

SUBCHAPTER V

The Small Business Reorganization Act Of 2019

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February 25, 2020

Effective Date and Purpose

- ▶ Became effective on February 19, 2020
- ▶ Provides new tools for the Practitioner
- ▶ Tighter timelines
- ▶ Reduce cost to debtors
- ▶ Quicker return to creditors
- ▶ Assistance of a Subchapter V Trustee
- ▶ Intended to Promote Consensual Plans
- ▶ Greater Possibility of Confirmation of Non-Consensual Plans
- ▶ Benefits for Individual Small Business Debtors

Who May Elect Subchapter V?

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Must fit the “Small Business Debtor” definition of 11 U.S.C. § 101(51D):

- ▶ “Person engaged in commercial or business activities.”
- ▶ Total noncontingent liquidated debt less than \$2,725,625.
- ▶ At least 50% of the debt must have arisen “from the commercial or business activities of the debtor.”
- ▶ May be an affiliate of a small business debtor so long as aggregated debt remains below \$2.7M.
- ▶ Not a single asset real estate debtor.

How to Elect Subchapter V?

- ▶ Debtors that fit within the “small business debtor” definition of §101(51D), must affirmatively elect Subchapter V treatment within 14 days or their case will proceed under the general small business provisions of Chapter 11.
- ▶ Official Form 101, Voluntary Petition for Individuals, contains a new checkbox under Part 3, Question 13 to indicate if debtor is a small business and whether proceeding under Subchapter V or not.
- ▶ Official Form 201, Voluntary Petition for Nonindividuals, contains a new checkbox under Question 8 for a small business debtor to indicate whether proceeding under Subchapter V or not.

Streamlined Procedures under Subchapter V

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- ▶ Debtor remains in possession and operates the business.
- ▶ A Subchapter V Trustee is appointed with specific responsibilities.
- ▶ Provisions regarding use of cash collateral and sale of assets apply.
- ▶ No creditor committee unless the court orders otherwise for cause.
- ▶ No disclosure statement required, but the plan must include:
 - ▶ A brief history of the business operations of the debtor;
 - ▶ A liquidation analysis; and
 - ▶ Projections with respect to the ability of the debtor to make payments under the proposed plan of reorganization.

Streamlined Procedures *con't*

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- ▶ Only the Debtor may file and modify a Subchapter V plan.
- ▶ Postpetition earnings and acquired property is property of the estate if a non-consensual plan is confirmed. §1186(a) *See also* §1115 for individual debtors.
- ▶ Acceptance of one accepting impaired class is not required to confirm a nonconsensual plan. The absolute priority rule does not apply.
- ▶ Individual debtors may cramdown a mortgage on their principal residence if the loan proceeds were used “primarily in connection with the small business of the debtor” and not to purchase the residence.

Streamlined Procedures *con't*

- ▶ Debtors do not pay quarterly fees to the UST.
- ▶ The debtor may hire a professional even if that professional is a creditor.
 - ▶ Professional is “not disqualified for employment . . . solely because [the professional] holds a [prepetition] claim of less than \$10,000”
- ▶ Administrative expenses (including trustee fees) may be paid over time through the plan.

Streamlined Procedures *con't*

- ▶ Timing of Discharge
 - ▶ Debtors who confirm consensual plans effectuate a discharge upon substantial consummation of the plan, unless the plan or order provides otherwise. *See* §1141(d)
 - ▶ Debtors who confirm cramdown plans receive a discharge after 3 to 5 years of payments.
- ▶ These streamlined procedures are balanced by tighter deadlines, involvement by a trustee, and information requirements.

Subchapter V Cases Designed to Move Quickly

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- ▶ Most recent Balance Sheet, Stmt. of Operations, Cash Flow Stmt., and Fed. Income Tax Return must be filed with Petition or not later than 7 days, or a statement that those have not been prepared. § 1116(1)
- ▶ Schedules to be filed within 14 days of Petition, which may not be extended to more than 30 days “absent extraordinary and compelling circumstances”.
- ▶ UST appoints subchapter V trustee and sets 341 meeting within 24 to 48 hours of filing.
- ▶ 341 meeting held as close as possible to 21 days after filing, depending on the location of the meeting.

