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PLAN CONFIRMATION PER VOTING CONSENT CHECKLIST - §1129(a)

*By Honorable James D. Gregg**

A bankruptcy court shall confirm a plan only if all confirmation requirements are met. The requirements are:

1. Plan complies with applicable provisions of title (Bankruptcy Code).

   a. E.g., plan must comply with, and include, all mandatory provisions contained in §1123(a).

   b. E.g., plan must comply with classification requirements of §1122. (See In re U.S. Truck Co., Inc., 800 F2d 581 (1986.)

2. Proponent of plan complies with applicable provisions of title.

   a. E.g., full disclosure made per §1125.

   b. E.g., votes solicited properly. (See In re Featherworks Corp., 25 BR 634 (Bankr. ED NY, 1982), aff'd. 36 BR 460 (ED NY, 1984.)

3. Plan is proposed in good faith and not by any means forbidden by law.

   a. Note: no express statutory "good faith" filing requirement, but see judicial decisions re good faith in connection with §109.

   b. E.g., seeking relief under Chapter 11 when no debts are owed may violate purpose of bankruptcy laws.

   c. E.g., Chapter 11 cannot be utilized to further a fraudulent purpose such as tax avoidance [In re Maxim Ind., Inc., 22 BR 611 (1982).]

   d. "Good faith" is an elusive term -- look at totality of circumstances.

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* Honorable James D. Gregg is a Bankruptcy Judge for the Western District of Michigan. Judge Gregg has indicated that his article is intended only as a guide for Chapter 11 plan confirmation and is not meant to be all-inclusive. This article was prepared in conjunction with a Chapter 11 Bankruptcy Workshop taught this semester by Judge Gregg at Thomas M. Cooley Law School.

4. Disclosure of payments.

   a. All payments paid or promised to be paid by proponent for services, costs and expenses in connection with case must be disclosed.

   b. Such payments may be scrutinized by court for reasonableness.

5. Identification of insiders.

   a. Identity of directors, officers and voting trustees of debtor must be disclosed.

   b. Will service of such insiders be in reorganized debtor's interest, e.g., will possible continuing incompetence, active misconduct, inexperience, or conflict of interest be harmful to debtor and/or public?

6. Regulatory approval.

   a. If governmental entity regulates debtor's rates, only then is subsection applicable.

   b. If rates are to be modified, governmental entity approval must be obtained; Chapter 11 cannot be used to defeat federal and state regulatory agencies' authority to establish rates.

7. Best interests of creditors.

   a. General rule: With respect to each class, holders of claims must receive or retain under the plan, as of effective date [with present value] at least as much as they would have received or received under Chapter 7 liquidation as of the plan effective date.

   b. The practical method of demonstrating this is by the attachment of a liquidation balance sheet to the disclosure statement; if contested, testimony will be required at confirmation hearing.

   c. Principal exception: When each holder of a claim in the class accepts the plan and consents to treatment under the plan, i.e., unanimous approval of class negates requirement to meet the test.

8. Acceptance of plan.

   a. Each class must accept [see §1126(c) and (d)] or be unimpaired [see §1124].

   b. This is only condition that is not absolutely necessary to plan confirmation -- if this requirement is not met, hence no consensual plan, the plan may be confirmed under §1129(b) "cramdown".

9. Required priority claims treatment.

   a. Administrative claims. [§507(a)(1)]

      (1) Not necessary to formally classify these claims.

      (2) Claims must be paid in cash in full on effective date of plan.

      (3) Exception: Individual claimant may voluntarily agree to a less favorable treatment.

(4) Note: Because there is no "class", a majority number of claimants cannot bind minority to a less favorable treatment.

b. Involuntary gap claims. [§507(a)(2)]

(1) These claims arise during the period after the filing of an involuntary petition but before the entry of an order for relief.

(2) The requisite treatment of these claims is the same as administrative claims immediately above.

c. Wage claims. [§507(a)(3)]

(1) These must be classified separately.

(2) General rule: These must be paid in cash in full on effective date of plan.

