

# Weekly Bankruptcy Analysis

## August 17 - 23, 2020

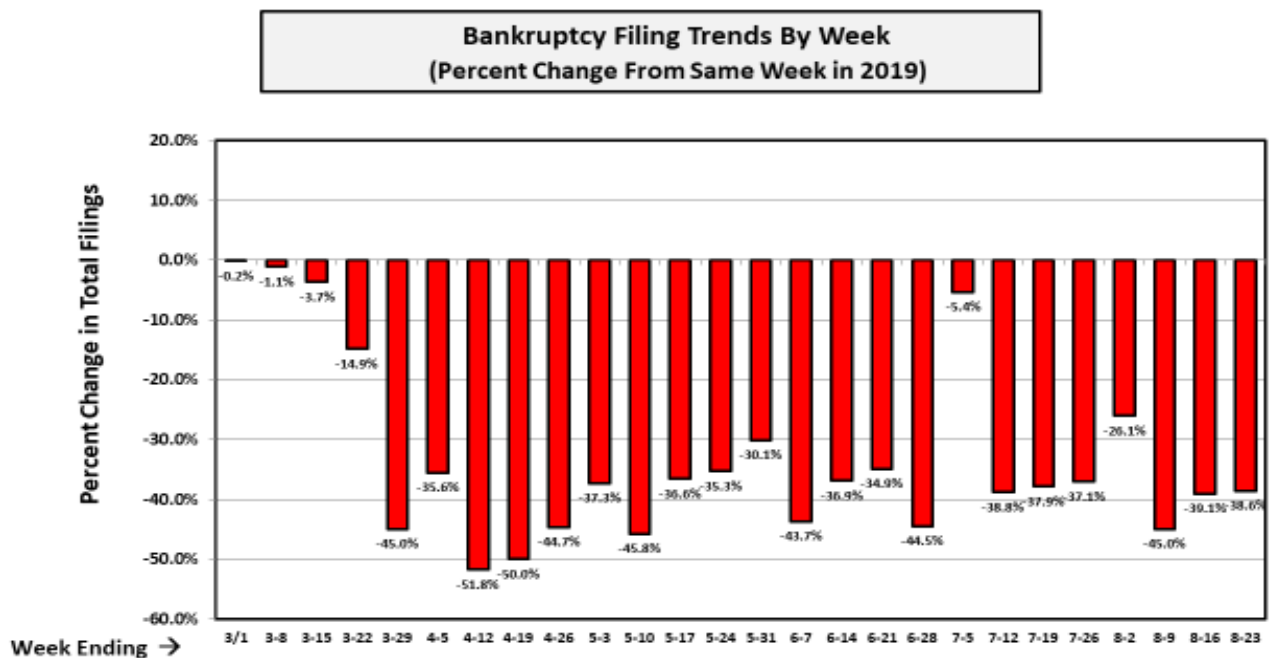
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Total filings were down by 38.6 percent during the week ending August 23 compared to the same week in 2019.<sup>2</sup> Once again, the largest percentage decline was in chapter 13 filings, which were down by 57.6 percent from last year.

| Bankruptcy Filings August 17 - 23, 2020 |              |                                       |
|---|--------------|---------------------------------------|
| Type of Case                            | Number Filed | Percent Change From Same Week in 2019 |
| Total                                   | 8,788        | -38.6%                                |
| - Chapter 7                             | 6,413        | -29.2%                                |
| - Chapter 11                            | 180          | 89.5%                                 |
| - Chapter 13                            | 2,184        | -57.6%                                |
| - Other Cases*                          | 11           | 37.5%                                 |
| * Chapters 9, 12 and 15                 |              |                                       |

