BANKRUPTCY LAW NEWSLETTER

Published by Federal Bar Association
Western District of Michigan Chapter

VOLUME 7, NO. 3 December, 1994

Dan Cassamatta (1996)	616-456-2002	Tom Sarb (1995)	616-459-8311
John Grant (1997)	616-774-0641	Bob Sawdey (1996)	616-774-8121
Tim Hillegonds (1995)	616-459-6121	Tom Schouten (1997)	616-538-6380
Jeff Hughes (1996)	616-336-6000	Peter Teholiz, Editor (1995)	517-886-7176
Pat Mears (1995)	616-776-7550	Janet Thomas (1996)	616-726-4823
Hal Nelson (1997)	616-459-9487	Rob Wardrop (1997)	616-459-1225
Steven Rayman, Chair-elect (1995)	616-345-5156	Bob Wright, Chair (1995)	616-454-8656
Brett Rodgers (1997)	616-732-9000		

THE NEW "SMALL BUSINESS" UNDER THE BANKRUPTCY REFORM ACT OF 1994 FORM OVER SUBSTANCE?

By: By James B. Frakie and John T. Piggins
Day & Sawdey, P.C.*

The New Provisions

On October 22, 1994, the Bankruptcy Reform Act of 1994 was signed into law by President Clinton. Among the provisions of the Act is Section 217, which creates a new category of person under the Bankruptcy Code called a "small business."

As defined by the Act, a small business is a person [i.e., an individual, partnership or corporation, See 11 USC Section 101(41)] engaged in commercial or business activities whose aggregate non-contingent, liquidated, secured and unsecured debts as of the date of the petition do not exceed $2 million. The new small business definition specifically excludes a person whose primary activity is the business of owning or operating real property and the activities incidental thereto. This definition is codified in a new Section 101(51C) of the Bankruptcy Code. 11 USC § 101 (51C).

Section 217 of the Bankruptcy Reform Act sets forth certain rules for small businesses which differ from those applicable to other Chapter 11 cases. First, at the request of any interested party and upon a showing of "cause," the court may order that a creditors' committee not be appointed in a small business case. A debtor need not elect to be considered a small business in order to make use of this provision. This provision is codified in new Section 1102(a)(3). 11 USC § 1102(a)(3).

Second, if a debtor which meets the definition of a small business elects to be considered a small business under the Code, the exclusive period for filing its Chapter 11 plan is shortened. Instead of the 120-day period applicable to other Chapter 11's, a small business's exclusivity period is limited to 100 days after the date of the order for relief. More importantly, if the small business election is made, all plans filed in the case (whether by the debtor or some other party in interest) must be filed within 160 days after the date of the order for relief.

Both the 100-day and the 160-day periods can be reduced for cause. Additionally, the 100-day exclusive period can be increased, but only if the debtor shows that the "need for an increase is caused by circumstances for which the debtor should not be held accountable." The new provisions do not allow for an increase in the 160-day period under any circumstances. These provisions are codified at new Section 1121(e) of the Code. 11 USC §1121(e).

Finally, a small business debtor who elects to be treated as such under Section 1121(e) may obtain

---

Messrs. Frakie and Piggins are shareholders in the law firm of Day & Sawdey, P.C. They specialize in commercial law, creditors' rights and commercial bankruptcy matters.

conditional approval of its disclosure statement without notice or a hearing. The debtor may then use the conditionally approved disclosure statement, together with the plan, or summary of the plan, as required by Section 1125(b) of the Code to solicit acceptances of its plan. Under this provision, the conditionally approved disclosure statement must be sent to each holder of a claim or interest at least 10 days prior to the date of the hearing on confirmation of the plan. The hearing on final approval of the disclosure statement will then be combined with the plan confirmation hearing. This provision is codified in new Section 1125(f). 11 USC §1125(f).

Some Observations

At first blush, electing to be treated as a small business for purposes of a Chapter 11 proceeding appears to provide one significant benefit. This benefit may, however, prove to be illusory. The advantage of electing to be treated as a small business in Chapter 11 relates to the abbreviated disclosure statement procedure. By electing to be treated as a small business, the debtor will not have to notice out or attend a disclosure statement hearing separate from the plan confirmation hearing. Instead, the Code now contemplates that conditional approval of a disclosure statement may be obtained, presumably by ex parte order of the Bankruptcy Court. This could significantly shorten the entire plan confirmation process. The debtor may also solicit acceptances of its plan before a hearing on the disclosure statement, thereby avoiding the additional expense of revising a disclosure statement which contains adequate information just to meet a specific creditor's concerns.