(3) Alternative treatment: These may be paid in deferred cash payments over a period of time provided that present value is received (market interest rate on unpaid balance is paid).

(4) The alternative treatment is authorized only if the class consents, i.e., votes in favor of plan per §1126(c).

(5) The alternative treatment may be binding upon creditors in this class that vote to reject plan, i.e., majority can bind the minority.

d. Employee benefit claims. [§507(a)(4)] [same rules as wage claims]

e. Grain storage claims and fisherman claims. [§507(a)(5)] [same rules as wage claims]

f. Individuals' consumer deposit claims. [§507(a)(6)] [same rules as wage claims]

g. Priority tax claims. [§507(a)(7)]

(1) Note possible distinction between secured tax claims (tax liens) and unsecured priority tax claims.

(2) General rule: These must be paid in cash in full on effective date of plan.

(3) Alternative treatment: The holder of such claim will receive deferred cash payments, over a period of time not exceeding six (6) years after the date of assessment of such claim, provided that present value is received (market interest rate on unpaid balance is paid).

(4) Note: Because there is no "class", majority number of claimants cannot bind minority to a less favorable treatment.

(5) Important: The taxing authorities can be compelled to be bound to the alternative treatment whether they consent or not provided treatment comports with §1129(9)(c) of Bankruptcy Code.

10. One impaired class accepts.

a. If one or more classes is impaired under the plan, at least one cla must vote in favor of the plan and accept its impaired treatment.

b. Effect: If no class is impaired, plan may be confirmed; but if a class is impaired and no class accepts, resort to §1129(b) cramdown is not permitted.

c. Comment: Note possible incentive to gerrymander unsecured creditors' classes by classification; cf. U.S. Truck, supra.

11. Feasibility.

a. Can the debtor make required plan payments and comply with the plan?

b. Look to such factors as adequacy of capital structure, earning capacity of business, economic conditions, management ability, probability of continuation of same management and other related matters. (See U.S. Truck, supra.)

c. Chapter 11 is not intended to prolong inevitable economic failure or postpone certain liquidation.

12. Payment of fees.

a. All required fees, including UST fees, must be paid.

b. This may be included in "fees payment" language regarding administrative claims.

13. Continuation of retiree benefits.

a. This new requirement was added per the Bankruptcy Retiree Benefits Act of 1988.

b. Benefits must be continued at original level without modification or at modified level pursuant to §1114 of Bankruptcy Code by court order.

ALL ABOVE REQUIREMENTS MUST BE MET TO OBTAIN A PLAN CONFIRMATION BY CONSENT. The only exception is §1129(a)(8) - acceptance. If all requirements are met except for acceptance by all impaired classes - go to cramdown under §1129(b).

PLAN CONFIRMATION PER CRAMDOWN - §1129(b)

A. If all requirements of §1129(a) are met except §1129(a)(8) [at least one impaired class consents], the proponent of the plan may request the court to confirm the plan. To achieve cramdown, the proponent must demonstrate:

1. The plan does not discriminate unfairly with respect to each class that is impaired but has not accepted the plan; and

2. The plan is fair and equitable with respect to each class that is impaired but has not accepted the plan.

B. "Fair and equitable" with respect to a class of secured claims means:

1. The plan must provide that holders of secured claims retain their liens on property to the extent of the allowed amount of their respective claims.

a. §506(a) -- Allowed amount is value of property at confirmation; or

b. §1111(b) -- Allowed amount is amount of claim at confirmation ["§1111(b) election"].

2. a. Holders of secured claims must receive deferred cash payments totaling amount of secured claim with present value (market interest until claim paid) as of effective date of plan; or

b. If sale takes place, holder of secured claim can "bid in its allowed secured claim" [§363(k)] to buy property or continue its lien upon proceeds realized from the sale; or

c. The holders of secured claims receive the "indubitable equivalent" of their claims, e.g., the debtor surrenders the property subject to the lien.

