

# **Bankruptcy Reform**

**January 2013**

Kleinberg Kaplan will participate in a study of potential Bankruptcy Code reform. The American Bankruptcy Institute has formed a commission to study and propose reforms to Chapter 11 of the Bankruptcy Code that will better balance the goals of reorganization of business debtors, preservation of jobs and maximization of asset values for the benefit of all creditors and stakeholders. The ABI has expressed concern that the proliferation of secured credit and the growth of distressed debt markets have affected the effectiveness of the current Bankruptcy Code and reorganizations under Chapter 11. To help in achieving its goals, the ABI commission has established sub-committees to advise on each of the following topics:

1. Administrative Claims, Critical Vendors and Other Pressures on Liquidity
2. Avoiding Powers
3. Bankruptcy Remote Entities, Bankruptcy-Proofing and Public Policy
4. Distributional Issues Under Plans
5. Executory Contracts and Leases
6. Financial Contracts, Derivatives and Safe Harbors
7. Financing Chapter 11
8. Governance and Supervision of Chapter 11 Cases and Companies
9. Labor and Benefits Issues
10. Multiple Enterprise Cases/Issues
11. Plan Issues: Procedure and Structure
12. Role of Valuation in Chapter 11 Cases
13. Sales of Substantially all of the Debtor's Assets, Including Going Concern Sales

The Loan Syndication and Trading Association has established a working group to monitor the progress of the ABI commission and to insure that the voice of the secured creditor community is heard by the commission. The LSTA working group is also forming sub-committees that will



monitor and advise on the activities of those ABI sub-committees that the LSTA believes are relevant to the secured creditor community. Bob Berman, Larry Hui, Mary Kuan, Matt Gold and Michael Levine of Kleinberg Kaplan will participate in the working group.

To discuss further, please contact your primary Kleinberg Kaplan attorney or:

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