This benefit is not without risk. Under the new provisions, a debtor may proceed directly to the plan confirmation hearing only to be told that even though its disclosure statement was conditionally approved, it does not provide the creditors with adequate information as required by the Bankruptcy Code. The debtor must then revise the disclosure statement, submit the same to its creditors (presumably with a new ballot and possibly another copy of its plan) and have a second confirmation hearing. This would effectively vitiate any savings attained by choosing to be treated as a small business in the first place and, in all likelihood, create significant confusion among creditors.

In exchange for the potential benefit of avoiding a separate disclosure statement hearing, the debtor who elects to be considered a small business has its exclusive plan filing period shortened to 100 days and, more importantly, is subject to the rule that a plan must be filed within 160 days. If a debtor's primary purpose in filing Chapter 11 is to buy as much time as possible so that it can reorganize its business, there is strong incentive not to elect to be considered a small business and be bound by these shorter periods. This disadvantage must be weighed against the possible savings of shortening the disclosure statement and plan approval process.

Another benefit which may be derived from being a small business under Chapter 11 is the right under Section 1102(a)(3) to request, upon a showing of cause, that a creditors' committee not be appointed in the case. Avoiding the appointment of a creditors' committee could save a debtor time and expense by avoiding lengthy negotiations with the committee and would also eliminate the need to pay the committee's attorney. Since "cause" is not a defined term, it is unclear whether these factors will justify the deletion of a creditors' committee in most small business cases. It is also important to remember that the provision giving any party in interest the right to request that a creditors' committee not be appointed in a small business case does not require that the debtor elect to be considered a small business under the Code. Therefore, the debtor does not have to subject itself to the shortened plan filing deadlines to take advantage of this provision.

However, this benefit could also backfire at plan confirmation. If a debtor has been unable to resolve various disputes through a committee, and does not have the benefit of a committee's support for its Plan, it may not be able to garner sufficient votes to confirm the plan. Therefore, each small business case must be analyzed on its own merits to determine whether a committee is desirable and whether "cause" exists to eliminate the committee.

Questions Remain

The Bankruptcy Reform Act has not given specific guidance on the procedural aspects of the small business case. For instance, when and how can a debtor elect to be treated as a small business in Chapter 11? Must it make its election on its original petition? Can a debtor wait until its standard 120-day exclusive plan filing period has expired before electing to be treated as a small business under the Code? This would give the Debtor the dual advantage of a longer exclusive period for filing its plan and the shortened disclosure statement/plan confirmation procedure.

Another important question concerns the debtor who elects to be considered a small business and fails to file its plan within the required 160-day period. Will this Chapter 11 proceeding be dismissed? Will it be converted to a Chapter 7 proceeding? Will the Court consider equitable circumstances which may have prevented the debtor from filing its plan within the required period and allow the case to continue as a conventional Chapter 11? It appears these questions will have to be answered by local bankruptcy rule or case law since no guidance can be found in the Bankruptcy Reform Act itself.

Finally, the Act establishes no procedures regarding how a plan proponent is to obtain conditional approval of its disclosure statement. Clearly, judicial approval is required, but no mechanism is mandated (or even

suggested) to give other parties in interest an opportunity to be heard before the court's decision is made. Until local rules on this issue are promulgated, it would seem that the plan proponent is only required to submit the plan and disclosure statement to the court (presumably with a proposed order conditionally approving the disclosure statement and establishing a confirmation hearing date) and await the court's judgment regarding the adequacy of the information contained in the disclosure statement. This ex parte approach is currently being used by Judge Spector in the Eastern District of Michigan for those cases which he deems simple enough to warrant expedited treatment. Although dialogue with other interested parties might not be required before conditional approval is obtained, the writers would suggest that common sense dictates that any proposed plan and disclosure statement be submitted to the U.S. Trustee, major secured creditors, and other interested parties whose votes might be critical to confirmation prior to submission of the disclosure statement to the court. Incorporating the comments of these parties in the disclosure statement prior to submitting the same to the court should reduce the possibility of an objection to the disclosure statement at the confirmation hearing.