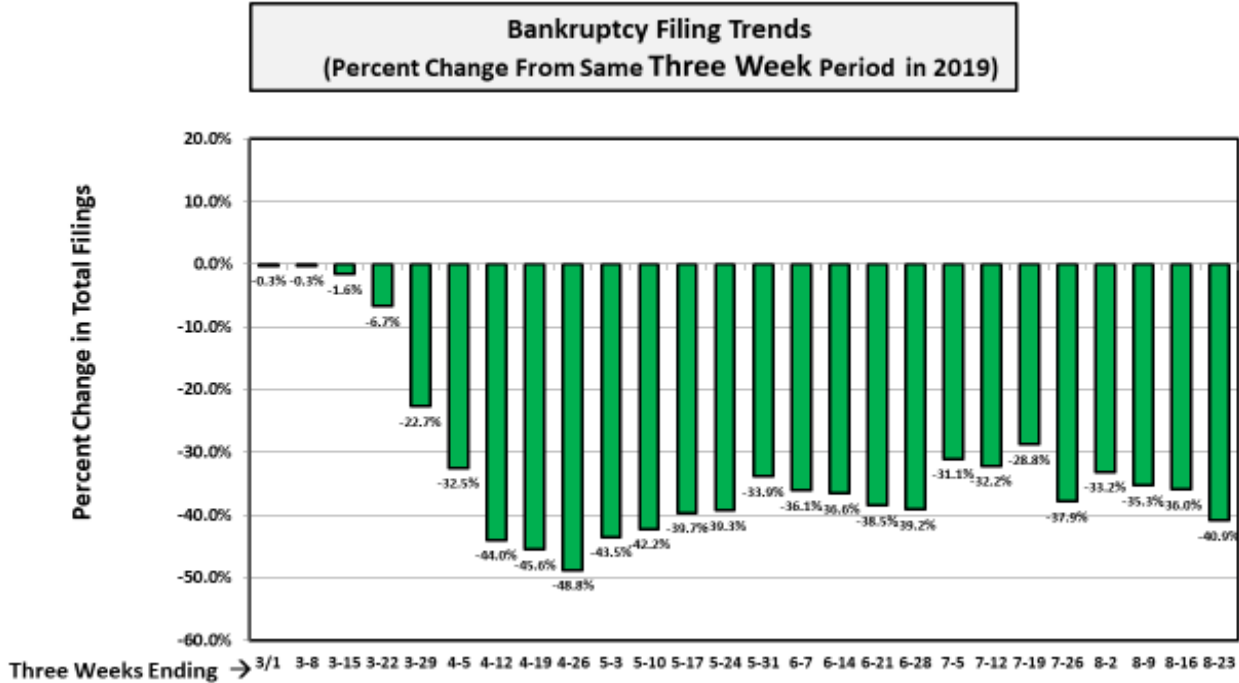
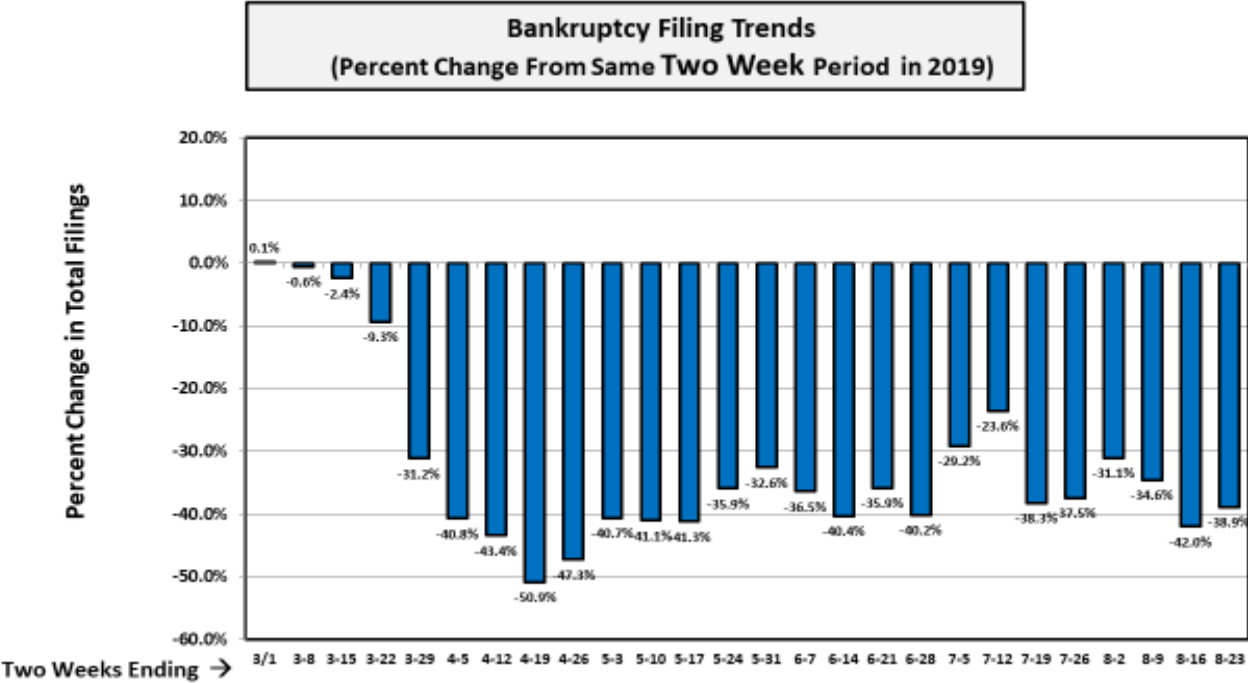
The following chart shows the weekly trends since March.

