

Adversary Proceedings in Bankruptcy Cases

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Most [bankruptcy cases](#) filed by individuals are fairly straight-forward and involve only minor issues. These cases run smoothly and a [discharge of debt](#) is reached in a timely manner. Occasionally, however, a more major issue can arise through an [adversary proceeding](#) being filed. An adversary proceeding is essentially a small trial filed within a bankruptcy case.

Most commonly, a creditor initiates an adversary proceeding for the purpose of objecting to all or a portion of its debt being discharged. A creditor may also raise an objection if it has evidence that the debtor has acted improperly in filing the bankruptcy case (generally, this occurs when the debtor has hidden assets or otherwise taken action to avoid the bankruptcy process).

If the court determines that a debtor has not been honest in his/her filing, the judge may rule that a specific debt is not dischargeable, or even dismiss the entire bankruptcy case. This means that the debtor would remain liable to pay all of his/her debts. If more serious offenses occurred and the court finds that fraud was involved, the debtor could be charged with crimes.

If you have acted honestly and fully made your required disclosures to the bankruptcy court, it is highly unlikely that an adversary proceeding will be filed in your case. A creditor will not go to the time and expense of filing the proceeding unless they are fairly certain they can prevent their debt from being discharged, and the amount involved is significant enough to warrant the effort. If an adversary proceeding is filed in your bankruptcy case, it is imperative that you obtain qualified legal counsel to represent you, if you haven't done so already.

If you are interested in learning more about Chapter 7, Chapter 11, or Chapter 13 bankruptcy, contact [McDowell Riga Posternock PC](#) at [856-528-3389](tel:856-528-3389) [begin of the skype highlighting 856-528-3389 end of the skype highlighting](#). Bankruptcy is designed to give people who are in financial difficulty a "fresh start." Thus, if your debts are causing you undue stress, you should call us for a free initial consultation to discuss whether bankruptcy is the right option for you. Our New Jersey offices are located in Moorestown, Maple Shade, and Willingboro. Our Pennsylvania offices are located in Bryn Mawr and Philadelphia.