RECENT BANKRUPTCY DECISIONS

6th Circuit and Supreme Court decisions are summarized by John Potter; Western District cases are summarized by Vicki Young; and Eastern District cases are summarized by Jaye Bergamini.

In re Battery One-Stop Ltd. v Atari Corporation, Case No. 93-3996, 36 F3d 493, 1994 WL 515518 (6th Cir. 9/23/94). Battery One-Stop Ltd. ("Battery"), Plaintiff/Debtor is a national retailer of battery-powered products that purchased goods from Defendant, Atari Corporation in 1990. Battery defaulted on an obligation owed to Atari. Consequently, Atari sued Battery and on September 11, 1991, it obtained a $106,797.37 judgment against Battery in Mahoning County, Ohio. On the same day, Atari obtained a garnishment order from the Ohio court. On September 17, 1991, the Ohio court served the garnishment order on Dollar Savings and Trust ("Bank"). The Bank received the garnishment order on September 9, 1991. On September 23, 1991, the Bank informed Atari that it was holding the entire amount of the judgment. On September 26, 1991, the Bank disbursed a $106,870.01 check to the clerk for Mahoning County, Ohio, who received the check on September 27, 1991. On October 23, 1991, the clerk issued Atari a $106,433.02 check.

On December 24, 1991, Battery filed a Chapter 11 Petition. Afterwards, Battery's trustee filed an action against Atari which requested it to turn over the $106,870.01 as a preferential transfer under 11 USC 547. The bankruptcy court held that under Ohio law a garnishment lien does not become perfected until the funds are transferred to the clerk's office. Since the Bank did not transfer the funds to the clerk until September 27, 1991, less than 90 days before the Battery's Chapter 11 filing, the transfer was a preference. The district court reversed the bankruptcy court, finding that the garnishment lien was perfected when the notice of garnishment was served on the Bank, 96 days before the bankruptcy filing. Accordingly, there was no preference and Atari was not required to turn the funds over to the trustee. Battery appealed to the 6th Circuit.

In affirming the district court's decision, the Court of Appeals stated that the Ohio bankruptcy courts that have found the date of delivery of a garnishment order and notice to the garnishee to be the date of perfection of a transfer, to be in accord with the states having statutes similar to Ohio Revised Code § 2716.13(B). The Court analogized the instant case to similar decisions which found perfection of the transfer occurring when the sheriff seized the property (i.e. notice of garnishment). The Court then stated that perfection occurs "when a creditor on a simple contract cannot acquire a judicial lien that is superior to the interest of the transferee". 11 USC § 547(e)(1)(B). At the time the clerk serves a garnishment order obtained by a judgment creditor on a person in possession of the judgment debtor's property, the judgment creditor has a lien superior to any judgment lien that might be acquired by another creditor suing on a simple contract. The garnishment order "bind[s]" the property of the debtor in possession of the garnishee, ORC § 2716.13(B), and the garnishee "is liable to the judgment creditor" for such property from the time the order and notice to respond are served on the garnishee. ORC § 2716.12(D).

In re Tameling, Case No. GG-94-82989 (Bankr. WD Mich.) 10/26/94. Judge Gregg denied Sears, Roebuck & Company's motions to compel the Debtor to file a statement of intent concerning the treatment of Sears' claim secured by consumer goods. The Debtor in this case omitted Sears from his Chapter 7 individual statement of intentions. Sears held a purchase money security interest in certain consumer goods owned by the Debtor. Rather than seeking relief from the automatic stay, Sears moved to compel the Debtor to comply with 11 USC § 521(2) by filing a statement of intent with regard to Sears' claim against the Debtor.

Although the Court held that the requirements of § 521(2) are mandatory, the Court declined from exercising its equitable powers under 11 USC § 105 to

compel the Debtor to comply with a procedural guideline. Rather, the Court noted that the Debtor's failure to comply with § 521(2) should serve as a signal to the creditor that it may be time to take action to enforce its liens against the collateral. The Court held that the Debtor's failure to comply with § 521(2) would constitute cause to modify the automatic stay. The Court noted that future motions to compel debtors to comply with § 521(2) be summarily denied by the Court unless abnormal or extraordinary circumstances are specifically alleged that justify a hearing.