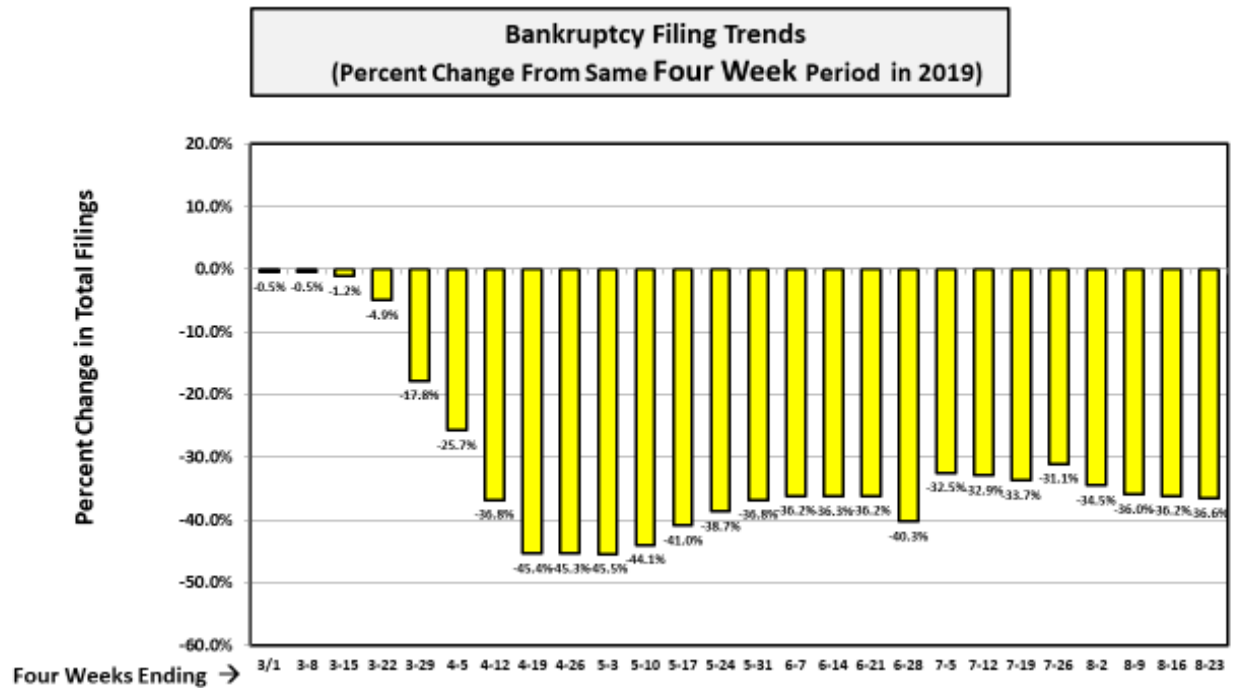


<sup>1</sup> Ed Flynn is a consultant with ABI and serves as a coordinating editor for the *ABI Journal*. He previously worked for more than 30 years at the Executive Office for U.S. Trustees and the Administrative Office of the U.S. Courts.

