

# LAW 7082: Bankruptcy

Overview: Bankruptcy provides a means for consumer and business debtors to have a fresh start -- i.e., a second chance at getting their lives or businesses in order. For all debtors, the fresh start may lead to changed repayment terms, debt write-downs, and discharge from any remaining deficiencies. And in the case of individual debtors, they may be able to retain a substantial portion of their assets and keep them from being distributed to creditors. The key component of these bankruptcy attributes is that they are generally available to debtors over creditor objections and may also be available in the face of contractual provisions to the contrary. Focus: The primary focus of this course is on

- A. the provisions of the Bankruptcy Code that enable debtors to achieve these benefits, and
- B. the protections for creditors that are built into the Code.

We will cover Chapter 7 liquidations, and Chapter 11 and 13 reorganizations and debt restructurings. But the Bankruptcy Code's impact is far greater than its application to the more than one million cases filed each year. Lawyers involved in all types of transactions, as well as lawyers involved in litigation, should be aware of the potential changes that may be imposed on their carefully crafted contracts or settlements when bankruptcy intervenes. The mere possibility of bankruptcy should play a role in all planning efforts and negotiations. Accordingly, a secondary focus of the course is to explore certain techniques usable in the nonbankruptcy world for reducing the risk of nonpayment or the risk of unilateral contract alteration. Exam Info: Exam administered during exam period.

**Credits:** 3.0