



Whiteford|Taylor|Preston^{LLP}

SMALL BUSINESS RESCUE

New bankruptcy laws offer small businesses a path to cost-effective restructuring and recovery

Why Consider Filing a Small Business Bankruptcy Case?



- Out of court restructuring is not workable or unsuccessful
- New restructuring process is expedited and much more cost effective
- Owner maintains control and ownership
- Creditors' rights are greatly limited
- More efficient process results in more manageable legal fees, and in some cases flexibility for fixed or flat fees

Who is Eligible?

- Both businesses and individuals engaged in business
- May not be a single asset real estate entity
- No more than \$7.5 million in total fixed debt
- At least 50% of debt arises from commercial activities



How Fast is the Process?

- Restructuring plan can be filed on day 1
- Court approval can come as quickly as 45 days after filing
- No need to extensively negotiate with creditors
- Plan can be approved over creditor objections as long as “excess” cash flow from business shared with creditors under the restructuring plan