<sup>2</sup> These figures are from PACER and are subject to change. See <https://www.pacer.gov/>.

The weekly totals can be affected by several factors. For example, the spike in filings at the end of each month and the timing of holidays can affect weekly totals. To counteract these factors and provide a truer picture of actual trends, the following three charts show the weekly trends based on two-, three- and four-week rolling averages. Overall, they show a pattern of a very slow return towards 2019 filing levels after bottoming out in April.





## Chapter 11 Cases

Chapter 11 filings during the week were nearly double compared to the same week last year. However, nearly one half of the chapter 11 filings (89 out of 180) were related filings in the Valaris/ENSCO case.

| Types of Chapter 11 Cases Filed    |                |           |
|------------------------------------|----------------|-----------|
|                                    | August 17 - 23 |           |
|                                    | 2020           | 2019      |
| <b>Total Filed</b>                 | <b>180</b>     | <b>95</b> |
| <b>Solo Cases</b>                  | <b>60</b>      | <b>76</b> |
| <b>Parent cases</b>                | <b>6</b>       | <b>8</b>  |
| <b>Child cases</b>                 | <b>114</b>     | <b>11</b> |
| <b><i>Filed By Individuals</i></b> | <b>11</b>      | <b>25</b> |
| <b>Subchapter V Cases</b>          | <b>34</b>      | <b>NA</b> |

The 34 subchapter V cases filed during the week brings the total filed to over 750 since subchapter V became available on February 19, 2020. More than one-half of the solo chapter 11 cases filed during the week were subchapter V cases.

## Notable Case Filings

COVID-19 has caused a dramatic increase in prominent bankruptcy filings (e.g., companies with debts and assets of several hundred million or more or firms that are household names), particularly by retailers and energy companies. Since May, we have been seeing about one such case filed per day. Over 70 percent of these notable cases have been filed in three judicial districts — Delaware, New York Southern, and Texas Southern.

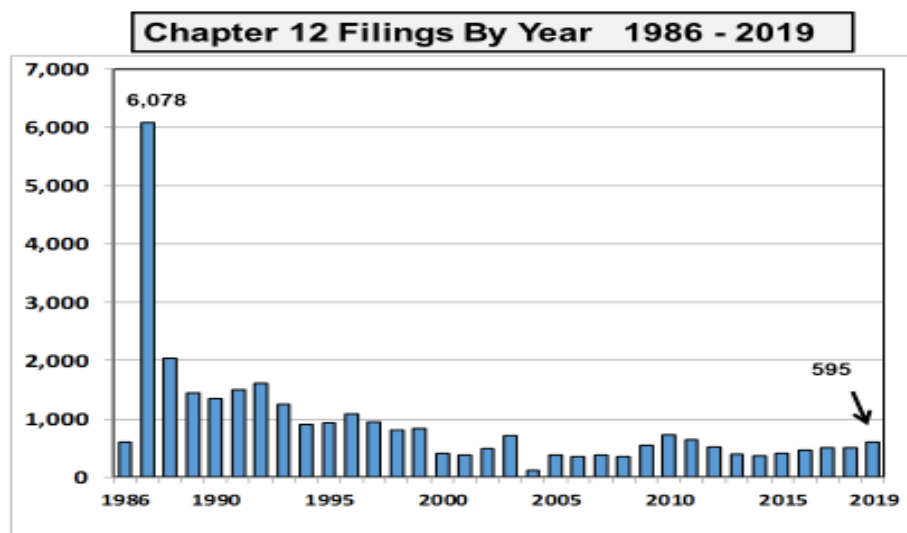
| Notable Case Filings August 17 - 23, 2020 |                              |            |                   |                         |
|---|------------------------------|------------|-------------------|-------------------------|
| Company Name                              | Industry                     | Date Filed | Court of Filing   | Number of Related Cases |
| RGN Group Holdings LLC                    | Shared working space         | 8/17/2020  | Delaware          | 2                       |
| Valaris PLC and ENSCO Inc.                | Offshore drilling            | 8/19/2020  | Texas Southern    | 89                      |
| Arena Energy, LP & Valiant Energy, LLC    | Oil and gas                  | 8/20/2020  | Texas Southern    | 5                       |
| TNT Crane & Rigging, Inc.                 | Crane service provider       | 8/23/2020  | Delaware          | 5                       |
| KB US Holdings, Inc.                      | Grocery (Balducci's & Kings) | 8/23/2020  | New York Southern | 9                       |

