

Client ALERT

Massachusetts Small Business Debtor Confirmed Chapter 11 Reorganization Plan Under the New Subchapter V of the Bankruptcy Code

January 13, 2021

On January 11, 2021, the United States Bankruptcy Court for the District of Massachusetts entered an order confirming a Chapter 11 Reorganization Plan for a small business debtor under the *Small Business Reorganization Act of 2019* (the “SBRA”),¹ which amended Chapter 11 of the United States Bankruptcy Code² by adding a completely new Subchapter V. This is believed to be the first small business Chapter 11 Reorganization Plan confirmed under Subchapter V in Massachusetts.

The goal of Subchapter V is to promote small business reorganization of eligible debtors (individuals and business entities) while reducing the time and expenses generally associated with a typical Chapter 11 reorganization. The protections afforded by Subchapter V permit small business debtors to maintain operations and keep employees employed while facilitating a fresh start for such businesses.

Under Subchapter V, the small business debtor must file its plan of reorganization no later than 90 days from the petition date. The Chapter 11 Reorganization Plan was filed on November, 24, 2020, within the 90-day period. Counsel for the debtor were [Alan L. Braunstein](#) and [Macken Toussaint](#).

Related Alert:

[CLIENT ALERT: The New CARES Act Provides Temporary Debt Limit Increase for “Small Businesses” to Restructure Debts Under Subchapter V of Chapter 11 \(among other amendments to the Bankruptcy Code\), April 3, 2020](#)



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¹ The SBRA became effective on February 19, 2020.

² Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”).

If you have questions, please contact the author listed above or your attorney at Riemer & Braunstein LLP.

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