated debt increased from 750 basis points to 875 basis points. Higher-rated speculative debt, on the other hand, maintained a pattern of stability, as reflected in the B-to-BBB spread that remained around five-year lows of approximately 200 basis points.

Figure 11 Source: FRED Economic Data

Figure 11 Note: Non-investment-grade credit spreads are calculated based on the ICE BofA US High Yield Index Effective Yield series for CCC and lower and B-rated corporate debt, minus the ICE BofA US Corporate Index Effective Yield for BBB-rated corporate debt.

Figure 11: Credit Spreads on Corporate Debt
January 1, 2020–June 30, 2026

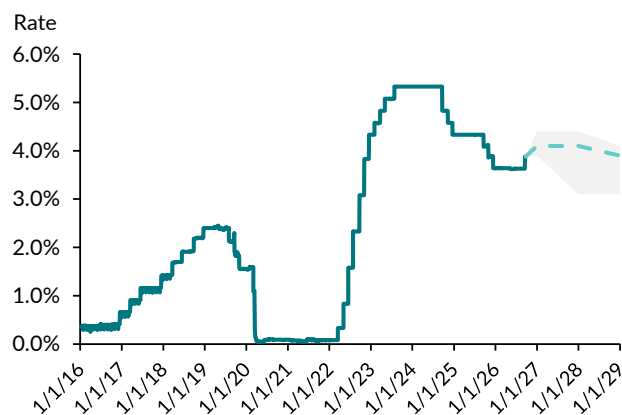


Interest rates declined in 2H 2025 due to three successive 25-basis-point rate cuts by the Federal Reserve between September and December, shifting the target range to between 3.5% and 3.75%.³⁰ While the Federal Reserve held its Federal Funds Rate target steady throughout 1H 2026, the Fed raised the target in September to between 3.75% and 4%, the first increase since 2023. Fed officials project another increase in 2H 2026 and expect the target rate to remain above 4% in 2027.³¹

Figure 12 Source: FRED Economic Data; Board of Governors of the Federal Reserve System

Figure 12 Note: Dashed line represents the median predicted value from the September 2026 meeting of the Federal Open Market Committee (FOMC), plotted as December 31 of the predicted year. The gray shaded area indicates the range of FOMC predictions from September 2026.

Figure 12: Effective Federal Funds Rate (EFFR)
January 1, 2016–September 30, 2026 (Actual),
2026–2029 (Projected)



Research Sample

This report examines trends in Chapter 7 and Chapter 11 bankruptcy filings for large corporations from January 2005 through June 2026. This Midyear 2026 Update focuses on trends over the last 12 months of this period (2H 2025–1H 2026). Unless specified otherwise, the bankruptcies analyzed in this report involve public and private companies with over \$100 million in assets at the time of filing.³²

The research sample in this report uses BankruptcyData to identify Chapter 7 and Chapter 11 bankruptcies filed by public and

private companies with over \$100 million in assets.

The sample contains 1,781 such bankruptcies from January 1, 2005, through June 30, 2026. Bankruptcy filings by subsidiaries are not counted separately toward the total number of bankruptcies.

Mega bankruptcies are defined as Chapter 7 or Chapter 11 filings by companies with over \$1 billion in reported assets. The sample contains 504 mega bankruptcies from January 1, 2005, through June 30, 2026.

