

Weekly Bankruptcy Analysis

June 15-21, 2020

Written by:

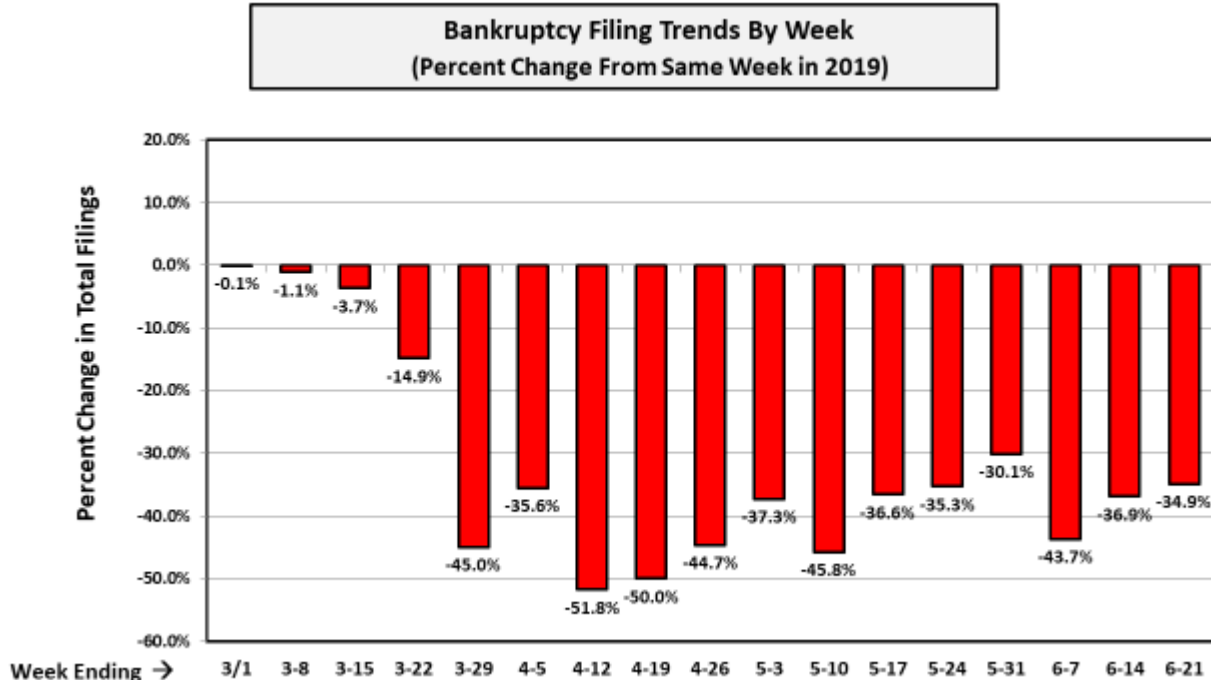
Ed Flynn¹

American Bankruptcy Institute; Alexandria, Va.

Total filings were down by nearly 35% for the week ending June 21, compared to the same week in 2019.²

Bankruptcy Filings June 15 - 21, 2020		
Type of Case	Number Filed	Percent Change From Same Week in 2019
Total	9,259	-34.9%
- Chapter 7	7,025	-22.0%
- Chapter 11	152	34.5%
- Chapter 13	2,071	-59.2%
- Other Cases*	11	-8.3%
* Chapters 9, 12 and 15		

This was the 13th consecutive week that filings were down by at least 30% compared to last year. Following is a chart that shows the weekly trends during the COVID-19 era:



¹ 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.

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

Chapter 11 Cases

The chapter 11 filing numbers continue to be propped up by the number of related filings associated with the larger cases. (Cases were considered related if they were filed on the same day, district and office with consecutive docket numbers.) More than one-half of the chapter 11 cases filed during the week were filed in Delaware (of the 152 cases nationwide, 79 were filed in Delaware).

Types of Chapter 11 Cases Filed		
	June 15 -21	
	2020	2019
Total Filed	152	113
Solo Cases	54	75
Parent cases	15	5
Child cases	83	33
<i>Filed By Individuals</i>	14	16
Subchapter V Cases	29	NA

Notable Case Filings

There were a number of prominent filings during the week, including two more Roman Catholic dioceses. Delaware continues to be the preferred venue for many of the large chapter 11 filings in the COVID-19 era.

