

Weekly Bankruptcy Analysis October 5-11, 2020

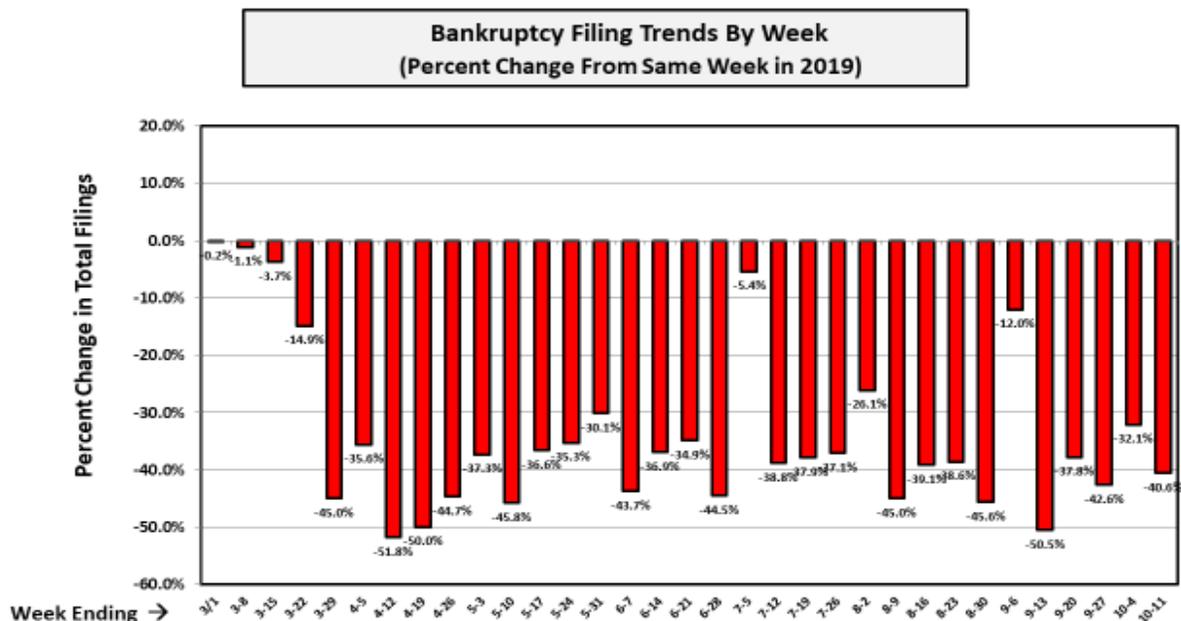
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Total filings were down by 40.6 percent during the week ending October 11 compared to the same week in 2019.² Once again, the largest percentage decline was in chapter 13 filings, which were down by 56.7 percent from last year.

Bankruptcy Filings October 5 - 11, 2020		
Type of Case	Number Filed	Percent Change From Same Week in 2019
Total	7,993	-40.6%
- Chapter 7	5,548	-31.6%
- Chapter 11	161	75.0%
- Chapter 13	2,266	-56.7%
- Other Cases*	18	-5.3%
* Chapters 9, 12 and 15		

