Maryland Bankruptcy Bar Association

Joint Chapter Monthly Meeting

February 2, 2022

Presentation on Revisions to Local Rules by:

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ITEMS TO BE DISCUSSED:

New Rules

Local Rule 1002-2   Local Rule 1002-3   Local Rule 3011-1

Revised Rules

Local Rule 1009-1   Local Rule 3007-1   Local Rule 5001-2

Local Rule 5005-1   Local Rule 7007-1

Deleted Rules

Local Rule 1007-3   Local Rule 2081-1

New Appendix J

Complex Chapter 11 Case Procedures

Subchapter V

Revised Plan Report

Revised Forms of Scheduling Orders

Local Rule 1002-2 (New)

Local Rule 1002-2 is new and sets forth the procedure for a Chapter 11 debtor to elect to proceed under Subchapter V of the Bankruptcy Code.

RULE 1002-2 ELECTION TO PROCEED UNDER SUBCHAPTER V OF CHAPTER 11

(a) A debtor who qualifies under 11 U.S.C. § 1182 may elect to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code by ***indicat*****ing that election on the debtor's bankruptcy petition**.

(b) If a debtor who qualifies under 11 U.S.C. § 1182 elects to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code ***after*** the debtor files a bankruptcy petition under Chapter 11 or ***after*** the court grants a motion filed by the debtor to convert a pending case to one under Chapter 11, the **debtor must file an amended bankruptcy petition** indicating the election to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code.

Fill in this information to identify your case:

United States Bankruptcy Court for the:

District of Maryland

Case number (*If known*): 22-22222

Chapter you are filing under:

- ☐ Chapter 7
- ☑ Chapter 11
- ☐ Chapter 12
- ☐ Chapter 13

☑ Check if this is an amended filing

Official Form 101

Voluntary Petition for Individuals Filing for Bankruptcy

02/20

The bankruptcy forms use *you* and *Debtor 1* to refer to a debtor filing alone. A married couple may file a bankruptcy case together—called a *joint case*—and in joint cases, these forms use *you* to ask for information from both debtors. For example, if a form asks, "Do you own a car," the answer would be *yes* if either debtor owns a car. When information is needed about the spouses separately, the form uses *Debtor 1* and *Debtor 2* to distinguish between them. In joint cases, one of the spouses must report information as *Debtor 1* and the other as *Debtor 2*. The same person must be *Debtor 1* in all of the forms.

13. **Are you filing under Chapter 11 of the Bankruptcy Code and are you a *small business debtor*?**

For a definition of *small business debtor*, see 11 U.S.C. § 101(51D).

If you are filing under Chapter 11, the court must know whether you are a small business debtor so that it can set appropriate deadlines. If you indicate that you are a small business debtor, you must attach your most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).

- ☐ No. I am not filing under Chapter 11.
- ☐ No. I am filing under Chapter 11, but I am NOT a small business debtor according to the definition in the Bankruptcy Code.
- ☐ Yes. I am filing under Chapter 11, I am a small business debtor according to the definition in the Bankruptcy Code, and I do not choose to proceed under Subchapter V of Chapter 11.
- ☑ Yes. I am filing under Chapter 11, I am a small business debtor according to the definition in the Bankruptcy Code, and I choose to proceed under Subchapter V of Chapter 11.

Part 4: Report if You Own or Have Any Hazardous Property or Any Property That Needs Immediate Attention

Local Rule 1002-3 (New)

Local Rule 1002-3 is new as part of an effort to reduce the impact on practice and procedures before the Court through Administrative Orders.

- Effective December 1, 2021, Administrative Order 21-03 was rescinded as unnecessary.

- Administrative Order 21-03 adopted new Complex Chapter 11 Case Procedures.

- Now part of Local Rules.

RULE 1002-3 COMPLEX CHAPTER 11 CASE PROCEDURES

The United States Bankruptcy Court for the District of Maryland's Complex Chapter 11 Case Procedures, as amended, are attached to these Local Bankruptcy Rules as Appendix J and are incorporated herein in their entirety.