Subchapter V Cases Designed to Move Quickly

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- ▶ The court is required to hold a status conference not later than 60 days after the case is filed “to further the expeditious and economical resolution of a case under this subchapter.” §1188
 - ▶ In Rhode Island, the status conference will be held approximately 45 days from case filing.
 - ▶ Report on plan efforts due 14 days prior (Valuation/Best Interest Analysis).
 - ▶ The court may extend the 60 day period only “if the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.”

Subchapter V Cases Designed to Move Quickly

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- ▶ § 308 Small Business reporting remains applicable.
- ▶ Plan to be filed no later than 90 days after Petition.
 - ▶ The court may extend the period “if the need for the extension is attributable to circumstances for which the debtor should not justly be held accountable.”

SBRA Cases Have Both a Trustee and a Debtor in Possession (DIP)

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- ▶ Subchapter V trustee is appointed at the beginning of the case.
- ▶ Primary pre-confirmation task is to “facilitate the development of a consensual plan of reorganization.”
- ▶ Services generally terminate upon substantial consummation of a consensual plan.
- ▶ Trustee remains in place to distribute plan payments if a cramdown plan is confirmed.
- ▶ DIP may be removed for cause.
- ▶ If DIP is removed, the trustee will operate the business.

Subchapter V Trustees

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- ▶ SBRA allows for either standing or case-by-case trustees.
- ▶ Both standing and case-by-case trustees have the same duties.
- ▶ Standing and case-by-case trustees are compensated under different statutes.
- ▶ Initially, the UST will appoint case-by-case trustees to administer cases rather than standing trustees.

Subchapter V Case-by-Case Trustee Compensation

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- ▶ Subchapter V case-by-case trustees will be paid under 11 U.S.C. §330.
- ▶ Unlike compensation for chapter 7 trustees, Subchapter V case-by-case trustees' compensation is not based on disbursements.
- ▶ SBRA conforming amendments specifically make section §326(a) inapplicable to subchapter V cases, which precludes determining compensation based on disbursements.
- ▶ Instead, case-by-case trustees must apply for fees and expenses under section 330 and establish that fees are reasonable (likely based on time spent and a reasonable hourly rate) and expenses are actual and necessary.

Subchapter V Trustee Duties

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- ▶ In general, the Subchapter V trustee will evaluate the viability of the business and prospects for reorganization.
- ▶ Upon appointment under §1183(b)(1), the trustee shall perform the duties specified in §704(a)(2), (5)-(7), and (9):
 - ▶ Be accountable for all property received;
 - ▶ Examine proofs of claim and object as needed; oppose the debtor's discharge, if advisable;
 - ▶ Furnish information concerning the estate requested by a party in interest, unless the court orders otherwise;
 - ▶ Make a final report; and
 - ▶ File an account of the administration of the estate with the court and the UST.

Subchapter V Trustee Duties *con't*

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- ▶ The trustee will take part in the status conference and other hearings scheduled by the court.
- ▶ The UST generally will preside at the creditors' meeting, but the trustee will be expected to attend and participate.
- ▶ The trustee is charged with facilitating the development of a consensual plan of reorganization and ensuring that the debtor commences making timely payments under any confirmed plan.
- ▶ If there is a claim for a domestic support obligation with respect to the debtor, the trustee must furnish the required notices.

Subchapter V Trustee Duties *con't*

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- ▶ For cause, and upon request of a party in interest, the court may require the trustee to also perform the duties specified in section 1106(a)(3), (4), and (7):
 - ▶ Investigate the conduct and financial condition of debtor, and any other matter relevant to the case;
 - ▶ File a report of any investigation conducted; and,
 - ▶ After confirmation, file any such reports that are necessary or as the court orders.