C. "Fair and equitable" with respect to a class of unsecured claims means:

1. The impaired dissenting class must be treated "fairly"; this requires that the dissenting class be paid in full with present value (market interest) before any junior (lower) class may retain or receive anything under the plan. [This is known as the modified absolute priority rule. It is called "modified" because a senior class may voluntarily agree (vote) to receive lesser than payment in full to expedite the reorganization process.]

2. Note: If the class of unsecured creditors is impaired and will not be paid in full, and the class votes against the plan (dissents), then shareholders (a class of interests) may retain or receive nothing under the plan. Such retention or receipt of property would violate the absolute priority rule. Retaining valueless stock is a retention of property for two major reasons:

a. The class of shareholders retain control over the reorganized debtor; and

b. The class of shareholders may receive future profits, if any, earned by the reorganized debtor.

3. Implicit in the modified absolute priority rule is the result that shareholders may not participate (receive or retain anything) in reorganization unless the debtor is solvent.

4. Exception to absolute priority rule:

a. If all existing stock interests are canceled; and

b. New stock is issued to shareholders for a substantial capital contribution (new investment), the shareholders may retain control of reorganized debtor corporation. [Case v. L.A. Lumber, 308 US 106 (US S. Ct. 1939); reh. den. 308 US 637; U.S. Truck, supra.]

c. This requires a very difficult hearing to determine the value of control and the possibility that shareholders will receive future profits.

The following are summaries of recent court decisions that address important issues of bankruptcy law and procedure. These summaries were prepared by Patrick E. Mears with the assistance of Larry A. Ver Merris.

Ray v. City Bank and Trust Co. (In re C-L Cartage Co.), Case Nos. 88-5556 and 88-5557 (6th Cir. April 3, 1990). In this decision, the Sixth Circuit followed the Seventh and Tenth Circuits in holding that a trustee may recover preferential transfers from non-insiders made during the one-year preference period when those payments benefit insiders. Levit v. Ingersoll Rand Financial Corp., 874 F.2d 1186 (7th Cir. 1989); In re Robinson Bros. Drilling, Inc., 892 F.2d 850 (10th Cir. 1989).

In March, 1983, the president of C-L Cartage Co. ("Debtor") obtained a $30,000 personal loan from City Bank and Trust Co. ("Bank") which was cosigned by his mother and secured by certificates of deposit pledged by her. In December, 1983, Bank made a second personal loan of $20,000 to the Debtor's president that was also cosigned by his mother. The proceeds of these two loans were thereafter advanced by the president to the Debtor. Bank had previously refused to make these loans directly to Debtor. On March 2, 1984, Debtor commenced a Chapter 11 case in the Bankruptcy Court for the Eastern District of Tennessee. This case was converted to one under Chapter 7 in December, 1984.

The following repayments were made to Bank on these two loans within the year prior to Debtor's bankruptcy. Six payments of $1,399.31 each on the $30,000 loan were made directly by Debtor to Bank and three others were made by Debtor to the president's mother by means of checks, who thereupon endorsed the checks over to Bank. Two of these nine payments were made within the normal 90-day preference period. On the second $20,000 loan, Debtor paid Bank the sum of $957.45 directly within 90 days prior to bankruptcy.

Debtor's trustee commenced an adversary proceeding against Bank to recover all of these payments as preferential transfers. Both the Bankruptcy and District Courts refused to permit the trustee to recover any payments made more than 90 days but less than one year prior to Debtor's bankruptcy, citing "equitable considerations." The district court did find, however, that the Debtor's president and his mother were "creditors" of Debtor within the meaning of 11 U.S.C. § 101(9)(A) because they held existing or contingent claims against Debtor.

Bank appealed to the Sixth Circuit, arguing that the District Court erred in finding that these two insiders were creditors. The trustee cross-appealed on the ground that he should have been able to recover the transfers made to Bank within the extended preference period since these transfers benefitted the insider creditors by reducing their contingent claims against Debtor.