Local Rule 1007-3 (Deleted)

Local Rule 1007-3 is deleted as duplicative of amended LBR 1009-1.

~~**RULE 1007-3 NOTICE TO CREDITORS OMITTED FROM OR INCORRECTLY LISTED ON MASTER MAILING MATRIX**~~

~~If a debtor files schedules or a supplemental mailing matrix after filing the petition, and if the debtor's schedules or a supplemental mailing matrix include one or more creditors that were not included, or were listed incorrectly, on the debtor's master mailing matrix filed with the petition, a debtor must comply with the following procedures:~~

~~(a) Notice to Creditors. The debtor must send to each creditor that is added or whose address is corrected:~~

~~(1) a copy of the original Notice for Meeting of Creditors; and~~

~~(2) a copy of each order that establishes or extends a bar date for claims or for complaints to determine the dischargeability of certain debts or to object to the discharge of the debtor.~~

~~(b) Certificate of Compliance. With the schedules and supplemental mailing matrix, the debtor must file a certificate of compliance with this Rule, together with a dated and clearly titled supplemental mailing matrix that lists only the names and correct mailing addresses of each newly scheduled creditor.~~

Local Rule 1009-1 (Amended)

Local Rule 1009-1 is amended to combine the provisions of LBR 1007-3 into one rule setting forth the noticing requirements for mailing matrix amendments and creditors impacted by amendments to bankruptcy schedules.

RULE 1009-1 NOTICES TO CREDITORS (I) OMITTED FROM OR INCORRECTLY LISTED ON MASTER MAILING MATRIX OR (II) AFFECTED BY AMENDMENT TO SCHEDULE

Upon the debtor's filing of (i) **amended schedules**; or (ii) a **supplemental/amended mailing matrix to add a creditor or correct a creditor's information**, the debtor shall comply with the following notice requirements:

(a) Notice to Creditors. The debtor must send to each creditor **who is added, whose address is corrected, or whose status or scheduled claim is changed by an amendment**:

(1) a copy of the **original Notice for Meeting of Creditors**; and

(2) a copy of **each order that establishes or extends a bar date for filing proofs of claims or complaints to determine the dischargeability** of certain debts or to object to the discharge of the debtor; and

(3) a copy of the amended schedule, if applicable.

(b) Notice to United States Trustee. Upon the filing of an amended schedule that adds a previously unscheduled creditor or alters a creditor's scheduled status or claim, in addition to complying with subsection (a) of this Rule, the debtor shall **send a copy of the amended schedule to the United States Trustee and to any trustee appointed in the case**.

(c) Certificate of Compliance. Contemporaneously with the filing of either (i) an amended schedule; or (ii) a supplemental/amended mailing matrix, the debtor must file a certificate of compliance with this Rule, together with, if applicable, a **dated and clearly titled supplemental mailing matrix that lists only the names and correct mailing addresses of each newly scheduled and/or amended creditor**.

(d) Notice of Amendment of Schedules in Chapter 9 and Chapter 11 Cases. Whenever the debtor or trustee in a **Chapter 9 or a Chapter 11 case amends the debtor's schedules to change the amount, nature, classification or characterization of a debt owing to a creditor**, the debtor or trustee must, within fourteen (14) days of filing, transmit notice of the amendment to the creditor, which notice shall conspicuously identify the claims being amended, and provide notice of the creditor's right to file a proof of claim by the later of: (i) the bar date (if any); or (ii) either (a) thirty (30) days from the date of notice in a case proceeding under Subchapter V; or (b) sixty (60) days from the date of the notice in all other cases in Chapter 9 and Chapter 11. The debtor or trustee must file a certificate of service of the notice with the Clerk within seven (7) days after service.

Local Rule 2081-1 (Deleted)

Local Rule 2081-1 is deleted as unnecessary.