Endnotes

- ¹ This analysis is based on a review of the “first day declarations” filed in each mega bankruptcy case in the last 12 months. Specifically, this includes factors described in the sections outlining the circumstances leading to the commencement of Chapter 11 cases.
- ² Declaration of John Swieringa in Support of Chapter 11 Petitions and Requests for First Day Relief, *In re Dish DBS Corporation, Dish Wireless L.L.C. et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 26-90627, Doc. 19, July 1, 2026.
- ³ Declaration of Fred Cromer in Support of the Chapter 11 Proceedings and First Day Pleadings, *In re Spirit Aviation Holdings Inc. et al.*, United States Bankruptcy Court, Southern District of New York, Chapter 11, Case No. 25-11897, Doc. 19, August 31, 2025.
- ⁴ Declaration of Francisco J. Lopez-Balboa in Support of Chapter 11 Petitions and First Day Motions, *In re Cumulus Media Inc. et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 26-90346, Doc. 15, March 5, 2026.
- ⁵ Declaration of Marc Rotella, Chief Financial Officer of Kleopatra Finco S.à r.l., in Support of First Day Motions, *In re Kleopatra Finco S.à r.l. et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 25-90642, Doc. 4, November 5, 2025.
- ⁶ Declaration of Charles M. Moore in Support of Debtors’ Chapter 11 Petitions, *In re First Brands Group LLC et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 25-90399, Doc. 22, September 29, 2025.
- ⁷ Declaration of Bill Wafford in Support of Debtors’ Chapter 11 Petitions and First Day Motions, *In re QVC Group Inc. et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 26-90447, Doc. 4, April 17, 2026.
- ⁸ Declaration of Tyler Holtgreven, Chief Financial Officer of STG Logistics Inc., in Support of the Debtors’ Chapter 11 Petitions and First Day Motions, *In re STG Logistics Inc. et al.*, United States Bankruptcy Court, District of New Jersey, Chapter 11, Case No. 26-10258, Doc. 33, January 12, 2026.
- ⁹ Declaration of Heath C. Gray, Chief Restructuring Officer of Anthology Inc. and Certain of Its Affiliates, in Support of the Debtors’ Chapter 11 Petitions and First Day Motions, *In re Anthology Inc. et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 25-90498, Doc. 23, September 30, 2025.
- ¹⁰ Declaration of Marc Rotella, Chief Financial Officer of Kleopatra Finco S.à r.l., in Support of First Day Motions, *In re Kleopatra Finco S.à r.l. et al.*, United States Bankruptcy Court, Southern District of Texas, Houston Division, Chapter 11, Case No. 25-90642, Doc. 4, November 5, 2025.
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Appendix

Appendix 1: Drivers of Financial Distress Cited for Chapter 11 Mega Bankruptcies 2H 2025–1H 2026

Rank	Company	Assets (USD, in Billions)	SIC Industry Division and Description	Reduced Demand Due to Consumer Preferences, Market Competition, and/or Industry Factors	Challenges in the Regulatory, Legal, and Policy Landscape	High Inflation Reducing Demand and/or Increasing Costs	High Interest Rates Increasing Costs and/or Affecting Financing
1	DISH DBS Corporation	\$8.41	Transportation, Communications, and Utilities: Cable and Other Pay Television Services	✓	✓		
2	QVC Group Inc.	\$7.64	Retail Trade: Catalog and Mail-Order Houses	✓	✓	✓	
3	Office Properties Income Trust	\$3.50	Finance, Insurance, and Real Estate: Real Estate Investment Trusts	✓	✓	✓	✓
4	Trinseo PLC	\$2.28	Manufacturing: Plastics Materials, Synthetic Resins, and Nonvulcanizable Elastomers	✓	✓	✓	✓
5	Cumulus Media Inc.	\$1.08	Transportation, Communications, and Utilities: Radio Broadcasting Stations	✓	✓	✓	✓
6	Ambipar Emergency Response	\$1.07	Transportation, Communications, and Utilities: Refuse Systems				
7	Del Monte Foods Corporation II Inc.	>\$1.00	Manufacturing: Frozen Fruits, Fruit Juices, and Vegetables	✓	✓	✓	✓
8	Genesis Healthcare Inc.	>\$1.00	Services: Skilled Nursing Care Facilities	✓	✓	✓	
9	LifeScan Global Corporation	>\$1.00	Manufacturing: Electromedical and Electrotherapeutic Apparatus	✓	✓		
10	Desktop Metal Inc.	>\$1.00	Manufacturing: Special Industry Machinery, not Elsewhere Classified		✓	✓	✓
11	Claire's Holdings LLC	>\$1.00	Retail Trade: Women's				