The Sixth Circuit upheld the District Court by declaring that the president and his mother were creditors of Debtor and that the transfer of the personal loan proceeds to Debtor were true loans and not capital contributions. The Sixth Circuit reasoned that the fixed periodic repayments made by Debtor to Bank to reduce Debtor's obligations to the insiders "suggests that [the insiders] had a debt rather than an equity relationship" with the Debtor.

The Sixth Circuit next reversed, in part, the holding of the courts below that the payments made to Bank during the extended preference period were not recoverable as preferences, and therefore rejected the "two-transfer" theory employed as a defense to these claims. The Sixth Circuit adopted a literal construction of the applicable Bankruptcy Code provisions as follows:

> A literal reading of section 550(a)(1), together with sections 547(b)(1) and (b)(4)(B), permits recovery from an outsider transferee for transfers made during the extended preference period when the beneficiary of the transfers is an insider creditor or an insider guarantor. This result flows directly from an application of the unambiguous statutory language. A creditor or guarantor of the bankrupt is a creditor within the meaning of section 547(b) because he holds a claim or contingent claim against the debtor under sections 101(9) and 101(4)(A). A bankrupt debtor's payments to a lender "benefit" the insider creditor within the meaning of section 547(b)(1) by discharging his existing or potential liability to the lender. Transfers which benefit insider creditors are subject to an extended preference period of one year under section 547(b)(4)(B). Finally, section 550(a)(1) allows the recovery of these transfers from the initial transferee and section 550, unlike section 547, makes no distinction on its face between insiders and outsiders.

The Sixth Circuit, however, remanded the case to the Bankruptcy Court for a ruling on whether Bank held any defenses under 11 U.S.C. § 550(b)(1) to the Trustee's claims on the three payments made by Debtor to the president's mother which were thereafter turned over by her to Bank.

Peck v. General Motors Corp., 894 F.2d 844 (6th Cir. 1990). In this case, the former owners and officers of a corporate Chapter 7 debtor, Roger Peck Chevrolet, Inc., commenced an antitrust action in the United States District Court for the Eastern District of Michigan in 1988, alleging that the defendants, General Motors Corporation and others, caused the debtor's financial failure. The debtor had commenced its bankruptcy case three years before in the Detroit Bankruptcy Court, which case had been closed by the bankruptcy trustee. The defendants filed a motion to dismiss this antitrust action on the ground that the plaintiffs lacked standing and was time-barred, which motion was granted by the federal district court. On appeal, the Sixth Circuit affirmed that dismissal order. Since the Chapter 7 trustee of the corporate debtor had previously released General Motors of any antitrust claims held by the debtor's estate, the plaintiffs were unable to assert these claims against General Motors. Furthermore, the Sixth Circuit stated that, were it to rule otherwise, the risk of "duplicative recovery" would arise:

> Although Roger Peck Chevrolet was closed and discharged in bankruptcy in March of 1986, its trustee in bankruptcy may apply to the bankruptcy court to reopen the company's case upon the discovery of new assets, assuming the Chapter 7 trustee has not released GMC from any and all potential liability.

In re Revco D.S., Inc., Case No. 89-3545 (6th Cir. March 14, 1990). This appeal arises from a decision of the United States District Court for the Northern District of Ohio. The District Court held that the United States Trustee lacked standing to appeal an order of the bankruptcy court denying the U.S. Trustee's motion to appoint an examiner in a Chapter 11 case. This motion was denied by the bankruptcy court on the ground that it was "premature and unnecessary." On appeal, the district court held that, since the U.S. Trustee held no pecuniary interest in the outcome of the appeal, the Trustee was not

a "person aggrieved" and, therefore, lacked standing to appeal. The Si Circuit refused to apply this narrow standard, holding that the pecunia interest test is not the only test for determining standing. Rather, the Sixt Circuit held that the U.S. Trustee had such standing to appeal because of a "public interest"--Congress created the position of U.S. Trustee to aid in the administration of bankruptcy cases and to protect the public interest in these cases. On the issue of whether an examiner should be appointed, the Sixth Circuit held that 11 U.S.C. § 1104(b)(2) requires such an appointment since the debtor's fixed, liquidated unsecured debts exceed $5 million. On remand, the Sixth Circuit directed the bankruptcy court to appoint an examiner.