Old Local Rule 2081-1 required a debtor in a chapter 11 case to serve on each creditor with a claim scheduled as

- Contingent
- Unliquidated
- Disputed

A notice of such classification indicating the creditor's right to file a proof of claim and that the failure to do so timely may prevent the creditor from voting on a plan or participating in a distribution.

Rationale for Eliminating Local Rule 2081-1:

The Notice of Commencement of Case issued by the Court and served on all creditors through the Bankruptcy Noticing Center notifies disputed, contingent, or unliquidated creditors of the need to file proofs of claim.

Neither the Bankruptcy Code nor Federal Bankruptcy Rules require Chapter 11 debtors to provide additional notice to creditors with disputed, contingent, or unliquidated claims.

The obligation remains for Chapter 11 debtors to provide special notice to such creditors in the event of bankruptcy schedule amendments (see amended LBR 1009-1(d)).

Local Rule 3007-1 (Amended)

Local Rule 3007-1 is amended to conform to previous amendments to Federal Bankruptcy Rule 3007.

- 2017 amendments to Rule 3007 clarified that Rule 7004 service is not required for claim objections (except re claim of United States).

- 2021 amendments confirmed that Rule 7004 service *is* required for federally insured depository institutions (not for credit unions).

RULE 3007-1 CLAIMS -- OBJECTIONS

~~In addition to the service required by Federal Bankruptcy Rules 9014 and 7004(b), a~~ Any party objecting to a proof of claim must serve a copy of the objection and any supporting memorandum and affidavit on the claimant in accordance with Federal Bankruptcy Rule 3007~~at the name and address where notices should be sent as shown on the proof of claim and must certify that service to the court~~. The objection must conspicuously state that:

(a) within thirty (30) days after the date on the certificate of service of the objection, the claimant may file and serve a memorandum in opposition, together with any documents and other evidence the claimant wishes to attach in support of its claim, unless the claimant wishes to rely solely upon the proof of claim; and

(b) an interested party may request a hearing that will be held at the court's discretion.

Local Rule 3011-1 (New)

New Local Rule 3011-1 -

(1) Procedure for seeking unclaimed funds (from instructions on Court's website).
https://www.mdb.uscourts.gov/case-info/unclaimed-funds

(2) Authorization and procedure under Chapter 11 liquidating plans for distributing unclaimed funds to not-for-profit organizations.

RULE 3011-1 UNCLAIMED FUNDS

(a) Application for Payment. An application for payment of unclaimed funds pursuant to 28 U.S.C. § 2042 shall be submitted in accordance with the Instructions for Filing Application for Payment of Unclaimed Funds available on the court's website **(the "Instructions")**. The application shall be served on the United States Attorney for the District of Maryland (the "U.S. Attorney"). Failure to submit an application with all supporting documentation that complies with the Instructions and has been properly served on the U.S. Attorney may result in denial of the application without a hearing.

(b) Disposition of Unclaimed or Undistributable Funds Under A Chapter 11 Liquidating Plan.

(1) A Chapter 11 liquidating plan may provide that **unclaimed funds** may be redistributed to other creditors or administrative claimants or donated to a not-for-profit, non-religious organization identified in the plan or disclosure statement accompanying the plan.

(2) A Chapter 11 liquidating plan may provide that any **undistributable funds**, if applicable or practicable, may be redistributed to other creditors or administrative claimants or donated to a not for profit, non-religious organization identified in the plan or disclosure statement accompanying the plan.

(A) Undistributable funds are any funds other than unclaimed funds, including, but not limited to, funds that cannot be disbursed because: (i) **a creditor has affirmatively rejected a distribution**, (ii) the **administrative costs** of distribution effectively interfere with distribution, or (iii) all creditors, including administrative claimants, have been **paid in full** and there is no one that has a right to the funds.

Local Rule 5001-2 (Amended)

Local Rule 5001-2 is amended to remove the hours for the Court's After Hours Night Boxes, with this information posted on the Court's website to facilitate updates as operational needs dictate.

