

Chapter 11 Bankruptcy

By filing for Chapter 11, businesses struggling with burdensome debts and contracts can turn off the track leading them to closure. This type of bankruptcy is commonly referred to as “reorganization,” because it affords businesses the opportunity to reorganize their debt. We can help corporations efficiently address their debt structure. **How We Can Help**

Under Chapter 11, a business (“debtor-in-possession”) may be able to reduce trade, operating and unsecured debt or terminate underperforming contracts along with burdensome facility leases and equipment purchases. The process aims to free up capital so it can go toward existing operations instead of paying old debt. Call today for an initial bankruptcy consultation. Tully Rinckey PLLC’s Chapter 11 lawyers can help businesses with the following: Providing advice on structural changes, property liquidations, contract rejections, and payment term modifications

Identifying classes of creditors

Developing a reorganization plan

Preparing a disclosure statement

Negotiating modifications with creditors

Soliciting creditor support for the plan

Advising management of its responsibilities while the business is in bankruptcy

Advising debtors-in-possession of their fiduciary duties to creditors

Defending the debtor against claims of preferential treatment, fraudulent transfers or other bankruptcy litigation

Representing the debtor-in-possession before creditor committees

Seeking injunctions or monetary sanctions against creditors who disregard the automatic stay triggered by a Chapter 11 filing

Chapter 11 Basics

Plan of Reorganization

: This plan spells out how the petitioner, referred to as a “debtor-in-possession,” plans to pay its old debt. Plans may call for the liquidation of property, business restructuring, rejecting contracts or properties, and modifying the terms of obligations. The plan must detail how various classes of creditors will be treated. The creditors, who may not receive full payment on their claims or whose contractual terms may be modified under the plan, have the right to vote on whether the plan should be approved. At least one impaired class must vote to

approve a plan in order to satisfy confirmation requirements. Disclosure Statement

: A written report that details the debtor's assets, liabilities and business matters, giving creditors the ability to knowledgeably vote on the plan of reorganization. If the court finds the disclosure statement complies with statutory requirements and approves it, the debtor can then seek creditors' approval of the plan. Plan Confirmation

: A business "emerges" from bankruptcy when the court approves, or "confirms," plan or reorganization. Through this approval, unsecured debts can be significantly reduced and secured and priority debts are paid to creditors, usually in installments over three to five years. Creditor's Committee

: A committee appointed by the U.S. Trustee's Office and usually comprised of the seven largest unsecured creditors, based on the value of their claims. The interests of all of the unsecured creditors impacted by the Chapter 11 filing are represented by this committee. A plan of reorganization usually need's this committee's approval, though a judge can confirm the plan even if this group opposes its confirmation. Tully Rinckey PLLC's bankruptcy lawyers can represent debtors and creditors throughout Central New York, including Syracuse, Cicero, North Syracuse, Manlius, Liverpool, East Syracuse, Cazenovia, Baldwinsville, and DeWitt. Call today to schedule an initial consultation with one of our bankruptcy attorneys at 315-492-4700 or e-mail info@1888law4life.com

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to view a video about our consultation process.

Our office is minutes away from Destiny USA, formerly the Carousel Mall, and several courthouses. Located in Franklin Square, near exits for I-81 and I-690, our office is easy to get to and offers plenty of nearby parking.

If your legal matter is urgent, call 518-727-3593 to speak to an attorney 24 hours a day, seven days a week. The firm is responsive to the needs of current and prospective clients. We will respond to phone calls within normal business hours and e-mails within hours on the same business day. The quickest way to get a hold of us is by calling. During normal business hours, we have a client relations team that can put potential clients in touch with the attorney whom they need. If you call or e-mail us after hours, you should expect to hear from our office by the next business day.