

# Weekly Bankruptcy Analysis

## April 5-11, 2021

*Written by:*

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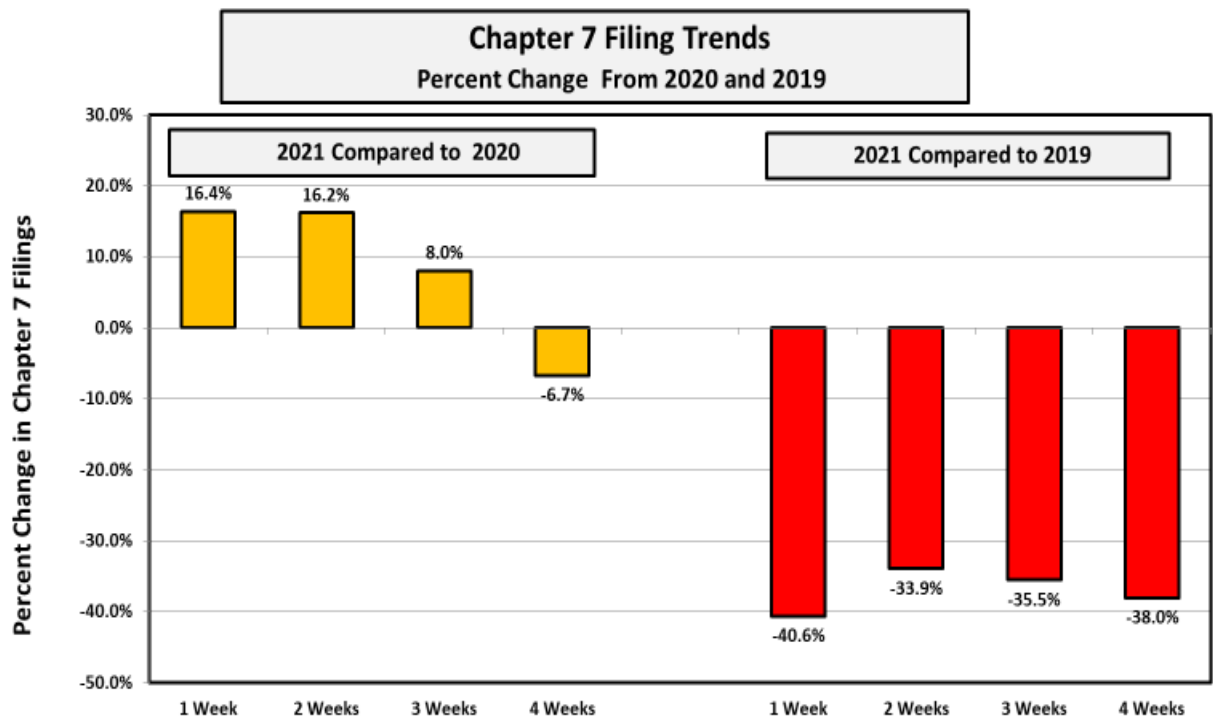
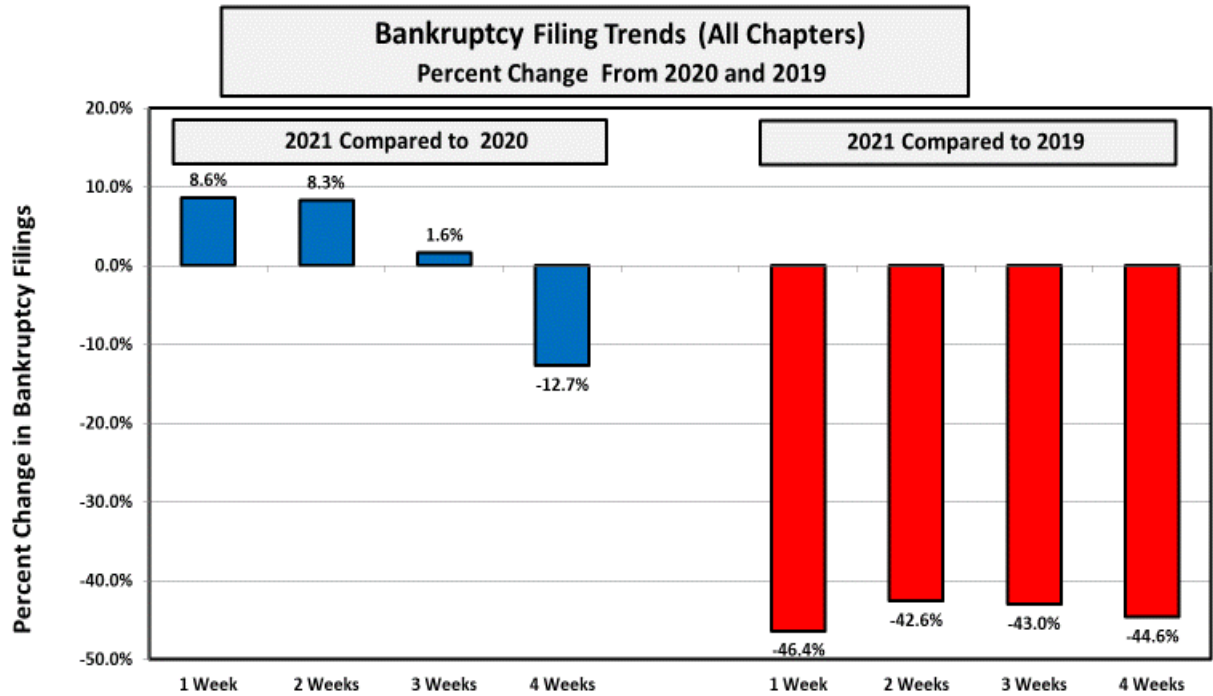
Total filings last week were up slightly from the same week in 2020 (when the nation was largely shut down due to the pandemic), but were down by nearly one-half from the same week two years ago. Filings of chapter 13 cases are now nearly 60 percent below where they were two years ago.