RULE 5001-2 CLERK - OFFICE LOCATION/HOURS

(a) Office Hours. The office hours of the Clerk in the Greenbelt and Baltimore Divisions shall be from 8:45 a.m. to 4:00 p.m. on all days, except Saturdays, Sundays, and holidays observed by the District Court.

(b) After Hours Night Box. A night box is located in the lobby of each of the United States Courthouses in Baltimore and in Greenbelt. Bankruptcy petitions, pleadings and other papers may be placed in the night box for filing after regular office hours, Monday through Friday (except holidays) and until the courthouse is closed to the public or midnight, whichever is earlier. ~~The Garmatz Federal Courthouse in Baltimore is closed to the public at midnight while the Greenbelt Federal Courthouse is closed at 7:00 p.m.~~The hours during which each night box is accessible are posted on the court's website. **The night box is intended as an after-hours convenience, and it is not intended as an alternative for filing papers during regular office hours**. All documents must be "date and time stamped" prior to being deposited in the secure night box.

(c) After Hours Filing. During periods outside the regular office hours of the Clerk's Office and when the night box is not available, arrangements may be made in advance for time sensitive filings by contacting a designated court representative. The contact information of the designated court representatives ~~are~~ is posted on the court's ~~web page~~website, on each night box and on notice boards in the divisional offices.

(d) **Deadlines Are Not Extended. The availability of the night box and after-hours filing do NOT extend the "Last Day" as defined by Federal Bankruptcy Rule 9006(a)(4), which Last Day ends for filing, other than electronic filing, at 4:00 p.m. when the Clerk's Offices close.**

Local Rule 5005-1 (Amended)

Local Rule 5005-1 is amended as part of an effort to reduce the impact on practice and procedures before the Court through Administrative Orders by incorporating relevant Administrative Orders into the local rules. Effective December 1, 2021, Administrative Order 03-02 will be rescinded as unnecessary.

RULE 5005-1 FILING BY ELECTRONIC MEANS

The court will accept for filing documents submitted, signed or verified by electronic means that comply with the Electronic Case Filing Procedures (~~Administrative Order 03-02,~~ attached as Appendix H) established by the court as published on the court's website.

Local Rule 7007-1 (New)

Local Rule 7007-1 -sets procedures to request expedited turnover of motor vehicles in a turnover adversary proceeding (11 U.S.C. 542)

-addresses issues raised by *City of Chicago v. Fulton*, 141 S. Ct. 585 (2021), and finding that "mere retention of property" does not violate automatic stay.

-motion for expedited turnover can be heard on minimum 7 days notice.

-motion requires affidavit, certificate of good faith efforts, and justification for relief (including any adequate protection).

RULE 7007-1 MOTIONS TO EXPEDITE TURNOVER OF MOTOR VEHICLES

(a) In an adversary proceeding to recover a motor vehicle under 11 U.S.C. § 542, the plaintiff may file a motion for expedited turnover of the motor vehicle, provided that the following conditions are satisfied:

(1) The motion specifically identifies the motor vehicle, the legal authority supporting the requested turnover, and the justification for the requested expedited relief (including any adequate protection offered to the defendant by the plaintiff);

(2) The plaintiff files an affidavit (or an unsworn declaration in accordance with 28 U.S.C. § 1746) supporting the requested turnover of the motor vehicle; and

(3) The plaintiff files a certificate with the motion stating that the plaintiff conferred with the defendant and made a good faith effort to resolve the requested relief consensually prior to the filing of the motion.

(b) The Clerk will maintain a list of dates available for hearings on motions for expedited turnover of motor vehicles for each judge of the court. The list will be posted on the court's website. The plaintiff must select a hearing date from the list for the judge to whom the case is assigned that is more than seven days after the date of service.

(c) The plaintiff must file and serve a Notice of Motion for Expedited Turnover on the defendant that provides notice of the relief requested, the objection deadline, and the hearing date.

Local Rule 4001-6 (No Change - Deferred)

AMENDED Local Rule 4001-6 – would require mortgage service holders to send certain customary notices and correspondence post-petition and to maintain debtors' electronic access to account information and payment methods.

