

COVID-19 TASK FORCE

**Expect
Insights**

May 29, 2020

Bankruptcy Chatter and COVID-19: Bankruptcy & Creditors' Rights Insights, Issue 1

Welcome to our first edition of *Bankruptcy Chatter* - our e-newsletter devoted to bankruptcy and creditors' rights. Our goal is to bring you the most up-to-date information, especially given this uncertain time during the COVID-19 pandemic.

We will be covering a variety of issues and encourage you to contact us if there is a particular legal item you would like to see addressed.

If there is anyone you feel needs to receive this e-newsletter, please [email us](#) with the subject line Bankruptcy Chatter, and we will get them added.

Thank you for reading!

[Spilman Thomas & Battle's Bankruptcy & Creditors' Rights Practice Group](#)



Top 10 Bankruptcy Truths for Creditors to Know

By Rayford K. (Trip) Adams III

Much of the bankruptcy chatter arising from the pandemic world in which we find ourselves is now focusing on the cascade of new bankruptcy cases that are predicted to arrive soon. We have already seen the effects of closed stores and no foot traffic on some of the big names in retail (J.C. Penney, J. Crew, Neiman Marcus, Pier 1, etc.), but many consumer cases are sure to follow, the result of the staggering number of layoffs and lost jobs that the pandemic has caused. Now seems an appropriate time to remind creditors of certain bankruptcy principles to keep in mind.

Click [here](#) to read the entire article.

Revisiting Bankruptcy Filing Papers

By **Debra Lee Allen**

With the expectation that bankruptcy filings will increase over the next few months, this might be a good time to revisit the documents filed with a bankruptcy filing and the information they provide. The focus today is on the Notice of Bankruptcy, Petition, Schedules and Statement of Financial Affairs, which are always filed. There are several other papers that may be filed (required or not), depending on the bankruptcy case.

Click [here](#) to read the entire article.

How to Identify and React to Fraud in the COVID-19 Era

By **Travis A. Knobbe**

As we have learned through our ghosts of recessions past, the vast majority of those who become unable to pay their debts in economic downturns are honest, but unfortunate, debtors. That said, we also have learned that an appreciable number of debtors start taking drastic measures to preserve their assets and associated lifestyles during these times, sometimes engaging in a shell game designed to conceal or otherwise understate their assets when creditors start knocking on their door. As we anticipate a wide-ranging economic recession stemming from the COVID-19 pandemic, we can expect more of the same in the coming months. In fact, the types of debtors that are inclined to commit fraud have probably started already.

Click [here](#) to read the entire article.

Subchapter V and the Single Asset Real Estate Debtor in a COVID-19 World

By **Travis A. Knobbe**

Over a year ago, Congress amended the Bankruptcy Code to create Subchapter V, with the intent of encouraging small businesses (defined as those with less than \$2,725,625.00 in debt) to file reorganization plans more often by saving certain costs of a routine Chapter 11. Congress then passed the CARES Act in response to the COVID-19 pandemic, raising the debt limit to \$7,500,000.00. Though these new laws are intended to streamline small business bankruptcy cases, we openly question whether the target audience--those impacted most immediately by the pandemic--will even qualify.

Click [here](#) to read the entire article.

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Responsible Attorney: Eric W. Iskra, 800-967-8251