Rank	Company	Assets (USD, in Billions)	SIC Industry Division and Description	Reduced Demand Due to Consumer Preferences, Market Competition, and/or Industry Factors	Challenges in the Regulatory, Legal, and Policy Landscape	High Inflation Reducing Demand and/or Increasing Costs	High Interest Rates Increasing Costs and/or Affecting Financing
			Accessory and Specialty Stores				
12	ModivCare Inc.	>\$1.00	Services: Home Health Care Services	✓	✓	✓	
13	Spirit Aviation Holdings Inc. (2025)	>\$1.00	Transportation, Communications, and Utilities: Air Transportation, Scheduled	✓		✓	
14	First Brands Group LLC	>\$1.00	Manufacturing: Motor Vehicle Parts and Accessories		✓		✓
15	Anthology Inc.	>\$1.00	Services: Computer Programming Services	✓	✓	✓	✓
16	Kleopatra Finco S.à r.l. (Klöckner Pentaplast)	>\$1.00	Manufacturing: Plastics, Foil, and Coated Paper Bags	✓	✓	✓	✓
17	Pine Gate Renewables LLC	>\$1.00	Transportation, Communications, and Utilities: Electric Services	✓	✓	✓	
18	Apple Tree Life Sciences Inc.	>\$1.00	Finance, Insurance, and Real Estate: Investors, not Elsewhere Classified	✓	✓		
19	United Site Services Inc.	>\$1.00	Services: Equipment Rental and Leasing, not Elsewhere Classified	✓		✓	✓
20	STG Logistics Inc.	>\$1.00	Transportation, Communications, and Utilities: Transportation Services, not Elsewhere Classified	✓	✓	✓	
21	Saks Global Enterprises LLC	>\$1.00	Retail Trade: Women's Clothing Stores				
22	Pretium Packaging L.L.C.	>\$1.00	Manufacturing: Plastics Products, not Elsewhere Classified	✓			✓
23	Multi-Color Corporation	>\$1.00	Manufacturing: Commercial Printing, Lithographic	✓		✓	

Rank	Company	Assets (USD, in Billions)	SIC Industry Division and Description	Reduced Demand Due to Consumer Preferences, Market Competition, and/or Industry Factors	Challenges in the Regulatory, Legal, and Policy Landscape	High Inflation Reducing Demand and/or Increasing Costs	High Interest Rates Increasing Costs and/or Affecting Financing
24	Inspired Healthcare Capital Holdings LLC	>\$1.00	Services: Residential Care		✓		
25	Ascend Elements Inc.	>\$1.00	Manufacturing: Storage Batteries	✓			
26	GoldenPeaks Poland Holding Limited	>\$1.00	Transportation, Communications, and Utilities: Electric Services				
Total				19	17	15	10

Source: BankruptcyData; Chapter 11 First Day Declarations

Note: Mega bankruptcies are those filed by companies with over \$1 billion in reported assets at the time of their bankruptcy filing. All companies in this table filed for Chapter 11 bankruptcy. The SIC Industry Division "Transportation, Communications, Electric, Gas, and Sanitary Services" is labeled as "Transportation, Communications, and Utilities." Some SIC descriptions are shortened for clarity. For companies where only an estimated range of asset values is available, the lower bound of the estimated range is used. Asset values are not adjusted for inflation. Where asset values are the same, companies are ranked by bankruptcy filing date. Contributing factors for bankruptcy filings are identified from each company's first day declarations.

About the Authors

Allie Schwartz*Vice President*

Allie Schwartz specializes in the valuation of securities and financial derivatives in the context of securities litigation, bankruptcy, and valuation and M&A.

Dr. Schwartz has nearly 20 years of experience supporting experts through multiple stages of litigation, such as deposition, domestic and international arbitration, and trial. She has also provided support on a variety of regulatory inquiries, including analyzing complex data and presenting findings to enforcement staff.

Nicholas D. Yavorsky*Vice President*

Nick Yavorsky focuses on complex securities litigation; valuation, bankruptcy, and financial distress matters; and matters involving financial institutions.

Mr. Yavorsky consults to clients on economic, financial, and damages issues through all phases of litigation. His experience spans a range of topics, including failed financial institutions, financial accounting restatements, hedge funds, due diligence, cryptocurrency, and public stock offerings.

Matt Osborn*Principal*

Matt Osborn has more than 15 years of experience consulting on valuation, corporate finance, financial distress, securities, and financial markets issues in litigation and regulatory matters. Dr. Osborn works with clients to conduct valuations of businesses and assets and to evaluate the financial condition and solvency of public and private companies. He also has substantial experience with M&A and capital market transactions and economic damages matters. His work spans many industries with a focus on energy, financial services, private equity, real estate, and technology. He has testified as an expert witness at deposition and trial and has substantial experience supporting other experts in matters involving complex business disputes.

Trevor Haynes*Associate*

Trevor Haynes provides economic and financial analysis and expert support in all phases of commercial litigation and regulatory proceedings. Dr. Haynes's expertise includes issues related to private credit, private equity, M&A, corporate governance, valuation, investment management, and alleged market manipulation.

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Please direct any questions to:

Allie Schwartz

212.605.5439

aschwartz@cornerstone.com

Nicholas D. Yavorsky

213.553.2577

nyavorsky@cornerstone.com

Matt Osborn

202.912.8905

mosborn@cornerstone.com

Trevor Haynes

202.816.3479

thaynes@cornerstone.com

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