In re Rockefeller, 109 Bankr. 725 (E.D. Mich. 1989). This case involves an appeal from an order entered by Bankruptcy Judge Arthur Spector denying confirmation of the debtors' Chapter 12 plan. Judge Spector's decision is reported at 100 Bankr. 874 and is summarized in the September, 1989 issue of the Newsletter. On appeal, District Judge James Churchhill affirmed the order below, holding that Judge Spector had properly determined the amount of the debtor's exempt portion of an annuity arising from a personal injury settlement.

D.C. Equipment, Inc. v. Peshtigo Nat Bank (In re D.C. Equipment, Inc.), Adversary Proceeding No. 89-0035 (Bankr. W.D. Mich. March 16, 1990). Bankruptcy Judge Lawrence E. Howard issued this Report and Recommendation to the District Court under Bankruptcy Rule 9027(e) in connection with the motion of one of the plaintiffs to abstain and remand this action to state court where it was originally filed.

The debtor in this case, D.C. Equipment, Inc. ("Debtor"), commenced a Chapter 11 case in March, 1986. At that time, Debtor was indebted to Peshtigo National Bank ("Bank") in the approximate sum of $1 million, which debt was personally guaranteed by Dennis Dubey ("Dubey"), Debtor's sole shareholder and president. The Bankruptcy Court thereafter approved Debtor's request for a public auction and a separate private sale of certain items of its inventory. This motion was granted and Debtor retained Premier Auction Services to conduct the public auction. The auction and private sale were conducted in October, 1987, the gross proceeds of which exceeded $900,000. After a senior lienor, John Deere Industrial Equipment Company, was paid a portion of the sale proceeds and after Premier was paid its commission and advertising costs, the net proceeds of $615,469.62 were deposited in escrow with the Bank. In December, 1987, the bankruptcy court entered an order confirming these sales and authorized the Bank to retain $400,000, reducing its claim against Debtor and Dubey (as guarantor) by $500,000. The remainder, viz., $215,469.62, would be released to Debtor for use in its business operations. Before these net proceeds could be distributed, Premier wrongfully withdrew them from Bank's escrow account and they were never recovered.

In September, 1989, Debtor and Dubey commenced an action in state court against Debtor's counsel for malpractice and against Bank and others for negligence. Defendants then removed this action to the Bankruptcy Court under 28 U.S.C. § 1452(a). Fifteen days later, Dubey filed a motion requesting the Bankruptcy Court abstain from hearing the removed action and remanding it to state court. In support of this motion, Dubey alleged that his claims contained in Counts II-IV of the Complaint gave rise to non-core, non-related proceedings over which the Bankruptcy Court lacked jurisdiction. (Count I of the Complaint contained the Debtor's claims for legal malpractice). Dubey did not consent to the Bankruptcy Court's entry of a final order or judgment in this action and requested a jury trial.

In his Report and Recommendation, Judge Howard first stated that mandatory abstention under 28 U.S.C. § 1334(c)(2) did not apply since the state court

tion was not pending as of the date Debtor commenced its Chapter 11 case. udge Howard then concluded that Dubey's claims, viz. Counts II-IV of the Complaint, were related proceedings. However, Judge Howard declared that, since Dubey had requested a jury trial, the motion to abstain and to remand should be granted with respect to all counts of the Complaint. Citing Judge Gibson's decision in NFO Saginaw Valley Commodity Cooperative, Inc. v. Krawczyk, No. G 85-459-CA (W.D. Mich. June 17, 1985), Judge Howard stated that the jury demand must be honored and any jury decision would be merely advisory. To avoid the risk of inconsistent decisions, Judge Howard recommended that Count I of the Complaint also be remanded to state court.

