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Dallas Is the New Bankruptcy Boomtown

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Why North Texas Is Now a Top
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Everything's bigger in Texas, including the state's bankruptcy docket. Over the past twelve months, more mega-bankruptcies were filed in Dallas and Fort Worth than in either the Southern District of

New York or the District of New Jersey. For companies facing financial distress — or their boards navigating complex capital structures — that shift matters.

According to Cornerstone Research's annual report, the U.S. Bankruptcy Court for the Northern District of Texas ranked as the third-most active court in the country for large business cases involving more than \$100 million in assets over the twelve months from July 2024 to June 2025, accounting for 7% of all such filings. That put the Northern District of Texas ahead of both the Southern District of New York and the District of New Jersey (each at 4%) for the first time since 2012, trailing only Delaware (40%) and the Southern District of Texas (24%). If you are evaluating venue options for a potential filing, those numbers signal that sophisticated debtors and their advisors are actively choosing this court — not simply landing there because of local ties. The Northern District deserves serious consideration.

Recent Northern District cases are substantial — and they demonstrate what this court can do for clients in distress. Genesis Healthcare, once the nation's largest skilled nursing operator with 299 debtor entities, filed in Dallas and moved efficiently through a complex Chapter 11 while generating appellate rulings that now give future filers clearer guidance on non-debtor protections. Hooters of America chose the Northern District of Texas for its restructuring. And Omnicare, a 111-debtor pharmacy case driven by a nearly \$1 billion judgment, moved through court-approved bid procedures that yielded a \$250 million sale — a process fast enough to prevent asset deterioration but deliberate enough to attract competitive bidding and generate meaningful recoveries for the estate. The practical takeaway: this bench handles large, multi-debtor matters at the pace sophisticated parties expect, with outcomes that protect value across the capital structure — for debtors preserving going-concern operations, for secured lenders monitoring collateral, and for

unsecured creditors seeking timely distributions — while creating usable precedent.

The court's appeal to sophisticated debtors is no accident, and the practical advantages are worth understanding in concrete terms. The Northern District of Texas bench now includes six bankruptcy judges across Dallas and Fort Worth — enough judicial capacity to reduce the bottlenecks that can stall multi-debtor cases in busier districts. The court maintains published Complex Chapter 11 Procedures and offers a self-calendaring system that lets counsel schedule routine hearings without contacting chambers. That procedural infrastructure gives debtors and their advisors more control over pacing, which matters in cases where timing directly affects recoverable value. Fifth Circuit precedent provides a predictable appellate framework, allowing companies to know the rules of the road before they file. The *Genesis* stay-extension ruling confirmed that *Zale Corp.* remains good law and that temporary non-debtor injunctions survive *Purdue Pharma*, provided procedural safeguards are followed. For a debtor that may need third-party release or stay-extension protections, that clarity reduces litigation risk and supports more reliable case planning. For companies and their advisors weighing venue — and for the lenders and creditors who will be on the other side of the docket — that combination of judicial resources, procedural transparency, and appellate predictability is difficult to match outside Delaware.

For companies contemplating a filing, lenders assessing exposure in a distressed credit situation, or boards evaluating counsel, the Northern District of Texas is no longer a venue debtors arrive at by default — it is one they are selecting with intention.