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

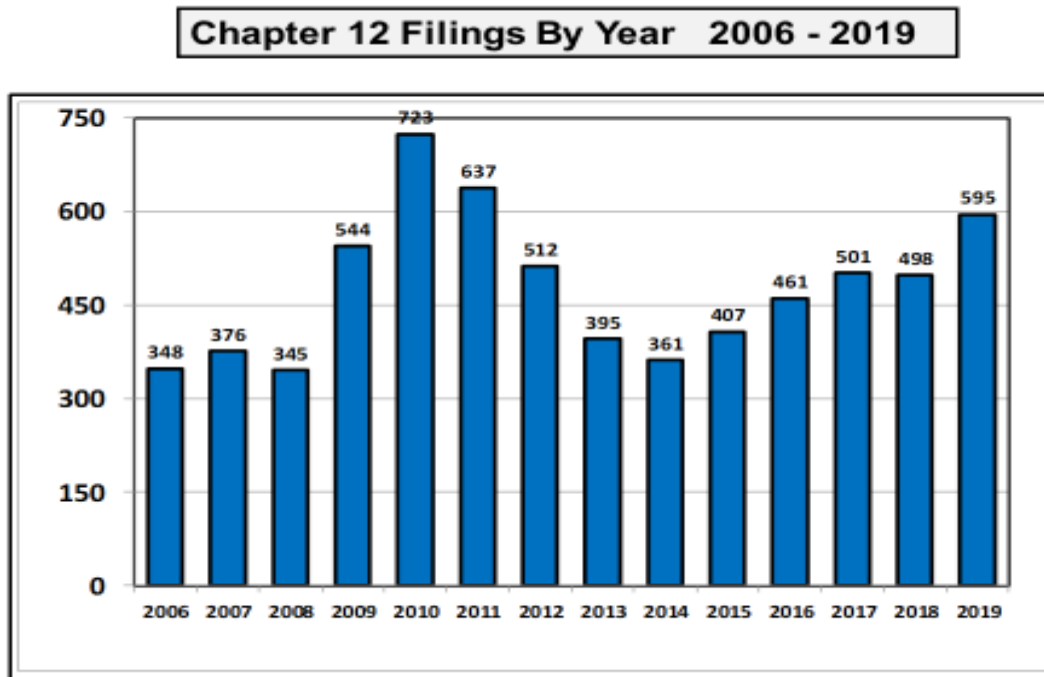
## Chapter 12 Filing trends:

Chapter 12 was added to the Bankruptcy Code by the Bankruptcy Judges, U.S. Trustees and Family Farmer Bankruptcy Act of 1986, which took effect on Nov. 26, 1986. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), which became effective on Oct. 17, 2005, made chapter 12 permanent and also extended eligibility to family fishermen. A third legislative action, the Family Farmer Relief Act of 2019, enacted in August 2019, increased the chapter 12 debt ceiling for family farmers from about \$4.4 million to \$10 million. (The debt limit for commercial fishermen is currently \$2,044,625 and was not affected by the legislation.)

More than 30,000 chapter 12 cases have been filed since 1986. More than 6,000 cases were filed in 1987, the first full year that chapter 12 was available.



In recent years, chapter 12 filings have averaged a little under 500 per year, ranging from a low of 345 in 2008 to a high of 723 in 2010.



In light of the increased debt limits and the financial distress in the farm sector, many were predicting that chapter 12 filings would surge in 2020. However, in the first seven months of 2020, chapter 12 filings were virtually unchanged from the same period in 2019. On a monthly basis, chapter 12 filings were up slightly during January, February, March, June and July, and down sharply during April and May (when the country was largely shut down due to COVID-19).