Notable Case Filings June 15 - 21, 2020				
Company Name	Industry	Date Filed	Court of Filing	Number of Related Cases
Diocese of St. Cloud	Catholic diocese	6/15/2020	Minnesota	0
24 Hour Fitness Worldwide	Fitness chain	6/15/2020	Delaware	10
Pyxus International	Tobacco supplier	6/15/2020	Delaware	4
Chisholm Oil & Gas LLC	Shale driller	6/17/2020	Delaware	4
Northeast Gas Generation LLC	Energy plants	6/18/2020	Delaware	3
Aldrich Pump LLC	Trane Technologies spinoff	6/18/2020	North Carolina Western	1
Diocese of Syracuse	Catholic diocese	6/19/2020	New York Northern	0
Proteus Digital Health	Health sensors	6/19/2020	Delaware	0
American Addiction Centers	Rehab/addiction treatment	6/20/2020	Delaware	48

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

Subchapter V Cases: The First Four Months

The Small Business Reorganization Act of 2019 (SBRA) took effect on Feb. 19, 2020. With the creation of subchapter V, a streamlined path through chapter 11 has been provided for small business debtors.

No official (*e.g.*, government) figures on subchapter V cases have been released to date. However, the Case Summary report in PACER indicates whether a case is considered a small business case and whether the debtor chose to proceed under subchapter V. A case-by-case review of PACER records of chapter 11 cases filed during the first four months that subchapter V was available showed the following:

- **471** subchapter V cases were filed.
- **127** other small business cases were filed where the debtor did not choose to proceed under subchapter V.
- Nearly **80** percent of small business chapter 11 debtors chose to proceed under subchapter V.
- About **190** different subchapter V trustees have been appointed in at least one case.

- No single trustee has received more than 10 cases yet (excluding related cases).
- At least one subchapter V case has been filed in 47 states, Washington, D.C., and Puerto Rico.
- The three states with no subchapter V cases to date are Rhode Island, Hawaii and Wyoming.

Subchapter V Cases by Month

February (19-29):	82 cases
March (full month):	122 cases
April (full month):	68 cases
May (full month):	114 cases
June (1-18):	85 cases

Top States for Subchapter V Cases

Florida	69 cases
Texas	61 cases
California	32 cases
New York	28 cases
Illinois	28 cases
Georgia	22 cases
Tennessee	22 cases
North Carolina	17 cases
Arizona	16 cases

Top Individual Days for Subchapter V Filings

February 19	16 cases (Some businesses apparently had been waiting for the effective date before filing.)
June 15	15 cases
June 1	13 cases

The following chart shows subchapter V activity by state during the first four months that it was available:

Chapter 11 Cases Filed February 19, 2020 - June 18, 2020					
		Total Chapter 11 Cases Filed	Total Small Business	Subchapter V	Not Subchapter V
National Total/Avg.		2,525	598	471	127
Circuit	State				
DC	District of Columbia	3	1	1	0
1	Maine	7	7	7	0
1	Massachusetts	12	3	3	0
1	New Hampshire	1	1	1	0
1	Rhode Island	0	0	0	0
1	Puerto Rico	11	6	2	4
2	Connecticut	1	1	1	0
2	New York	425	39	28	11
2	Vermont	2	2	2	0
3	Delaware	629	5	4	1
3	New Jersey	49	15	10	5
3	Pennsylvania	29	10	7	3
4	Maryland	19	8	6	2
4	North Carolina	34	19	17	2
4	South Carolina	7	5	3	2
4	Virginia	68	8	6	2
4	West Virginia	10	7	5	2
5	Louisiana	13	10	9	1
5	Mississippi	28	11	9	2
5	Texas	367	82	61	21
6	Kentucky	14	7	7	0
6	Michigan	36	6	6	0
6	Ohio	12	5	5	0
6	Tennessee	35	26	22	4
7	Illinois	49	42	28	14
7	Indiana	8	7	4	3
7	Wisconsin	8	4	4	0
8	Arkansas	9	4	3	1
8	Iowa	5	4	4	0
8	Minnesota	6	2	2	0
8	Missouri	47	8	7	1
8	Nebraska	1	1	1	0
8	North Dakota	1	1	1	0
8	South Dakota	3	2	1	1
9	Alaska	3	2	2	0
9	Arizona	41	24	16	8
9	California	150	38	32	6
9	Hawaii	3	0	0	0
9	Idaho	6	4	4	0
9	Montana	3	2	2	0
9	Nevada	55	8	8	0
9	Oregon	5	1	1	0
9	Washington	16	8	8	0
10	Colorado	28	11	10	1
10	Kansas	8	3	3	0
10	New Mexico	9	8	5	3
10	Oklahoma	5	3	3	0
10	Utah	10	6	6	0
10	Wyoming	2	0	0	0
11	Alabama	11	9	3	6
11	Florida	172	85	69	16
11	Georgia	49	27	22	5

ABI's dedicated SBRA page (<http://www.abi.org/sbra>) provides the latest news and a host of resources on this area of the Code.