

The Necessity of Chapter 11 Case Administration

Chapter 11 bankruptcy cases are administration intensive operations, which require a committed, efficient, organized, and knowledgeable resource to support case professionals, respond to creditors, and assist the debtor company throughout the course of a case.

Administration intensive because many chapter 11 cases can span the course of several years, and involve extensive compliance, creditor interaction, and documentation, even if confirmed on the shortened timeframe of a prepackaged bankruptcy case.

For example, cases can involve the exchange and filing of tens of thousands of pages of documents which may in turn be served on thousands and tens of thousands of creditors. Each of those creditors at some point in the process can and will interact with the bankruptcy case from as simple as a telephone call or email inquiry, to as advanced as motions to compel assumption or rejection of a contract or a 3018 motion requesting permission to vote on a plan of reorganization.

Understanding, organizing, and tracking these creditor interactions is one of the critical aspects to a smooth chapter 11 case. Critical because the ultimate job of the bankrupt company is to settle every single pre-bankruptcy or prepetition debt in the form of a court approved plan of reorganization.

An administrative services firm or "notice and claims agent" is perfectly suited to provide all administrative support for a chapter 11 bankruptcy case, because they already support major administrative efforts during the course of a case.

Committed Resources

Administrative case professionals must be committed to the success of every aspect of chapter 11 support in order for advisors and attorneys to obtain the important restructuring goals for the company. Goals such as restructuring operations, deleveraging balance sheets, and obtaining a confirmed plan of reorganization require documents and pleadings which must be filed, served on creditors, responded to, heard and approved by a bankruptcy judge, and implemented with the company. Goals like these don't always fit neatly into the 9 to 5 everyday business world and demand case professionals who are committed to the success of the chapter 11 at any time or any day.

Efficient Resources

Because today's chapter 11 cases happen faster than ever before, it's important to have administrative resources capable of responding to current and potential future case issues at a moment's notice. Reliefs from stay, 2004 document productions, ad hoc committee appointments, institutional creditor objections, and contested hearings are just a few of the many "emergency" events which can happen during a chapter 11 case that require instant administrative support.

A committed efficient administrative services firm will provide the historical data, people resources, and insight necessary for comprehensive support which quickly assists case professionals in all their case tasks.

Organized Resources

Because chapter 11 cases involve the exchange of so many documents, organization is of paramount importance for historical record keeping, reuse of current data for future projects, and response to current case issues.

Historical record keeping will help to resolve future creditor disputes over previous issues and will provide data for the background or supporting documentation for future projects. Lastly, historical record keeping will assist with responses to current creditor issues or current restructuring operations such as asset sales.

Knowledgeable Resources

With all of the documents and pleadings, parties in interest, court orders, rules, and statutes, it's ever more important that an administrative services firm provide chapter 11 working case knowledge to help case professionals and the company achieve efficient and cost effective results.



Claude Wm. Irmis founder of
Phase Eleven Consultants

For more information on case administration contact
Claude Wm. Irmis at info@11lc.com or 877-943-2233