In re Tax Shop, Inc., Case No. 94-43245-R, (Bankr. ED MI), Judge Rhodes (10/4/93). Debtor filed a petition under Chapter 11 in March 1994. At the initial status conference, the Court determined that the case was a small estate (assets and liabilities of less than $100,000), amenable to expedited procedures under FRBP 1001. A scheduling order was issued without objection, establishing July 26, 1994, as the final date by which the Debtor was to file a plan.

Debtor did not meet the deadline. Counsel for the Debtor filed a motion to extend the deadline for 60 days, citing the press of other matters as an impediment to filing the plan within the order's time constraints. The Court declined to extend the time for filing and instead ordered the Debtor to show cause why the case should not be dismissed or converted.

On the date of the show cause hearing, the Debtor and his counsel failed to appear, and the Court dismissed the petition. Debtor then applied for reinstatement, citing again the heavy schedule of Debtor's counsel and adding as a cause of delay the ill health of the Debtor's principal and some water damage to the Debtor's computer system.

Since the Debtor had not mentioned any computer or health problems in the motion for an extension of time to file the plan, the Court, which again declined to countenance counsel's litigation scheduling problems, affirmed the dismissal of the petition under the Court's broad powers pursuant to §105(a).

In re Glen Eden Hospital Inc., Case No. 93-50572-R, (Bankr. ED MI), Judge Rhodes (10/11/94). The Court took the opportunity presented in this case to clarify the procedure to be followed in the Eastern District with respect to demands for payment of administrative expenses under §503(a).

The IRS had filed a "Request for payment of Internal Revenue taxes" using form 6338A(C) (rev 6-88) with the bankruptcy clerk. The form asserts an "administrative claim" for taxes due from the debtor and requests payment. The clerk rejected the form, which appeared to be a motion, as non-conforming under local bankruptcy rule 2.08, for its failure to include a blank notice of hearing, proof of service, proposed order and a notice to the respondent of the time the respondent has to file an objection to the "motion".

The IRS appealed the clerk's rejection of the request for payment, saying that it was not a motion under the local rule, but a demand for payment pursuant to §503(a). The Court reviewed its practice under the local rule and agreed with the IRS, finding that the Bankruptcy Code allowed the IRS to file the request for payment of its alleged administrative claim without further compliance with the local rule. However, since the mere filing of the request for payment does not stand in the place of a proof of claim, neither the Debtor nor the Court is required to act on the filing absent a further valid motion by the an interested party, filed in conformance with the local rule.

The utility of the bare filing by the IRS will be to put the Debtor and other parties on notice of an important issue which needs to be addressed prior to confirmation. A court hearing will only be necessary in the event that the parties are unable to resolve their differences, and a motion to assist in the resolution is properly filed.

In re Spearing Tool & Manufacturing, Inc., Spearing Tool v Buccaneer Tool & Die, et al, Case No. 93-46916-R; a/p 94-4287, Judge Rhodes (9/6/94). The Debtor filed a motion for summary judgment against the Defendants, a collection of creditors, to avoid an alleged fraudulent transfer of a security interest in the Debtor's assets, pursuant to MCL 566.17 and §§544(b) and 1107(a).

Prior to filing under Chapter 11, the Debtor met with a committee of its largest unsecured creditors to work out a repayment plan, at the behest of its Bank, which was otherwise threatening foreclosure. The plan devised provided that all unsecured creditors would receive a security interest in the Debtor's assets in exchange for forbearance of payment.

The plan set up three classes of creditors: $500 and less, $500 to $4,999 and over $5,000. The Debtor successfully obtained the approval of the two smaller classes, but was unable to secure the consent of several of the largest creditors, some of whom were crucial to the continuation of the Debtor's business.

In order to obtain the cooperation of the largest creditors, the Debtor entered into secret negotiations which resulted in the Debtor giving only the largest creditors a security interest. The smaller creditors were never notified of the change in the plan which divested them of the benefit of their bargain. The plan was put into effect and the Debtor operated under its terms for 14 months, but eventually became insolvent and sought protection under chapter 11.