Court May Authorize the Subchapter V Trustee to Operate the Business

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- ▶ If the court orders pursuant to §1185 that the debtor shall no longer be a debtor in possession, the Subchapter V trustee shall operate the debtor's business.
- ▶ Section 1183(b)(5) requires the trustee to:
 - ▶ File any required schedules and statements;
 - ▶ File periodic operating reports;
 - ▶ Serve as the administrator of any employee benefit plan;
 - ▶ Make reasonable efforts to transfer patients from a closing health care business to a new provider offering similar services; and;
 - ▶ For any year in which a tax return has not been filed, furnish such information as may be required by the applicable governmental entity.

Handling Funds and Making Distributions

Pre-Confirmation

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- ▶ The subchapter V trustee might (or might not) handle funds and make distributions.
- ▶ Section 1194 permits, but does not require, a debtor to make adequate protection payments through the subchapter V trustee, with the permission of the bankruptcy court.
- ▶ If the subchapter V trustee holds funds pre-confirmation, then upon confirmation, §1194 directs that the trustee either distribute those funds in accordance with a confirmed plan or return those funds to the debtor after deducting any:
 - ▶ (1) unpaid administrative expenses,
 - ▶ (2) adequate protection payments due to a secured lender, and
 - ▶ (3) fees owing to the trustee.

Handling Funds and Making Distributions

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Post-Confirmation

- ▶ If a consensual plan is confirmed, the trustee's services will terminate upon substantial consummation of the plan. §1183(c)(1)
- ▶ If a cramdown plan is confirmed, the trustee shall make payments to creditors under the plan, except as otherwise provided in the plan or confirmation order. § 1194(b)

Appointing Trustees

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- ▶ Before appointing a subchapter V trustee, the UST will have the proposed trustee run a conflicts check in the case to ensure the trustee is disinterested.
- ▶ The UST will file a notice of appointment and include a verified statement from the trustee establishing the trustee's disinterestedness and also disclosing the trustee's proposed arrangement for compensation.
- ▶ The trustee will discuss the proposed arrangement for compensation with the debtor at the initial debtor interview conducted by the UST's office.

Plan Confirmation - Consensual

- ▶ A *consensual* plan may be confirmed under §1191(a) if all the requirements of §1129(a) are met, other than paragraph 15 (imposing a means test to define disposable income).
- ▶ Opportunities to negotiate timing of discharge, post-confirmation contributions from variable income, and “appropriate remedies” upon default.

Plan Confirmation - Nonconsensual

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- ▶ A *nonconsensual* (“**CRAMDOW**N”) plan may be confirmed under §1191(b) if all the requirements of §1129(a) are met, other than paragraphs:
 - ▶ (a)(8) -- requiring acceptance by each impaired class
 - ▶ (a)(10) -- requiring acceptance by at least one impaired non-insider class, and
 - ▶ (a)(15) —and the plan “does not discriminate unfairly and is fair and equitable” with respect to each impaired class that has not accepted the plan.
 - ▶ The absolute priority rule does not apply.
- ▶ “Fair and equitable” as defined in §1191(c) requires that in addition to secured creditors retaining liens and being paid at least the value of the secured creditor’s interest in property, the debtor must pay at least projected disposable income over 3 to 5 years towards the plan.
- ▶ The plan provides for “appropriate remedies” upon default.
- ▶ The “best interests” test (§1129(a)(7)) remains applicable.

Plan Confirmation – Nonconsensual *con't*

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- ▶ The §1111(b) election appears to be available to secured creditors being crammed down.
- ▶ Plan commitment of projected disposable income:
all of the projected disposable income of the debtor to be received in the 3-year period, or such longer period not to exceed 5 years as the court may fix.
- ▶ Unlike Chapter 13, no mechanism for trustee or creditor to seek modification where future income is greater than projected and projected disposable income must be used for “payments under the plan” rather than to “unsecured creditors.” Compare §§1191(e) and 1325(b).

Cramming Down Secured Claims - 3 Choices:

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§1191(c)(1) incorporates §1129(b)(2)(A)

- ▶ Choice One -- plan provides for the retention of the liens securing the claim and the payment to the holder of deferred cash payments totaling at least the allowable amount of the claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in the property securing the liens. §1129(b)(2)(A)(i).
- ▶ Choice Two -- the plan provides for the sale, subject to 11 U.S.C. § 363(k), with the liens to attach to the proceeds. § 1129(b)(2)(A)(ii), or
- ▶ Choice Three -- the plan may provide for the realization by the holder of the secured claim of the “indubitable equivalent” of such claim. § 1129(b)(2)(A)(iii).

