

HyreCar Files for Bankruptcy, Prepares for Sale

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Member **Ed Whitson** (Jacksonville) was interviewed by *Auto Finance News* about HyreCar's bankruptcy filing. Ed discussed what this filing means for HyreCar, how companies can use bankruptcy as a tool, and what we can expect from bankruptcies in the coming year.

"Usually there is some kind of business issue with a company that they hope to be able to resolve, but they need some time to readjust their liabilities," he said. "In the last five or six years, the trend in bankruptcy has been more toward orderly asset sales and orderly liquidation through Chapter 11."

"HyreCar tried to restructure its debt outside of bankruptcy but was not successful, Whitson said. "Bankruptcy is the mechanism [for HyreCar] to sell their assets and maximize the value of those assets," he said.

"We're going to see a very active troubled company solvency type of activity this year," he said. "There is not the liquidity in the economy that we've seen before. That may be what's happening to HyreCar — all this money they thought would be out there [isn't] because of the shift in interest rates and more conservative monetary policy by the Federal Reserve. It trickles down and affects even private equity and every other aspect of financial markets."

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