At the state level the change in filings, either up or down, was generally quite small — in 34 states it amounted to two or fewer cases. Oregon (+12) and Wisconsin (+23) were the only states to have an increase of 10 or more cases in 2020, and Nebraska (-10) was the only state with a double digit decrease in chapter 12 filings so far in 2020.

**Chapter 12 Filings by State**  
**January - July 2020 vs. 2019**

|                 | 7 months   |            | Net Change | Percent Change |
|-----------------|------------|------------|------------|----------------|
|                 | 2020       | 2019       |            |                |
| <b>National</b> | <b>340</b> | <b>346</b> | <b>-6</b>  | <b>-1.7%</b>   |
| Alabama         | 6          | 4          | 2          | 50.0%          |
| Alaska          | 0          | 0          | 0          | 0.0%           |
| Arizona         | 4          | 5          | -1         | -20.0%         |
| Arkansas        | 7          | 6          | 1          | 16.7%          |
| California      | 9          | 18         | -9         | -50.0%         |
| Colorado        | 1          | 2          | -1         | -50.0%         |
| Connecticut     | 0          | 2          | -2         | -100.0%        |
| Delaware        | 1          | 0          | 1          | NA             |
| Florida         | 5          | 5          | 0          | 0.0%           |
| Georgia         | 15         | 20         | -5         | -25.0%         |
| Hawaii          | 0          | 0          | 0          | 0.0%           |
| Idaho           | 8          | 7          | 1          | 14.3%          |
| Illinois        | 3          | 11         | -8         | -72.7%         |
| Indiana         | 10         | 6          | 4          | 66.7%          |
| Iowa            | 24         | 18         | 6          | 33.3%          |
| Kansas          | 21         | 21         | 0          | 0.0%           |
| Kentucky        | 3          | 4          | -1         | -25.0%         |
| Louisiana       | 8          | 12         | -4         | -33.3%         |
| Maine           | 3          | 2          | 1          | 50.0%          |
| Maryland        | 1          | 3          | -2         | -66.7%         |
| Masachusetts    | 4          | 5          | -1         | -20.0%         |
| Michigan        | 9          | 10         | -1         | -10.0%         |
| Minnesota       | 21         | 18         | 3          | 16.7%          |
| Mississippi     | 8          | 3          | 5          | 166.7%         |
| Missouri        | 10         | 3          | 7          | 233.3%         |
| Montana         | 4          | 5          | -1         | -20.0%         |
| Nebraska        | 17         | 27         | -10        | -37.0%         |
| Nevada          | 0          | 0          | 0          | 0.0%           |
| New Hampshire   | 0          | 2          | -2         | -100.0%        |
| New Jersey      | 1          | 0          | 1          | NA             |
| New Mexico      | 1          | 0          | 1          | NA             |
| New York        | 6          | 15         | -9         | -60.0%         |
| North Carolina  | 4          | 10         | -6         | -60.0%         |
| North Dakota    | 1          | 1          | 0          | 0.0%           |
| Ohio            | 4          | 6          | -2         | -33.3%         |
| Oklahoma        | 8          | 10         | -2         | -20.0%         |
| Oregon          | 13         | 1          | 12         | 1200.0%        |
| Pennsylvania    | 5          | 13         | -8         | -61.5%         |
| Puerto Rico     | 2          | 8          | -6         | -75.0%         |
| Rhode Island    | 0          | 0          | 0          | 0.0%           |
| South Carolina  | 4          | 4          | 0          | 0.0%           |
| South Dakota    | 9          | 7          | 2          | 28.6%          |
| Tennessee       | 3          | 4          | -1         | -25.0%         |
| Texas           | 11         | 11         | 0          | 0.0%           |
| Utah            | 1          | 0          | 1          | NA             |
| Vermont         | 7          | 3          | 4          | 133.3%         |
| Virginia        | 5          | 4          | 1          | 25.0%          |
| Washington      | 6          | 4          | 2          | 50.0%          |
| West Virginia   | 0          | 1          | -1         | -100.0%        |
| Wisconsin       | 47         | 24         | 23         | 95.8%          |
| Wyoming         | 0          | 1          | -1         | -100.0%        |