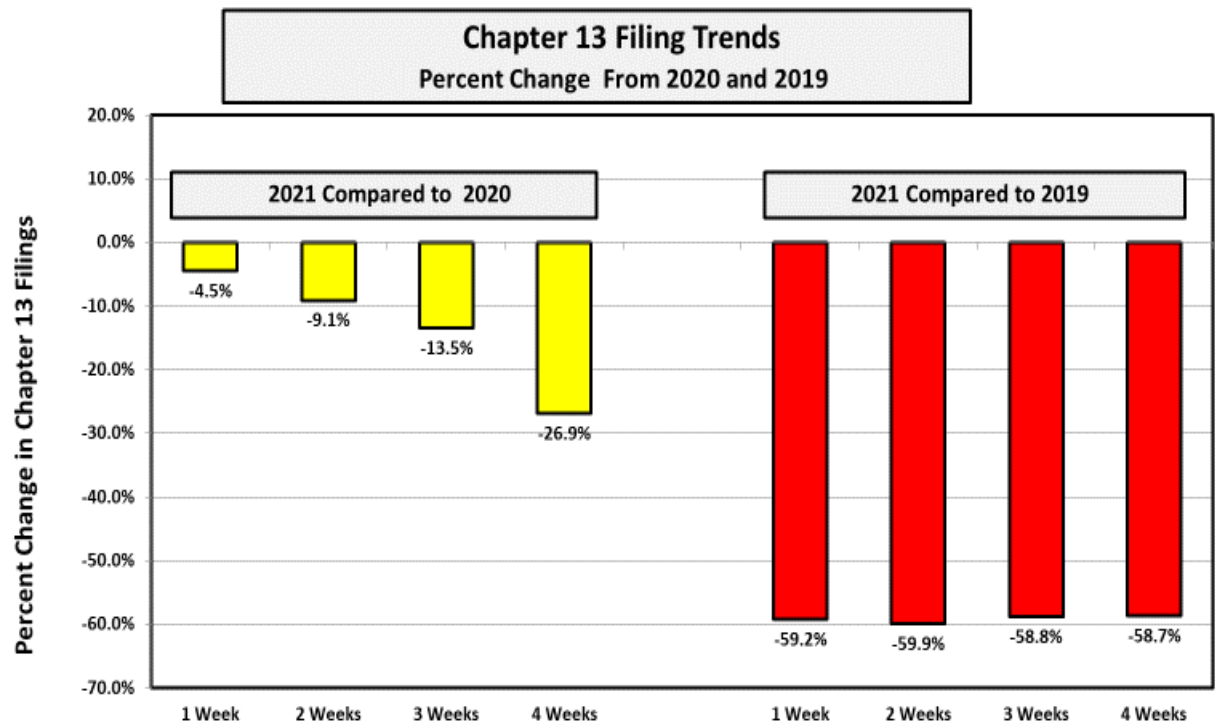
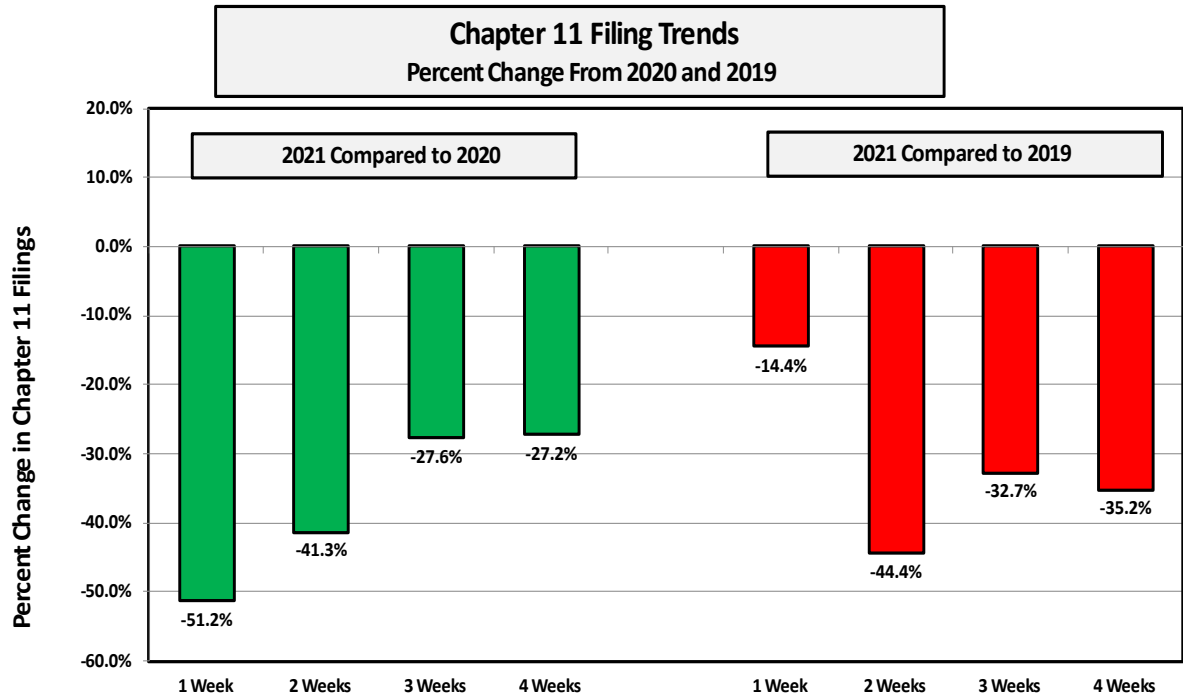
Bankruptcy Filings April 5 - 11, 2021			
Type of Case	Number Filed	Percent Change From Same Week Last Two Years	
		2020	2019
<b>Total</b>	<b>8,080</b>	<b>8.6%</b>	<b>-46.4%</b>
<b>- Chapter 7</b>	<b>5,983</b>	<b>16.4%</b>	<b>-40.6%</b>
<b>- Chapter 11</b>	<b>101</b>	<b>-51.2%</b>	<b>-14.4%</b>
<b>- Chapter 13</b>	<b>1,990</b>	<b>-4.5%</b>	<b>-59.2%</b>
<b>- Other Cases*</b>	<b>6</b>	<b>-45.5%</b>	<b>-25.0%</b>
<b>* Chapters 9, 12 and 15</b>			