Provision For Judicial Discretion?

- ▶ Delay in plan process -“attributable to circumstances for which the debtor should not justly be held accountable” §§1188(b), 1189(b)
- ▶ Plan commitment of projected disposable income –when will 3-5-year commitment periods be appropriate?

Preference Amendments

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- ▶ **§547(b)** –amended to condition avoidance of a preferential transfer on the trustee:
 - ▶ having undertaken “reasonable due diligence in the circumstances of the case” and
 - ▶ having taken “into account a party’s known or reasonably knowable affirmative defenses under §547(c).”
- ▶ **28 U.S.C. §1409(b)** –amended to increase from \$10,000 to \$25,000 as the threshold amount in controversy that determines venue in actions to which §1409(b) applies.
 - ▶ Actions involving an amount in controversy less than \$25,000 must be brought in the district where the defendant resides.
 - ▶ Does §1409(b) apply to preference cases? Does not expressly apply to cases “arising under” Title 11.

Changes to Federal Rules of Bankruptcy Procedure adopted as Interim Local Rules

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Rule 1007 - Lists, Schedules, Statements, and Other Documents; Time Limits

- ▶ Subdivision (b)(5) was amended to include an exception for subchapter V cases. Because Code § 1129(a)(15) is inapplicable to subchapter V, there is no need for an individual debtor to file a statement of current monthly income (i.e. no means test required).
- ▶ Subdivision (h) is amended to provide that the duty to file a supplemental schedule under the rule terminates upon confirmation in a subchapter V case, unless the plan is confirmed under § 1191(b), in which case it terminates upon discharge, as provided in § 1192.

Rule 1020 - Chapter 11 Reorganization Case for Small Business Debtors

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- ▶ The title and subdivision (a) of the rule are amended to give a small business debtor *the option of electing to be a debtor under subchapter V* of chapter 11, and to require a small business debtor to state in its voluntary petition, or in a statement filed within 14 days thereafter, whether it elects to proceed under subchapter V.
- ▶ The rule does not address whether the court, on a case-by-case basis, may allow a debtor to make an election to proceed under subchapter V after the times specified in subdivision (a) or, if it can, under what conditions.

Rule 2009 - Trustees for Estates When Joint Administration Ordered

- ▶ Subdivisions (a) and (b) regarding election of trustees are amended to except subchapter V cases from their coverage since § 1183 requires the United States trustee to appoint a trustee in a subchapter V case.
- ▶ Subdivision (c)(2), which addresses the appointment of trustees in jointly administered chapter 11 cases, is amended to make it applicable to cases under subchapter V.

Rule 2012 - Substitution of Trustee or Successor Trustee; Accounting

- ▶ Subdivision (a) is amended to include any case under subchapter V in which the debtor is removed as debtor in possession under § 1185.

Rule 2015 - Duty to Keep Records, Make Reports, and Give Notice of Case or Change of Status

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- ▶ Subdivision (b) is amended to prescribe the duties of a debtor in possession, trustee, and debtor in a subchapter V case. Those cases are excepted from subdivision (a) because, unlike other chapter 11 cases, there will generally be both a trustee and a debtor in possession.
- ▶ Subdivision (b) also reflects that § 1187 of the Code prescribes reporting duties for the debtor in a subchapter V case.

Rule 3010 - Small Dividends and Payments in Cases Under Chapter 7 Liquidation, Subchapter V of Chapter 11, Chapter 12, and Chapter 13

- ▶ To avoid the undue cost and inconvenience of distributing small payments, the title and subdivision (b) are amended to include subchapter V cases.

Rule 3011 - Unclaimed Funds in Cases Under Chapter 7, Subchapter V of Chapter 11, Chapter 12, and Chapter 13

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- ▶ This rule is amended to include subchapter V cases because § 347(a) of the Code applies to them.