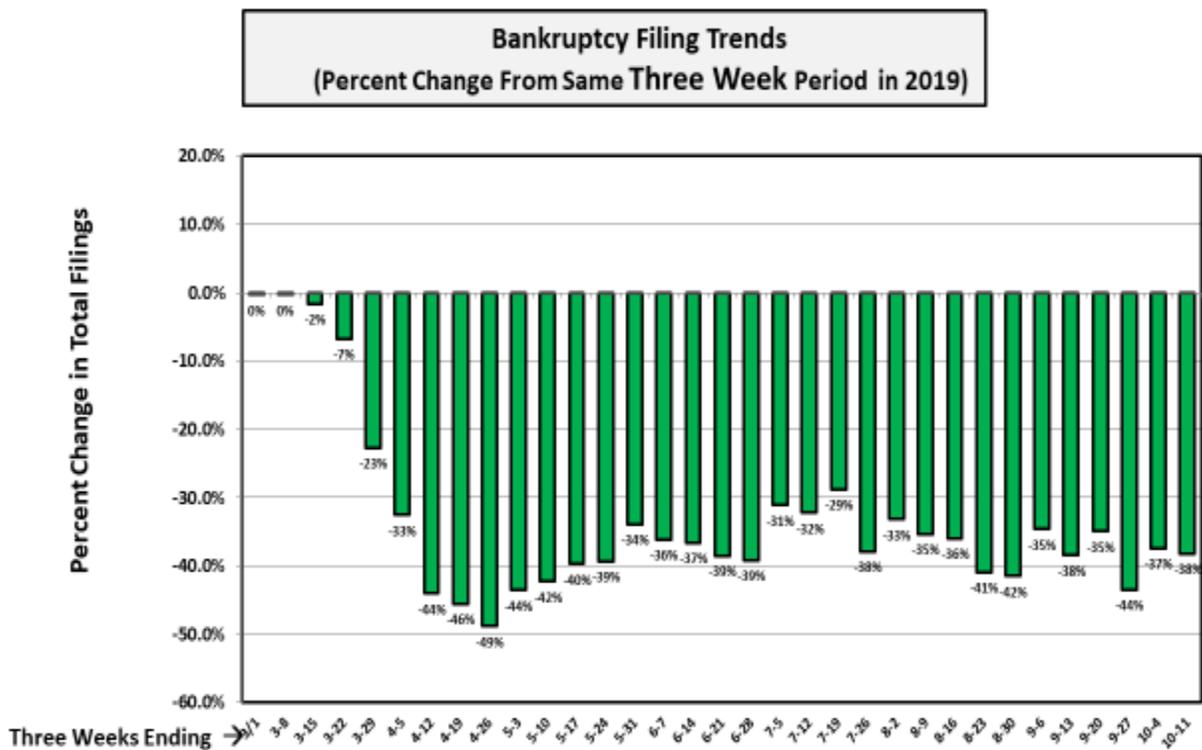
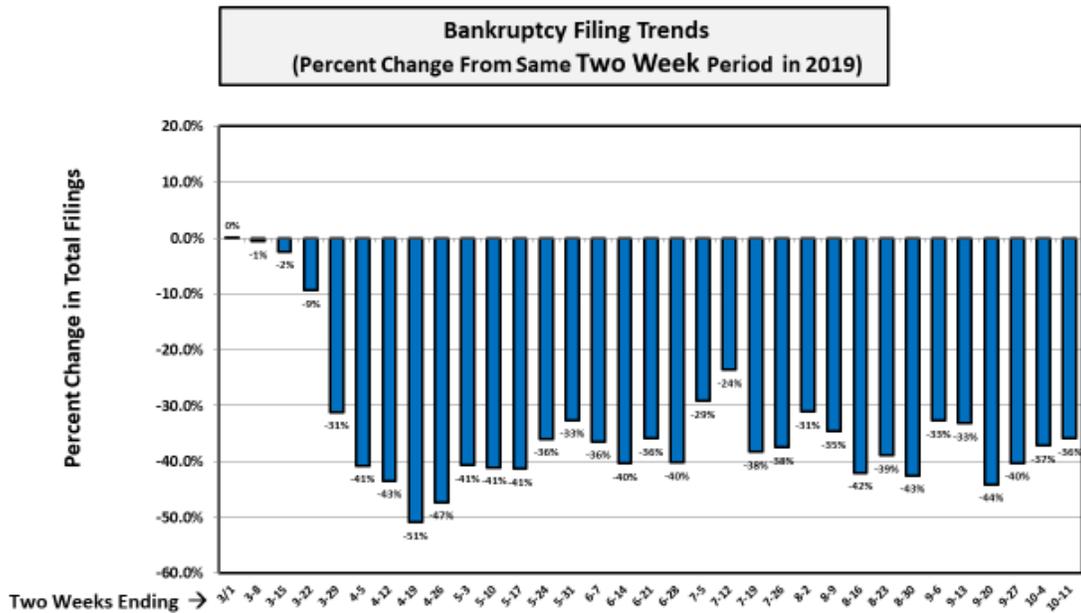
The following chart shows the weekly trends since March.