Deferred pending further consideration of the issues raised by the public comments.

RULE 4001-6 POST PETITION PAYMENT NOTICES AND ACCOUNT ACCESS

Creditors and lessors may continue to provide customary notices, including, but not limited to, monthly statements, payment coupons, and escrow adjustment analyses to debtors regarding post-petition account activity. Further, to the extent available, creditors and lessors may allow debtors to access, obtain information, and make post-petition payments through electronic, telephonic and/or on-line means.

The creditor's or lessor's actions outlined in the immediately preceding paragraph shall not be considered a violation of the automatic stay.

Appendix J (New)

APPENDIX J

AMENDED COMPLEX CHAPTER 11
CASE PROCEDURES
(*See* Local Bankruptcy Rule 1002-3)

To facilitate administrative and procedural efficiencies in complex Chapter 11 cases in this District, these Amended Complex Chapter 11 Case Procedures (the “Procedures”) are **effective September 1, 2021** and **supersede in all respects Administrative Order No. 02-03**. The Procedures are **mandatory** in all Complex Chapter 11 Cases (as defined herein) and **optional** in all other Chapter 11 cases, including cases under subchapter V of Chapter 11. A debtor in a non-Complex Chapter 11 Case may elect to proceed under these Procedures by filing a notice of such election with its Chapter 11 petition (“Notice of Application of Complex Chapter 11 Case Procedures”).

APPENDIX J

<u>1. Definition of a Complex Chapter 11 Case</u>. A “Complex Chapter 11 Case” is a case filed by a debtor or group of affiliated debtors in which: (a) the total liabilities of the debtor or all affiliated debtors is more than $10 million; (b) there are a total of more than 50 creditors listed in the schedules of the debtor or all affiliated debtors; or (c) a portion of the debt or equity securities of the debtor or any one of the affiliated debtors is publicly traded.

<u>2. Notice of Designation of Complex Chapter 11 Case</u>. A debtor filing a Complex Chapter 11 Case or a debtor filing a Chapter 11 case with an election to proceed under the Procedures must file the attached Notice of Application of Complex Chapter 11 Procedures with the petition in a voluntary Chapter 11 case. If the petition is filed under 11 U.S.C. § 303, the Notice of Application of Complex Chapter 11 Procedures must be filed by the petitioning creditors or the alleged debtor within 14 days of the service of the petition.

3. Advance Notice Regarding Filing of Complex Chapter 11 Case. To the extent practicable, when a prospective debtor filing a Complex Chapter 11 Case or a Chapter 11 case (including a subchapter V case) with an election to proceed under the Procedures anticipates a need for immediate relief, counsel for the debtor must contact the United States Trustee and the Clerk prior to filing any voluntary petition for relief under Chapter 11 for the purpose of advising the United States Trustee and the Clerk of the anticipated filing (without disclosing the identity of the debtor) and the matters on which the debtor intends to seek immediate relief.

4. Master Service List. The debtor must maintain a consolidated master service list identifying the parties that must be served with motions and other papers filed in the case. Unless otherwise required by the Bankruptcy Code, Federal Bankruptcy Rules, or Court order, notices of motions and all other papers will be limited to those on the master service list. That list must include: (a) the debtor; (b) the debtor's secured creditors; (c) the debtor's 20 largest unsecured creditors, unless and until an Unsecured Creditors' Committee is appointed (in which event, service should be directed to counsel for the Unsecured Creditors' Committee); (d) those persons filing a notice of appearance and request for service in the case; (e) the Office of the United States Trustee and, to the extent required by the Bankruptcy Code or Federal Bankruptcy Rules, all government agencies; and (f) any known counsel for those identified in subsections (a)-(e). Parties on the master service list who appear through counsel or who submit a request for service by CM/ECF will be served only through the CM/ECF notification system. All other parties on the master service list must be served, at the server's option, by electronic mail or regular mail. The debtor must file the initial master service list within three days of filing the Chapter 11 petition and must file an updated master service list as necessary to reflect changes to any party's information.