Rule 3014 - Election Under § 1111(b) by Secured Creditor in Chapter 9 Municipality or Chapter 11 Reorganization Case

- ▶ Because there generally will not be a disclosure statement in a subchapter V case, *see* § 1181(b), the rule is amended to provide a deadline for making an election under § 1111(b) that is set by the court.
- ▶ In Rhode Island, this deadline will be contained in the *Order and Notice under Subchapter V of Chapter 11 Fixing Dates* that is issued upon plan filing.

Rule 3016 -- Filing of Plan and Disclosure Statement in a Chapter 9 Municipality or Chapter 11 Reorganization Case

- ▶ Subdivision (b) is amended to reflect that under § 1181(b), § 1125 does not apply to subchapter V cases (and thus a disclosure statement is not required), unless the court for cause orders otherwise.
- ▶ Subdivision (d) is amended to include subchapter V cases as ones in which Official Forms are available for a plan of reorganization and, when required, a disclosure statement.

Rule 3017.1 -- Court Consideration of Disclosure Statement in a Small Business Case or in a Case Under Subchapter V

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- The title and subdivision (a) of the rule are amended to cover subchapter V of chapter 11 cases when the court orders that § 1125 of the Code applies.

Rule 3017.2 (new) -- Fixing of Dates by the Court in Subchapter V Cases in Which There Is No Disclosure Statement

Because there generally will not be a disclosure statement in a subchapter V case, this rule is added to authorize the court to act at a time other than when a disclosure statement is approved to set certain times and dates.

- In Rhode Island, these dates will be fixed upon the filing of the Plan, in the *Order and Notice under Subchapter V of Chapter 11 Fixing Dates*, to be issued by the court and served by the debtor.

Rule 3018 -- Acceptance or Rejection of Plan in a Chapter 9 Municipality or a Chapter 11 Reorganization Case

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- ▶ Subdivision (a) is amended to take account of the court's authority to set times under Rules 3017.1 and 3017.2 in small business cases and cases under subchapter V of Chapter 11.

Rule 3019. Modification of Accepted Plan in a Chapter 9 Municipality or a Chapter 11 Reorganization Case

- ▶ Subdivision (c) is added to govern requests to modify a plan after confirmation in such cases under § 1193(b) or (c) of the Code.

SBRA Related Amendments to Official Forms

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Form 101 - Voluntary Petition for Individuals

- ▶ Line 13 is amended to add a check box for a small business debtor to indicate that it is making that choice, and the existing check box for small business debtors is amended to allow the debtor to indicate that it is *not* electing to proceed under subchapter V.

Form 201 - Voluntary Petition for Non-Individuals

- ▶ Line 8 is amended to provide a check box for a small business debtor to indicate that it is making that choice.

Form 314 - Class [] Ballot for Accepting or Rejecting Plan of Reorganization

- ▶ The first three paragraphs of the form are amended to place braces around all references to a disclosure statement. Section 1125 of the Code does not apply to subchapter V cases, unless the court for cause orders otherwise. See § 1181(b).
- ▶ Thus, in most subchapter V cases there will not be a disclosure statement, and the language in braces on the form should not be included on the ballot.

Form 315 - Order Confirming Plan – **NOT BEING USED IN RHODE ISLAND**

- ▶ The RI Bankruptcy Court has adopted a Local Confirmation Order Form; *see LF 3020-1.5*

Form 425A - Plan of Reorganization for Small Business Under

Chapter 11

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- ▶ Because there will generally not be a disclosure statement in subchapter V cases, § 1190 provides that *plans in those cases must include a brief history of the debtor's business operations, a liquidation analysis, and projections of the debtor's ability to make payments under the plan.* Those provisions are added to a new Background section of the form with an indication that they are to be included only in subchapter V plans.
- ▶ Article 3.02 is amended to reflect a special rule for the treatment of administrative expense claims in subchapter V plans that are confirmed non-consensually. See § 1191(e).
- ▶ Article 9 of the form is amended to include descriptions of the effect of a discharge in a case under subchapter V. The plan proponent is directed to include in the plan the particular provision that is appropriate for the case.