D.C. Equipment, Inc. v. Peshtigo National Bank (In re D.C. Equipment, Inc.), Adversary Proceeding No. 89-0035 (Bankr. W.D. Mich. April 11, 1990). This is a subsequent decision rendered by Judge Howard in this adversary proceeding. In December, 1989, the law firm defendants filed a motion to dismiss Count II of the Complaint, which asserted a legal malpractice claim by Dubey. This matter was taken under advisement pending the issuance of Judge Howard's Report and Recommendation summarized above. After that Report and Recommendation was issued, the parties to this adversary proceeding all consented to the entry of a final order by the Bankruptcy Court in the adversary proceeding. Judge Howard denied the law firm defendants' motion for summary judgment on Count II, stating that there was a material issue of fact concerning the existence of a fiduciary or confidential relationship between those defendants and the Debtor's president.

In re Murray, 109 Bankr. 245 (Bankr. E.D. Mich. 1989). In this adversary proceeding commenced by a Chapter 7 trustee to avoid a Colorado credit union's lien on a vehicle registered in Colorado but removed to Michigan, Bankruptcy Judge Spector held that the trustee could not prevail under 11 U.S.C. § 544(a) and granted summary judgment for the defendant. Since a Michigan certificate of title was never issued after removal to this state, the Colorado certificate, which contained a notation of this lien, was still effective.

In re Woolner, 109 Bankr. 250 (Bankr. E.D. Mich. 1990). In this case, George and Betty Mathes (the "Mathes") sold their Tennessee home and dairy farm to Lorn and Shirley Woolner (the "Debtors") on an installment basis in 1981. Repayment of the purchase price was secured by a purchase-money mortgage held on this realty by the Mathes. The Debtors experienced financial problems and, in 1986, surrendered this real estate to the Mathes. They thereupon foreclosed on their mortgage, which resulted in a deficiency of $124,531.14. This deficiency was thereafter reduced to a money judgment against the Debtors, who had since moved to Michigan and commenced a Chapter 7 case. In this bankruptcy case, the Mathes commenced an adversary proceeding against Debtors to determine the dischargeability of this debt under 11 U.S.C. § 523(a)(6). In their Complaint, the Mathes alleged that Debtors had caused willful and malicious injury to this realty by improper maintenance which caused the value of the realty to depreciate. After trial, Bankruptcy Judge Spector entered judgment in favor of Debtors, finding that the Debtor's actions did not rise to the level of "willful and malicious" as required by 11 U.S.C. § 523(a)(6).

FROM THE BANKRUPTCY COURT:

NOTICE TO BANKRUPTCY BAR

CLARIFICATION OF BANKRUPTCY FEE SCHEDULE

We have recently received a "clarification" of the Bankruptcy Fee Schedule which can be found at 28 USC 1930(a). This schedule was most recently modified in December of 1989 at which time several fees were added, the most important of which was the filing fee for motions for relief from stay.

The clarification is, in fact, the announcement of a major amendment to the fee schedule. The $60 filing fee has been extended to include "a motion for approval of an agreement or stipulation to the termination, annulment, modification, or conditioning of the automatic stay, unless a motion requesting the relief has been filed previously and a fee paid therefor."

The Administrative Office has further asked the courts to charge this fee whether or not a motion for approval of the stipulation and order is actually filed. The memorandum to this Court reads in part:

> " If a party seeks court approval of an agreement or stipulation to the termination, annulment, modification, or conditioning of the automatic stay without filing a motion, such as by filing an 'agreed order', the fee should nevertheless be collected. "

As a result of this amendment to the fee schedule, this Court will require the payment of $60 whenever a motion for relief from stay is filed or, in the absence of such a motion, when a stipulation and order granting relief from stay is tendered to the court.

Anyone who would like a copy of the entire memorandum can call me and I will happily send it on to them.

Mark Van Allsburg

STEERING COMMITTEE MEETING MINUTES

A meeting was held on March 23, 1990 at noon at the Peninsular Club.