5. First Day Motions and First Day Hearing. The debtor may file a request for an emergency hearing on motions commonly referred to as "first day motions" in Chapter 11 cases. These motions may include requests for approval of debtor in possession financing, use of cash collateral, payment of prepetition employee wages and benefits, payment of critical vendors and suppliers, payment of trust fund taxes, and other similar requests. The debtor may request a hearing date from the courtroom deputy for the presiding judge upon the filing of the Chapter 11 petition, and such hearing may be set upon at least 24 hours' notice (unless emergent circumstances require a shorter period) to the parties identified on the master service list, to the extent practicable and with a preference for service by electronic mail. The presiding judge will determine whether to grant any such requested relief and whether to do so on an interim, conditional, or permanent basis.

6. General Motions Practice and Hearing Dates. The debtor may request from the courtroom deputy for the presiding judge a list of omnibus hearing dates for the case. Motions and other matters that do not require an emergency hearing should be noticed for a hearing date at least 21 days after notice is served. The debtor may request an emergency hearing on any motion by filing an expedited hearing request, which may be done using the Form Motion to Shorten Time or Request Expedited Hearing. The Court will endeavor to review and set emergency hearing dates as promptly as practicable.

7. Hearing Participation and Procedures. Any party may request to appear at a hearing by telephone or video conference. Any such request must be made to the courtroom deputy for the presiding judge at least 48 hours prior to the hearing date, absent exigent circumstances. All parties should review the presiding judge's hearing and evidentiary protocols prior to participating in any hearing before the judge. The presiding judge may, in the judge's discretion, deny a request to participate by telephone or video conference if the judge determines that the party's appearance in person is required or would be beneficial to the proceeding.

8. Continuances and Automatic Bridge Order. Any continuance or adjournment of a scheduled hearing may be done by consent of the movant and any party filing a responsive paper, provided that the continuance or adjournment is coordinated with the courtroom deputy for the presiding judge by email with a copy to all anticipated hearing participants. A party may otherwise file a motion for a continuance or adjournment in accordance with Local Bankruptcy Rule 5071-1. In addition, unless otherwise provided by the Bankruptcy Code, Federal Bankruptcy Rules, or a Court order, if a motion is filed that complies with Bankruptcy Rule 9006 to enlarge the time to take any action before the expiration of the period prescribed by the Bankruptcy Code, Federal Bankruptcy Rules, or Local Bankruptcy Rules, the time for taking the action is automatically extended until the Court rules on the motion.

9. Proofs of Claim and Omnibus Claim Objection Procedures. Unless otherwise set by Court order, the bar date for the filing of proofs of claim is (a) 180 days after the petition date for governmental units; and (b) as set forth in Local Bankruptcy Rule 3003-1 for all other entities. Parties may file a motion to approve procedures for handling omnibus claims objections. Such procedures may not shift the burden of proof, discovery rights or burdens, or pleadings requirements.

10. Cash Collateral and Financing Orders. Unless otherwise ordered by the Court, the debtor should comply with Local Bankruptcy Rule 4001-5 as applicable, and the motion should include a chart that summarizes the provisions required to be highlighted by Local Bankruptcy Rule 4001-5, as well as any provisions setting milestones relating to a sale or a plan.

11. Motions to Sell Assets or Set Sale Procedures. Unless otherwise ordered by the Court, any motion to sell assets or set sale procedures should comply with Local Bankruptcy Rule 6004-1 as applicable, and the motion should include a chart that summarizes the provisions required to be highlighted by Local Bankruptcy Rules 6004-1(b) and/or 6004-1(c). The debtor may request to have any motion to sell assets set for hearing on an expedited basis, provided that adequate notice of the request to expedite and the motion to sell assets is provided to all potentially interested parties. Any sale procedures motion should provide for input from or consultation with any statutory committee of creditors and secured creditors with liens in the property being sold. Notwithstanding the foregoing, secured creditors or committee members who are potential bidders may not participate in the adoption or implementation of sale procedures and may not receive information that is not generally available to the all potential bidders.