309 Forms - Notice of Chapter 11 Bankruptcy Case

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Form 309E1 – **For Individuals or Joint Debtors**

Form 309E2 (new) – **For Individuals or Joint Debtors under Subchapter V**

Form 309F1 - **For Corporations or Partnerships**

Form 309F2 (new) –**For Corporations or Partnerships under Subchapter V**

- ▶ Official Forms 309E2 and 309F2 are new. They are promulgated in response to the enactment of the SBRA. Because a trustee is always appointed in a subchapter V case, both forms require the name and contact information of the trustee be provided.
- ▶ Previously existing Official Forms 309E and 309F have been renumbered 309E1 and 309F1, respectively.

In addition, the following Director Form is updated:

- ▶ Director's Form 2000 -- Required Lists, Schedules, Statements, And Fees -- Voluntary Chapter 11 Case
 - ▶ Updated to reflect that an individual debtor filing under subchapter V of Chapter 11 need not complete or file Official Form 122B (Means Test form).
 - ▶ Statement of Your Current Monthly Income (Official Form 122B). Required if the debtor is an individual unless the case is filed under subchapter V. Must be filed with the petition or within 14 days. Fed.R.Bankr.P. 1007(b), (c).

Subchapter V Case under Chapter 11

Proof of Claim Deadline

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In Rhode Island, subchapter V cases will use the same Proof of Claim deadline as in other Chapter 11 cases set forth in LBR 3003-1:

*Unless otherwise ordered by the Court, proofs of claim in chapter 11 cases must be filed on or before **60 days from the date first set for the Section 341 meeting of creditors, or for governmental units, within the time provided in 11 U.S.C. §502(b)(9).***

Local Rule and Form Changes to Implement SBRA in Rhode Island

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LBR 1019-1 - Conversion Of Chapter 11, Chapter 12, Or Chapter 13 Case To Chapter 7 Liquidation

- ▶ Subsection (a) entitled “Content of Final Report and Account” is amended to exclude subchapter V cases from its application.

LBR 2003-1 - Meeting Of Creditors Or Equity Security Holders

- ▶ Subsection (b) is amended to add §1185 trustee type to list of exceptions

LBR 2015-3 - Duty Of Trustee and Debtor In Possession To File Inventory Records In Chapters 7 and 11

- ▶ Subsection (a) is amended to exclude subchapter V cases from duty to file an inventory.

LBR 2016-1 - Compensation For Services Rendered And Reimbursement Of Expenses

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- ▶ Subsection (c) entitled “Applications by Trustees Exceeding \$7,500” is amended to exclude subchapter V cases.

LBR 3016-1 - Chapter 11 – Plan

- ▶ The requirement for a Chapter 11 trustee to file a report within 60 days of appointment has been eliminated.
- ▶ Two new subsections are added referencing the applicable plan form a debtor may use for each type of small business case.

LBR 3017-1 - Chapter 9 And 11 Disclosure Statement Approval

- ▶ The words “as applicable” have been added to subsection (a), in recognition that subchapter V cases will normally not have a disclosure statement filed.
- ▶ The references to the local Plan form for a standard small business case has been moved to LBR 3016-1(b).

LBR 3018-1 -Ballots Voting On Chapter 9 And 11 Plans

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- ▶ Subsection (a) references the Official Form 314 Ballot for use in Rhode Island.
- ▶ Subsection (b) removes the local ballot form requirement and lessens those who must be served by mail to creditors, who are generally non-electronic filing parties.

LBR 3020-1 - Chapter 9 and 11 Confirmation

- ▶ The rule is reorganized to distinguish the documents to be filed prior to confirmation of regular Chapter 11 cases from those under subchapter V.
- ▶ Subsection (b) of the rule incorporates in subchapter V cases the new local form of confirmation order, *LF 3020-1.5*.

LBR Rule 3022-1 - Final Report/Decree; Not Applicable to Subchapter V Cases

- ▶ The caption of the rule has been revised to indicate its inapplicability to subchapter V cases.

