

# Chapter 11 Case Preparation



Claude Wm. Irmis founder of  
Phase Eleven Consultants

## Chapter 11 Case Preparation Overview

Once a company is given permission by its board of governors to begin preparation for a chapter 11 bankruptcy, attorneys and advisors will initiate restructuring activities related to business and financial operations. In large part, these activities will include collection, analysis, and synthesis of data for the preparation of administrative documents and pleadings, operational pleadings, professional retention pleadings, and financing pleadings. Administrative service providers will supply the experience, insight, organization, technology, and project management assistance necessary to help attorneys and advisors with all chapter 11 case preparation needs.

## Administrative Documents and Pleadings

A company will file certain documents and pleadings which initiate and provide organization to the chapter 11 case. Administrative documents including the voluntary petition, master creditor list, and equity security holders list are filed to initiate the chapter 11 case and to comply with the federal bankruptcy laws. Administrative professionals will work with company employees to obtain proposed debtor subsidiary information and pertinent creditor information for service lists and court filed lists which affect service of process. Administrative professionals will work with attorneys to obtain precedent for joint administration, case administration, and schedules and statements motions as a part of chapter 11 case preparation.

## Operational Pleadings

A debtor company must seek permission from the bankruptcy court to conduct certain operations which may affect financial and operational stability during the chapter 11 case. The traditional operational pleadings which most debtor companies file on the first day include: asset sales, cash management, contract rejection, critical trade, customer programs, equity trading, insurance financing, ordinary course professionals, retention programs, taxes, utilities, wages and benefits. Once initial orders, related to these pleadings are entered, additional operational pleadings may be filed. Pleadings related to rejection of contracts, abandonment or sale of assets, and special operational procedures are examples of such pleadings.

Administrative professionals will work with attorneys, advisors, and the company to collect and organize affected parties notice lists and prepare for organized service of process for each of the pleadings upon filing for chapter 11 bankruptcy. Administrative professionals will assist attorneys, advisors, and the company to put together cash management bank accounts exhibits, contract rejection counterparties, critical trade vendor contact information, equity security holders lists, insurance providers information, ordinary course professionals contact information, taxing authorities lists, utility providers lists, and employee lists. Administrative professionals can assist in keeping track of versions by electronically organizing the latest versions on a computer database.

## Professional Retention Pleadings

Chapter 11 professionals guide a company through bankruptcy, providing financial, legal, and restructuring advice on all aspects of the business. These professionals will take primary responsibility for preparing and filing pleadings, negotiating with creditors, and working with the company to implement restructuring of business operations and guiding a company toward plan confirmation. Professional retention pleadings permit a debtor company to employ a specific firm or individual for the purpose of this chapter 11 work.

Administrative professionals will work with the company and case professionals to obtain creditor lists for conflicts checks and exhibits to professional retention affidavits. They will provide appropriate retention precedent and concise electronic organization for draft document versions of these pleadings.

## Financing Pleadings

Financing pleadings relate to a company's pre-bankruptcy financial arrangements with banks and lending institutions. In the case preparation phase, attorneys and advisors review and analyze company debt documents and make recommendations for restructuring operations post bankruptcy filing. Part of those recommendations involve pursuit of a credit facility and use of existing cash or loan to help the company fund operations during the course of the bankruptcy. The credit facility is known as a DIP credit agreement or debtor in possession credit agreement and the use of existing operating cash can either be sought in the form of a cash collateral motion or in the form of an asset securitization motion. Administrative professionals will assist the company and case professionals in collection and electronic organization of secured creditor lists and case precedent for exhibits and first day notice lists.

## Summary

Experienced administrative assistants are perfectly positioned to support the collection and electronic organization of case preparation materials, as well as provide insight and case precedent for an effective chapter 11 case filing.

*For more information on chapter 11 case preparation contact  
Claude Wm. Irmis at [info@11lc.com](mailto:info@11lc.com) or 877-943-2233*