APPENDIX J

12. Disclosure Statement and Plan Confirmation. A plan proponent may propose to combine the disclosure statement and plan into a single document. The plan proponent also may file a motion requesting: (a) conditional approval of the disclosure statement; (b) approval of solicitation procedures; (c) the scheduling of a hearing on shortened notice to consider conditional approval of the proposed disclosure statement; and (d) the scheduling of a joint hearing to consider final approval of the adequacy of the disclosure statement and confirmation of the proposed plan.

13. Mediation. The Court may order mediation of any dispute arising in an adversary proceeding, contested matter, or otherwise. Parties may agree to mediate any dispute without Court approval. No matter may be mediated by a sitting judge without first obtaining an order from the Court. Unless otherwise ordered by the Court, the mediation of a matter does not delay or stay discovery, pretrial hearing dates, or trial dates. Unless otherwise ordered by the Court, any fees and costs of the mediator will be shared equally by the parties.

14. Revision and Application of Federal Bankruptcy and Local Bankruptcy Rules. These Procedures may be revised periodically. Unless otherwise provided herein, the Federal Bankruptcy Rules and Local Bankruptcy Rules continue to apply in all Complex Chapter 11 Cases (and those Non-Complex Chapter 11 Cases proceeding under the Procedures).

APPENDIX J

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

In re:	*
	* Case No.
Debtor.	
	* (Chapter 11)
* * * * * * *	* * * * * * *

NOTICE OF APPLICATION OF COMPLEX CHAPTER 11 CASE PROCEDURES

The Complex Chapter 11 Case Procedures established by Local Bankruptcy Rule 1002-3 shall apply to the above-captioned case(s) for the following reasons:

Mandatory application of Complex Chapter 11 Case Procedures (Check all that apply):

☐ The debtor, including affiliates, if any, has liabilities of at least $10 million (US).

☐ More than fifty (50) creditors, including affiliates, are listed in the debtor's schedules.

☐ A portion of the debt or equity securities of the debtor or any one of the affiliated debtors is publicly traded.

II. Voluntary election to proceed under Complex Chapter 11 Case Procedures:

☐ The debtor does not satisfy any of the three (3) criteria set forth in Section I herein, but nevertheless elects to proceed under the Complex Chapter 11 Case Procedures.

Respectfully submitted,

/s/ *Attorney's Name*
Attorney's Name, Esquire
Firm Name
Address
Address
Address
Telephone

APPENDIX J

CERTIFICATE OF SERVICE

I hereby certify that on the day of , 20 , I reviewed the Court's CM/ECF system and it reports that an electronic copy of the Notice of Application Of Complex Chapter 11 Case Procedures will be served electronically by the Court's CM/ECF system on the following:

Julian Mayfair, Chapter 13 Trustee

Johnny Dougherty, Esquire

Mary Frances Brown, Esquire

I hereby further certify that on the day of , 20 , a copy of the Notice of Application Of Complex Chapter 11 Case Procedures was also mailed first class mail, postage prepaid to:

Harry Brown, Esq., Counsel for creditor John Doe
101 Somewhere Ave.
Hometown, MD 20850

John Doe 101 Main Street
Hometown, MD 20815

Janice Doefield
101 Off Main Street Hometown, MD 20815

/s/ *Signature*
[Type or print your name]

Subchapter V Revised Forms

(November 2021)

Revised Debtor's Plan Report

Revised Initial Scheduling Order

Revised Second Scheduling Order

- **All are available on Court's website under**

For Attorneys/Small Business Reorganization Act of 2019 Materials

Example Local Forms

Example Local Scheduling Orders

Subchapter V Revised Forms

(November 2021)

Paragraph 8 to the Plan Report now requires ***an estimation of administrative expenses and a proposed monthly escrow payment*** to be paid over by the Debtor to the Subchapter V Trustee.