LBR Rule 6005-1 - Appraisers And Auctioneers - Public Auctions

- ▶ Subsection (b) has been amended to clarify/expand the definition of an “estate representative” to a trustee appointed under §1104 or a DIP removed under §1185.

LOCAL FORM CHANGES

New Local Form: LF 3020-1.5 – Order Confirming Chapter 11 Plan in Subchapter V Case

Abolished Local Form: LF 3018-1.2 - Ballot for Accepting or Rejecting Plan of Reorganization

- ▶ Plan proponents shall use Official Form 314.


Two New Court Orders-Notices Created for SBRA Cases

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1. **Order, Notice of Deadlines and Date Set for §1188(a) Status Conference**
 - a) This Order will issue as soon as the trustee is appointed in the case.
 - b) This Order will be served by the debtor.
2. **Order and Notice Under Subchapter V of Chapter 11 Fixing Dates for: Hearing on Confirmation of Chapter 11 Plan; Filing Acceptances or Rejections of Plan; Filing Objections to Confirmation of Plan; Filing Election Under § 1111(b); Record Date of Security; and Filing Applications for Compensation**
 - a) This Order will issue once the Plan is filed.
 - b) This Order will be served by the debtor.

Rule Changes Available on Court Website

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 **UNITED STATES BANKRUPTCY COURT**
District of Rhode Island
Honorable Diane Finkle, Bankruptcy Judge • Susan M. Thurston, Clerk of Court

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[Table of Prior Local Rule and Form Changes By Date](#)

Effective Date	Notice of Adoption	Redlined Version	Clean Version
Feb 19 2020	Notice of Adoption of Interim Bankruptcy Rules and Local Rules and Forms to Implement SBRA		Clean Copy
Dec 1 2019	Notice of Adoption of Local Rule and Form Amendments		Clean Copy
Dec 1 2017	Notice of Adoption		Clean Copy
Dec 1 2017	Notice of Adoption of Local Rule and Form Amendments		Clean Copy
Dec 1 2016	Notice of Adoption of Local Rule and Form Amendments		Clean Copy
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Local Rules

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Notice of Adoption of Interim Bankruptcy Rules and Local Rules and Forms to Implement SBRA, Effective February 19, 2020

Pursuant to [General Order 20-001](#), the U.S. Bankruptcy Court for the District of Rhode Island had adopted, as Interim Local Rules, the interim bankruptcy rules approved by the Advisory Committee on Bankruptcy Rules, and amended Local Rules and Forms to implement the Small Business Reorganization Act of 2019, effective February 19, 2020.

See attached [Notice of Adoption](#) and links to the [red-lined](#) and [clean](#) versions of these most recent changes.

Training materials outlining the rule and form changes are now available on the "For Attorney" page under [Attorney Resources/Training](#).

Notice Of Adoption of Local Rule and Form Amendments, Effective December 1, 2019

Pursuant to [General Order 19-001](#), the U.S. Bankruptcy Court for the District of Rhode



UNITED STATES BANKRUPTCY COURT District of Rhode Island

Honorable Diane Finkle, Bankruptcy Judge • Susan M. Thurston, Clerk of Court

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National Student Loan Data System

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their

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New SBRA Resource Page

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Small Business Reorganization Act of 2019 (SBRA) Resources



Small Business Reorganization Act of 2019 “A Guide to the Small Business Reorganization Act of 2019” and “Key Events in the Timeline of Subchapter V Cases”

The new Subchapter V of Chapter 11 of the Bankruptcy Code went into effect on February 19, 2020. Many resources have been created to assist practitioners with this new subchapter of Chapter 11 and we share several of these with permission.

1. Judge Paul W. Bonapfel of the US Bankruptcy Court for the Northern District of Georgia published [“A Guide to the Small Business Reorganization Act of 2019”](#).
2. Additionally, [“Key Events in the Timeline of Subchapter V Cases”](#) written by Judge Benjamin A. Kahn of the US Bankruptcy Court for the Middle District of North Carolina and Samantha M. Ruben, Law Clerk to Judge Kahn
3. The Rhode Island Bankruptcy Court's [February 25, 2020 Training Slides on the SBRA](#).

Questions?