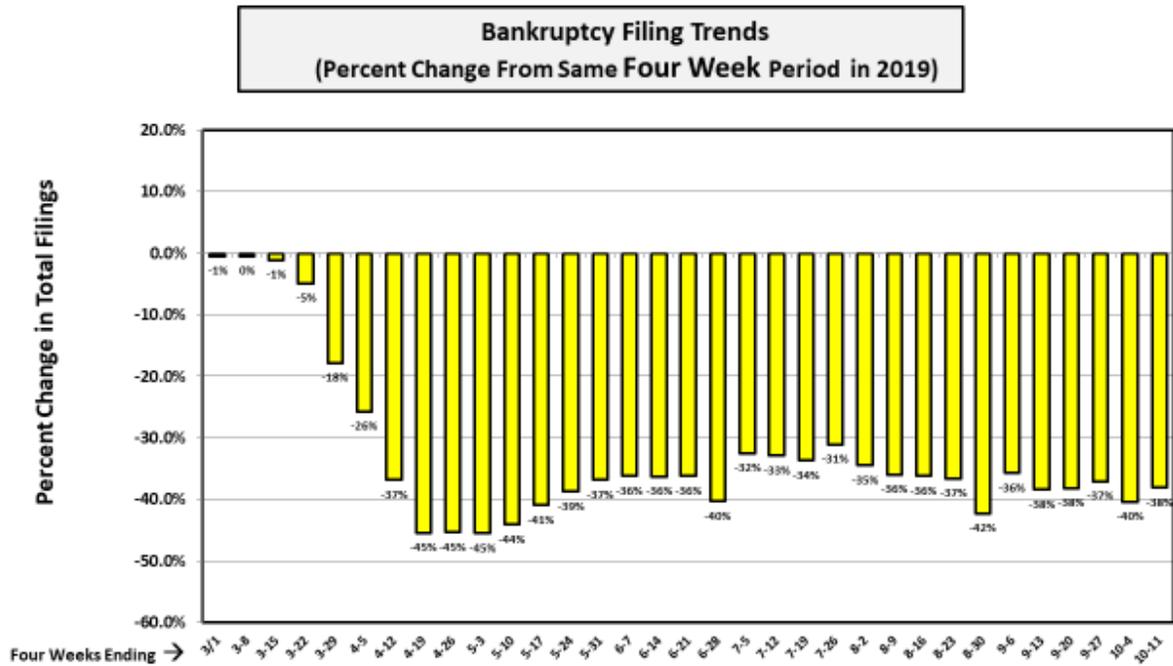


¹ Ed Flynn is a consultant with ABI and serves as a coordinating editor for the *ABI Journal*. He previously worked for more than 30 years at the Executive Office for U.S. Trustees and the Administrative Office of the U.S. Courts.

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

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 continuing pattern of declines in the 40 percent range compared to last year (the weekly declines were closer to 50 percent during April, when the COVID-19 shutdowns were at their peak.)





Chapter 11 Cases

Chapter 11 filings during the week were up substantially from the same week last year. However, more than one-half of the filings during the week were related filings by subsidiaries within a corporate group.

Types of Chapter 11 Cases Filed		
	October 5 - 11	
	2020	2019
Total Filed	161	92
Solo Cases	68	74
Parent cases	9	6
Child cases	84	12
Filed By Individuals	15	25
Subchapter V Cases	31	NA

Notable Case Filings

Two more large cases with multiple related filings were made during the week.

Notable Case Filings October 5 - 11, 2020				
Company Name	Industry	Date Filed	Court of Filing	Number of Related Cases
Ruby Tuesday, Inc.	Restaurant chain	10/7/2020	Delaware	50
UTEX Industries, Inc.	Sealing products manufacturer	10/8/2020	Texas Southern	11

One other notable filing during the week was the case involving the Crack'd Egg restaurant in Brentwood, Pa. The restaurant gained notoriety last month for continuing to operate after the Health Department had ordered them to close. The case was filed on October 9 in the Western District of Pennsylvania.

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

Subchapter V Case Filings Reach 1,000

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 COVID-19 pandemic. With the creation of subchapter V, the SBRA provided a streamlined path through chapter 11 for small business debtors. The 1,000th subchapter V case was filed on October 9.

Filings by Month

Subchapter V case filings started out strong in February. They dropped off during late March and April, probably due to the shutdowns as a result of the pandemic. However, filings have increased each month since April, and during each of the last four full months filings have set new records.

Subchapter V Cases Filed	
February 19 - October 9, 2020	
Month	Total Filed
February (19 -29)	82
March	122
April	68
May	114
June	133
July	138
August	140
September	160
October (1 -9)	43

Cases by State

Three states have accounted for more than one-third of the subchapter V cases filed to date: Florida (127), Texas (126) and California (99). At least one subchapter V case has been filed in every state except for Rhode Island (where no chapter 11 cases at all have been filed since February 19).

Types of Business

About 26 percent of the subchapter V cases were filed by individuals, who reported that a majority of their debt was business debt. Of these cases, 31 percent were joint filings, 18 percent were filed by female debtors, and 51 percent were filed by male debtors.

The remaining subchapter V cases represent a wide range of business types. Based on the case name, case documents and internet searches, it was possible to determine the type of business for most, but not all, of the subchapter V cases. Clearly, many of these businesses were in industries that were most disrupted by the pandemic. The leading categories of businesses include:

75 – medical (including health care professionals and facilities)

75 – restaurants and bars

53 – business services

51 – retail

- 48 – construction and development
- 39 – trucking and transport
- 36 – real estate (including realtors, property managers and investors)
- 36 – home services
- 30 – leisure and entertainment
- 23 – manufacturing
- 21 – energy production and services
- 19 – health and fitness
- 18 – hotels and motels
- 15 – taxi and limousine services
- 14 – farms and ranches
- 14 – auto and truck sales and services
- 12 – financial services (including insurance)
- 10 – nonprofit businesses (including churches)

Professionals Serving in Subchapter V Cases

Three categories of professionals are involved in nearly every subchapter V case: the bankruptcy judge, the subchapter V trustee and the attorney for the debtor (excluding a handful of cases that were filed *pro se*). By now, most of the 300+ bankruptcy judges in the country have been assigned at least a few subchapter V cases. The PACER records show that well over 500 individuals have served as lead attorney in one or more cases. The PACER records also indicate that more than 250 trustees have been assigned at least one case, but that only about a dozen trustees have been assigned 10 or more cases. So, in under eight months, about 1,000 bankruptcy professionals have served in a key role in a subchapter V case.