The following charts show recent weekly filing trends by chapter compared to 2020 and 2019.

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<sup>1</sup> Ed Flynn is a consultant with ABI and serves as a coordinating editor for the *ABI Journal*. He previously worked for more than 30 years at the Executive Office for U.S. Trustees and the Administrative Office of the U.S. Courts.





## Chapter 11 Cases

Chapter 11 case filings during the week were less than one-half the number filed during the same week in 2020. However, the 2020 figure was artificially inflated by the 134 related filings that accompanied the filing by Quorum Health Corp. Excluding these related filings, chapter 11 activity was actually up over last year.

Types of Chapter 11 Cases Filed			
	April 5 - 11		
	2021	2020	2019
<b>Total Filed</b>	<b>101</b>	<b>207</b>	<b>118</b>
<b>Solo Cases</b>	<b>73</b>	<b>45</b>	<b>91</b>
<b>Parent cases</b>	<b>7</b>	<b>5</b>	<b>4</b>
<b>Child cases</b>	<b>21</b>	<b>157</b>	<b>23</b>
<b><i>Filed By Individuals</i></b>	<b>22</b>	<b>19</b>	<b>28</b>
<b>Subchapter V Cases</b>	<b>30</b>	<b>18</b>	<b>NA</b>

## Notable Case Filings

Three large cases were filed last week: two in the District of Delaware, and one in the Southern District of New York.

Notable Case Filings April 5 - 11, 2021				
Company Name	Industry	Date Filed	Court of Filing	Number of Related Cases
The Collected Group, LLC	Fashion design & retail	4/5/2021	Delaware	4
TECT Aerospace, LLC	Airplane parts maker	4/6/2021	Delaware	5
Stoneway Capital Ltd.	Power plant owner	4/7/2021	New York Southern	5

## Types of Businesses Using Subchapter V

The Small Business Reorganization Act of 2019 (SBRA) took effect on Feb. 19, 2020, just a few weeks before the national shutdown due to the pandemic. With the creation of subchapter V, the SBRA provided a streamlined path through chapter 11 for small business debtors.

Between Feb. 19, 2020, and April 6, 2021, a total of 1,796 subchapter V cases were filed nationwide. (This total would not include cases filed prior to 2/19/2020 that later opted into subchapter V, or cases that opt into subchapter V more than a few days after filing.)

Based on the case names, case documents and online searches, it was possible to determine the type of business for about 95 percent of the subchapter V cases. (Some subchapter V debtors have rather generic names, no online presence and no informative press coverage of their filing.)

About one-quarter of the subchapter V cases were filed by individuals. Following are the most common types of businesses for subchapter V debtors. Clearly, many of these debtors were in industries that were the most disrupted by the pandemic:

- 133 restaurants and bars
- 127 health care professionals and facilities
- 91 retail
- 88 construction
- 74 real estate (realtors, rental managers, developers, investors, etc.)
- 74 business services
- 66 transport & trucking
- 66 manufacturing
- 63 home services
- 47 automobiles (dealers, rental, repair)
- 44 leisure & entertainment
- 36 energy
- 35 hotels & motels
- 34 health & fitness
- 27 financial services
- 23 farms & ranches
- 23 taxi services

An expert panel will discuss subchapter V cases on April 13 at ABI's Annual Spring Meeting (<https://www.abiasm.org/>).

See the ABI Headlines for news of the latest filings at <https://www.abi.org/newsroom/headlines>.