The Debtor then filed an adversary proceeding against the largest creditors who had, by strength of position, taken a security interest in the assets exclusive of the rights of the smaller creditors. The complaint

alleged that the transaction was void because it was undertaken with the intent of hindering and delaying the other creditors from pursuing collection remedies, in violation of the Uniform Fraudulent Conveyance Act. (There was no allegation of fraud raised.)

Whether a particular transfer may be avoided is a matter, in this instance, of state law. MCL 566.17 provides:

> "Every conveyance made and every obligation incurred with actual intent, as distinguished from intent presumed in law, to hinder, delay, or defraud either present or future creditors, is fraudulent as to both present and future creditors."

To establish a claim under MCL 566.17 and §544(b), the Plaintiff must prove (1) that the conveyance was made, (2) with actual intent to hinder, delay or defraud creditors, and (3) the action is being asserted on behalf of creditors.

Only element 2 was in question. The Debtor asserted that the transaction was intended to hinder and delay the smaller unsecured creditors. The Defendant large creditors assert that the purpose of the plan, and ultimately the transfer of a security interest, was not to hinder or delay any creditor but rather to provide for a systematic liquidation of the Debtor's debts, and to avoid costly court proceedings. The large creditors pointed out that no creditor was stayed from taking independent collection activity.

The Court found that the secret nature of the second negotiations, which resulted in stripping the security interest from the smaller creditors, was evidence of the Debtor's intent to hinder or delay those creditors from pursuing their collections. In chapter 11, the smaller creditors would be unfairly prejudiced by less favorable payment terms while the larger creditors would by virtue of their "secret" security agreement, be assured of payment in full. Although the plan was negotiated and entered into in good faith, without fraud, the intent to hinder or delay, standing alone, is sufficient to constitute a fraudulent conveyance under MCL 566.17.

EDITOR'S NOTEBOOK

By now, all of you have had an opportunity to review the new bankruptcy amendments and how they might affect your practice. One unknown issue is how the U.S. Trustee's Office will react to those new chapter 7 cases filed in order to take advantage of the increased exemptions, which would have previously been filed as chapter 13 cases. Will we see an increased use of 11 U.S.C. 707(b)? Also, the increased exemptions make pre-bankruptcy planning much more important. When does that planning cross the line and become fraudulent? These issues will have to be decided on a case-by-case basis.

Earlier this year, the Bonner Mall Partnership case, which dealt with the viability of the new value exception to the absolute priority rule, was dismissed by the Supreme Court due to the settlement of the parties. Now, however, the Court has refused to vacate the Court of Appeals decision, indicating that the settlement is a private contractual issue that should not affect existing law. The upshot of this is that the 9th Circuit opinion in Bonner Mall Partnership, which holds that the new value exception to the absolute priority rule did not survive the enactment of the Bankruptcy Code, is still good law in that Circuit. Such a ruling may hasten another reorganization case being appealed to the Supreme Court for a ruling on this issue.

Legal definition: escape clause -- What the elves do when Santa gets angry about shoddy manufacturing.

I wish all of you a very merry holiday season.

Peter A. Teholiz, Editor

STEERING COMMITTEE MINUTES

A meeting of the steering committee of the bankruptcy section of the Federal Bar Association of the Western District of Michigan was held on November 18, 1994, at the Peninsular Club in Grand Rapids. Attending were Tim Hillegonds, Peter Teholiz, Bob Sawdey, John Grant, Mike Maggio and Dean Reitberg (for Dan Casamatta), Bob Wardrop, Tom Sarb, Steve Rayman, and Bob Wright.

1. 1995 Seminar. Steve Rayman reported on the status of the 1995 seminar to be held on Mackinaw Island. He reported that he had sent out confirming letters to all of the judges and the keynote speaker. He also indicated that no topics had yet been selected for any of the sessions. If anyone has ideas for a possible topic, please contact Steve.

2. December Seminar. Steve Rayman reported that as of last count, 66 persons had signed up to attend the December Seminar on the new bankruptcy amendments. Bob Wright reported that Steve had agreed to serve as moderator, and that the panelists were scheduled to be Tim Curtain and Pat Mears (on commercial issues), Judge Gregg, Anne Lawton, and Paul Davidoff (on consumer issues), and Judge Stevenson and Bob Wright (on administrative issues).