Revised Debtor's Plan Report

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

[Case Caption]

DEBTOR'S PLAN REPORT

The above-captioned debtor and debtor-in-possession (the "Debtor") has elected to file this case under Subchapter V of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The Debtor files this report pursuant to § 1188(c) of the Bankruptcy Code and the Initial Scheduling Order entered by this Court.

1. Debtor's Business or Commercial Activities.
[Provide a brief description of the Debtor's business or commercial activities.]

2. Type of Plan of Reorganization. The Debtor intends to pursue the following type of plan of reorganization in this case:

____ Consensual ____ Nonconsensual ___ Undetermined

3. Reasons for Type of Plan of Reorganization.
[Provide the Debtor's rationale for pursuing a consensual or nonconsensual plan, or reason for being undetermined.]

4. Communications with Parties in Interest. The Debtor has had discussions with the following parties in interest concerning the Debtor's plan of reorganization:

____ Secured Creditors
____ Priority Claimants
____ Unsecured Creditors
____ Equity Interest Holders
____ Subchapter V Trustee
____ Others; Describe: ____

5. Nature of Communications with Parties in Interest.

[Provide a description of the Debtor's communications with applicable parties in interest (including, e.g., secured creditors, priority creditors, unsecured creditors, equity interest holders, the case trustee, or others) concerning the Debtor's plan of reorganization or explain the Debtor's rationale for not discussing the plan with parties in interest.]

6. Efforts to Formulate Plan of Reorganization.
[Provide a description of efforts undertaken by the Debtor to develop a plan of reorganization and actions contemplated to complete formulation of the plan.]

7. Timing for Filing Plan of Reorganization. Does the Debtor intend to file a plan of reorganization within the 90-day deadline imposed by § 1189(b) of the Bankruptcy Code?

____ Yes ____ No

If no is marked, please explain:

Revised Debtor's Plan Report (Continued)

8. Administrative Expenses. The Debtor anticipates that the estate will incur the following administrative expenses during the pendency of this case and proposes the following monthly escrow payments to fund the payment of allowed administrative expense claims in the case.

Total Amount for Debtor's Counsel's Fees and Expenses: ______________
Total Amount for Subchapter V Trustee's Fees and Expenses: ______________
Total Amount of Other Administrative Expense Claims: ______________
Proposed Monthly Escrow Payment: ______________

9. Additional Information.
[Insert any additional information the Debtor would like to provide the Court concerning this Chapter 11 case or the plan of reorganization (e.g. executory contracts/unexpired leases or sale/surrender of real/personal property).]

Dated: _________________
By:
Name of Debtor/Debtor Representative: _____________________________________
Relation to Debtor: ____
Signature of Debtor/Debtor Representative: ___________________________________
Represented by (if applicable):
Name of Counsel: _____________________________________
Signature of Counsel: _____________________________________
Address of Counsel, Firm Address and Other Information:

End of Report

Subchapter V of Chapter 11 (11 U.S.C. §§ 1181-1195) was adopted by the Small Business Reorganization Act of 2019, Pub. L. No. 116-54, and became effective on February 19, 2020.

The term "nonconsensual plan" for purposes of this report means a plan confirmed under § 1191(b) of the Bankruptcy Code.

The Debtor will make the monthly escrow payments to the Subchapter V Trustee to be held in escrow pending further Order of the Court. The escrowed amounts shall be applied to the payment of allowed administrative expense claims in the case in accordance with the Bankruptcy Code. The Court will consider the monthly escrow payments proposed by the Debtor at the initial status conference under section 1188 of the Code and enter an appropriate Order thereafter.

Special Thanks to Local Rules Committee

Fred Nix, Chair	Mark Meyer
Marguerite Lee Devoll	Mary Migues-Jordan
Seth Diamond	Frank Morris, II
Morgan Fisher	Dennis J. Shaffer
Richard London	Lisa Y. Stevens

Questions??

Presenters

Augustus T. Curtis, Esq.

Trial Attorney, US Department of Justice, Washington D.C.

Dennis J. Shaffer, Esq.

Partner, Bankruptcy Department

Whiteford Taylor & Preston, LLP