



The Law Office Of Doug Dern News & Updates

Hello,

I hope every one had a great weekend. Michigan fall without college football seems strange, but they are working on it. We are still holding bankruptcy hearings by phone. Although the bankruptcy court's phones were out all day Friday. I have a 26f hearing in Detroit Thursday. I do not mind not driving to Detroit. I spent the weekend working on my book I am writing on Bankruptcy law. I hope you all have a great week.

*Best Regards,
Doug Dern.*

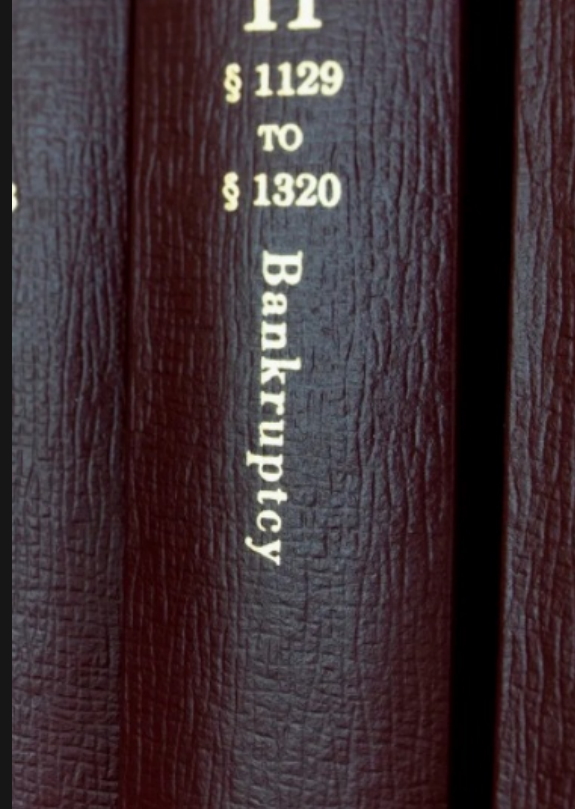
Changes in Bankruptcy law helps small farmers and small business

Changes in the bankruptcy code have made it easier for small business and farmers to reorganize. The additions to the to small business chapter 11 and small farmers include:

- Eliminating the creditors' committee in favor of a single

trustee who does not operate the business or farm of the debtor, unless there is a finding of fraud or mismanagement. The trustee is paid to oversee the process and ensure the debtor adheres to the rules, unlike a creditors' committee that typically works to maximize the plan for creditors.

- Enabling only the debtor to file a reorganization plan. No creditor or competing plan may be filed. There's also no longer a need for a disclosure statement, unless required by the court, making the plan document simpler and less expensive to develop.
- Eliminating the absolute priority rule, which indicates that no junior interest can retain or receive property unless all interests of a higher level have been paid in full. In many cases, a creditor may have a secured claim that is a small fraction of the total debt, enabling that one creditor to preclude a reorganization plan from being confirmed. This change enables shareholders to retain stock in the business and smooths the path to confirmation.
- Enabling administrative expenses to be paid over the life of plan. In a regular filing, expenses have to be paid on confirmation of the plan, but these can now be stretched three to five years, which gives the debtor additional breathing space.



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Bankruptcy 101

How often can you file?

Chapter 7 is 8 years from date of filing to date of filing. If you file a chapter 7 and get a discharge you have to wait 8 years to file again. But if you need bankruptcy protection you can always file a Chapter 13. In order to get a discharge in a Chapter 13 you have to wait 4 years from your Chapter 7 filing. You can still file a chapter 13 you just will not receive a discharge. If you get a chapter 13 discharge you have to wait 2 years. If your case gets dismissed you can file right away. If you refile a Chapter 13 you have to get permission to extend the automatic stay. On a third chapter 13 you must file a same day motion to extend the automatic stay. Confused? yeah , it gets like like that.

If you have questions call me

[WEBSITE](#)

[CHAPTER 7](#)

[CHAPTER 13](#)

[CAR & HOUSE](#)

[PROTECTION](#)

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