3. FBA Meeting. As a matter of interest, Bob Wright reported on the meeting of the FBA executive committee. There were no bankruptcy issues discussed, or other items that might affect the steering committee.

4. Next Meeting. There will be no meeting of the steering committee in December. The next meeting of the steering committee is scheduled for Friday, January 20, 1994, at noon at the Peninsular Club, in Grand Rapids.

BANKRUPTCY NOTICES WESTERN DISTRICT

CHANGES REQUIRED IN REAFFIRMATION AGREEMENT AND IN PROCEDURE FOR APPROVAL

The Bankruptcy Reform Act of 1994 requires changes to this Court's procedure for dealing with reaffirmation agreements. First, the Act requires additional language in agreements, making the present suggested form (B 240) obsolete. Section 524(c) has been amended to require that a reaffirmation agreement "contains a clear and conspicuous statement which advises the debtor that such agreement is not required under this title, under non-bankruptcy law, or under any agreement not in accordance with the provisions of this subsection." In addition, an attorney must include a statement in the declaration or affidavit that he or she "has fully advised the debtor of the legal effect and consequences of (i) an agreement of the kind specified . . . and (ii) any default under such agreement."

The Court has prepared a suggested reaffirmation agreement form (Local Form #1) which includes the language noted above. This form is merely a suggested form and is not required. However, it may prove to be an efficient way to summarize the agreement between the parties. The form will also make it easy for court staff to recognize and properly record these agreements. The form will be sent to attorneys, trustees and other parties without charge.

For the last two years, it has been the practice of this Court to set hearings on reaffirmation agreements in only two situations: Hearings were set on agreements if (1) they were signed after the issuance of the discharge and if (2) the debtor was not represented by counsel. The new Act makes it clear that hearings are only required if the debtor is not represented by counsel. Therefore, all agreements executed by a debtor and approved by counsel will be docketed and filed. The court will not issue an order approving such agreements. Debtors who are unrepresented by counsel in negotiations with the creditor must request approval of the reaffirmation agreement by completing the motion section of this form. The court will then have the responsibility to ensure that the debtors have sufficient information to make an informed decision about reaffirmation. Subsequent to hearing, the agreement will be approved by order of the court.

The effective date of the Bankruptcy Reform Act was October 22, 1994. The Act applies to all cases filed after that date.

MODIFICATION OF FEE GUIDELINES

The Court has recently modified the fee guidelines which are published as exhibit 8 to the Local Bankruptcy Rules. The change increases the amount of compensation which can be approved in a chapter 13 case without itemization from $1,000 to $1,100. Paragraph 15 of the Memorandum now states: "15. In Chapter 13 cases, the Court may approve compensation of a debtor's attorney in an amount not be exceed $1,100 for services rendered through the time of confirmation, without the necessity of filing an itemized statement of services rendered, provided an agreement is filed with the Court which sets forth the agreed-upon fee for such pre-confirmation services. The required agreement shall be executed by the debtor and the debtor's attorney. If services with a reasonable value in excess of $1,100 are preformed, and documented by the filing of an itemized fee application as required herein, the Court may award a fee in excess of $1,100 in Chapter 13 cases."

The effective date of this change is January 1, 1995.

Mark VanAllsburg, Clerk

WESTERN DISTRICT COURT CALENDAR FOR 1995

This calendar is a tentative schedule of hearing dates and the Court reserves the right to alter it without notice.

Key: The first letter is the Judge's name (G=Gregg, H=Howard, S=Stevenson) and the second letter is the Court location (G=Grand Rapids, K=Kalamazoo, L=Lansing, M=Marquette, T=Traverse City).