1. A discussion was had regarding the recently announced policy of the Bankruptcy Court that it would be charging a $60 fee upon the filing of a stipulation for relief from the automatic stay. So that it is clear,

if the stipulation lifts the stay, you must pay such $60 amount. If the stipulation, however, is simply for adequate protection, then the fee does not apply. Obviously, if your stipulation is simply for adequate protection you should not use the words "relief from stay" in the caption of that document. It may also be advisable in your cover letter to the Court to indicate that the stipulation is not intended to lift the stay.

2. A brief report was made on the status of the Shanty Creek Seminar by Ellen G. Ritteman and, suffice it to say, matters are proceeding.

3. Your editor made a brief report on the status of the bulk mailing permit, the possibility of Steering Committee luncheons being paid for by the local chapter of the Federal Bar Association, as well as indicating the desire of the local FBA chapter that a Steering Committee member be present at their monthly meetings. Brett Rodgers was nominated as the Steering Committee's delegate and I will act as alternate.

4. An animated discussion was had regarding the recent opinion of the Sixth Circuit in Terrell, reported in the January Newsletter, and the various ramifications thereof.

5. The next Steering Committee meeting was scheduled for the Peninsular Club on Friday, April 20, 1990 at noon.

A meeting was held on April 20, 1990 at noon at the Peninsular Club.

1. Discussion was had regarding the Shanty Creek Seminar scheduled for this August. Ellen G. Ritteman reported on the status of the mock trial. Brett Rodgers discussed accommodation arrangements at Shanty Creek and starting and ending times of the various seminars to be offered. James A. Engbers reported on the status of the entertainment and will attempt to procure a "group" golfing rate for all those who are interested.

2. Your Editor reported on the Federal Bar Association luncheon held earlier this month whereby the local FBA chapter agreed to pick up the cost of the Steering Committee luncheons, agreed to Brett Rodgers and your Editor to act as the Steering Committee delegate and alternate delegate, respectively, to the monthly FBA luncheons, and the status of the bulk mailing permit.

3. Discussion was had regarding the golf tournament put on by the Bankruptcy Court, usually in August, and it was agreed that the Bankruptcy Section would "co-sponsor" this event with the Bankruptcy Court and otherwise publicize that this event is open to all members of the bar, panel trustees, and other interested parties.

4. An extensive discussion was had with respect to the election procedure regarding Steering Committee members. At the present time there are 8 persons on the Steering Committee, and it was agreed that a ninth person should be added. Any person interested in serving on the Steering Committee should contact the Editor or Brett Rodgers. It is anticipated that at the Shanty Creek meeting a short business meeting will be conducted by the Steering Committee which will include the staggering of terms of Committee members so that every year 3 Committee seats will be open for election. It was also agreed that the Steering Committee would welcome a request from any bankruptcy practitioner in the Upper Peninsula of Michigan who would like to act as an "ex officio"

member of this Committee to contact Brett or me so as to get periodic input from practitioners in the other half of this District.

5. Discussion was also had regarding replacement of myself as Editor after my term expires in August, 1990. As no one volunteered for this position, I agreed to stay on as Editor through the end of this calendar year unless some other person might be interested in assuming this role. Any interested applicants should contact Brett Rodgers or me. Of course, any new editor must be approved by an affirmative vote of the Bankruptcy Steering Committee.

6. Judge Gregg made a report on the Sixth Circuit conference which he recently attended.

7. The next Steering Committee meeting will be held at the Peninsular Club on Friday, May 18, 1990 at noon.

LOCAL BANKRUPTCY STATISTICS

The following is a summary of the number of bankruptcy cases commenced in the United States Bankruptcy Court for the Western District of Michigan during the period from January 1, 1990 through March 31, 1990. (There were 547 cases filed in March, 1990 - a new record; the former record consisted of 515 cases filed in March, 1981.) These filings are compared to those made during the same period one year ago.

	1/1/90 - 3/31/90	1/1/89 - 3/31/89
Chapter 7	983	825
Chapter 11	34	31
Chapter 12	6	3
Chapter 13	397	342

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