COURT CALENDAR FOR 1995

	Monday	Tuesday	Wednesday	Thursday	Friday
JANUARY	2 Holiday	3	4 GL	5	6 GK
	9	10 GG	11 HG	12	13 HK ST
	16 Holiday	17	18 SK	19 GT	20 GT HL
	23 SG	24 GG HM	25 HM	26 GK	27
	30 Ct Admin Mtg.	31 HG	1	2 GL	3 HK
FEB	6 SK	7 GG	8	9 GK ST	10
	13 SG	14	15	16 GT	17 GT
	20 Holiday	21 GG SM	22 HG SM	23 GK SM	24 HK
	27	28 HL	1	2 GL	3
MARCH	6 SG	7 GG	8 HG	9 GK ST	10 HK ST
	13	14	15 SK	16 GT	17 HL GT
	20	21 GG	22 HG	23 GK	24 HK
	27 SG	28 HM	29 HM	30 GL	31 Court Admin Mtg
APRIL	3 SK HG	4 GG	5 HL	6 GK ST	7 HK
	10	11	12	13 GT SG	14 GT
	17 SM	18 GG SM	19 SM	20 GK	21
	24	25 HG	26	27 GL	28 HK
MAY	1 SK	2 GG	3	4 GK ST	5 HL ST
	8	9 HG	10 SG	11 GT	12 GT HK
	15	16 GG HM	17 HM	18 GK	19
	22 SK	23 HG	24 Ct Admin Mtg	25 GL	26 HK
	29 Holiday	30 GG	31	1 GK	2
JUNE	5	6 HG	7	8 GT	9 GT HK
	12 SG	13 GG	14	15 GK ST	16 HL
	19 SM	20 SM HG	21 SM	22 GL	23 HK
	26 GG SK	27	28	29	30

	Monday	Tuesday	Wednesday	Thursday	Friday
JULY	3	4 Holiday	5	6 GK	7
	10 SG	11 GG	12 HG	13 GT	14 GT HK
	17 SK	18 HM	19 HM	20 GL ST	21 ST HL
	24	25 GG	26 GK	27	28 Fed Bar Seminar
AUGUST	31 SG	1 HG	2 Ct Admin Mtg.	3	4 HK
	7 SK	8 GG	9	10 GK	11
	14	15 GL HG	16	17 GT	18 GT HK
	21 SG	22 GG	23	24 GK ST	25 HL
	28 SM	29 SM HG	30 SM	31	1 HK
SEPT	4 Holiday	5 GG	6	7 GK	8
	11 SG	12 GL HG	13	14 GT	15 GT HK
	18 SK	19 GG HM	20 HM	21 GK ST	22 ST HL
	25	26 HG	27	28	29 HK
OCTOBER	2 SG	3 GG	4 Ct Admin Mtg	5 GK	6 HL
	9 Holiday	10 GL HG	11	12 GT	13 GT HK
	16 SK	17 GG	18	19 GK ST	20
	23 SM	24 SM	25 SM	26	27
	30	31 HG	1 HL	2	3 HK
NOV	6 SG	7 GG HM	8 HM	9 GK ST	10 Holiday
	13 SK	14 GL HG	15	16 GT	17 GT HK
	20	21	22	23 Holiday	24
	27 SG	28 GG	29	30 GK	1 HK
DEC	4 SK	5 HG	6 Ct Admin Mtg	7 GT	8 GT HL
	11 SG	12 GG	13	14 GK ST	15
	18 SM	19 GL SM HG	20 SM HK	21	22
	25 Holiday	26 GG	27	28 GK	29

Date last amended: 10/14/94 File: wptext\95cal

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 (Lower Peninsula) during the period from January 1 through October 31, 1994. These filings are compared to those made during the same period one year ago and two years ago.

Bankruptcy Chapter	January 1 - October 31, 1994	Percent Increase (Decrease)	January 1 - October 31, 1993	Percent Increase (Decrease)	January 1 - October 31, 1992
Chapter 7	3468	(10.0%)	3854	(15.2%)	4546
Chapter 11	79	(16.8%)	95	(12.0%)	108
Chapter 12	16	(44.8%)	29	26.0%	23
Chapter 13	1356	10.3%	1229	(8.1%)	1338
	4919	(5.5%)	5207	(13.4%)	6015

Western Michigan Chapter of the
Federal Bar Association
250 Monroe Avenue, Suite 800
Grand Rapids, MI 49503

BULK RATE
U.S. POSTAGE
PAID
Grand Rapids, MI
Permit No. 807

PEM

PETER A TEHOLIZ
HUBBARD FOX THOMAS WHITE & BENGTSON
5801 W MICHIGAN AVE
P O BOX 80857
LANSING MI 48908-0857