

**LOCAL RULE REVISIONS  
RELATING TO SMALL BUSINESS  
REORGANIZATION ACT OF 2019**

**UNITED STATES  
BANKRUPTCY COURT  
FOR THE  
EASTERN DISTRICT OF TEXAS**

**[Effective February 19, 2020]**

**Local Rule of Bankruptcy Procedure 1020-1. SMALL BUSINESS CHAPTER 11 REORGANIZATION CASE**

**(a) Determination of “Small Business Debtor” Status**

A party seeking to object to a Chapter 11 debtor's statement in its petition regarding whether it meets the definition of a “small business debtor” under §101 (51D) of the Bankruptcy Code shall file a Motion to Determine Small Business Debtor Status. The motion must contain the **14-day negative notice language described in LBR 4001** and shall be served upon the parties designated by LBR 9013(f). A proposed order shall accompany the motion.

**Local Rule of Bankruptcy Procedure 2015-1. DUTY TO KEEP RECORDS, MAKE REPORTS, AND GIVE NOTICE OF CASE**

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**(c) Post Confirmation Requirements in Chapter 11 Cases (Non-Subch. V Cases)**

1. In a case filed under Chapter 11 **which is not governed by Subchapter V**, and in which the debtor is a **non-individual entity**, the proponent of a confirmed plan must:
  - (A) file a post confirmation report within **60** days after the date of the order confirming the plan and serve that report upon the master mailing list (matrix) as constituted by the Court on the date of service. The report must inform the Court of the post-confirmation actions taken by the confirmed debtor or the trustee and the progress made toward consummation of the plan; and
  - (B) within 180 days after the date of the confirmation order, file either an application for a final decree showing that the plan has been consummated with a proposed final decree or a subsequent post-confirmation report explaining why an application for final decree is not yet appropriate and requesting a continuance of any status conference previously scheduled.
2. In a case filed under Chapter 11 **which is not governed by Subchapter V**, and in which the debtor is an individual, the proponent of a confirmed plan must:

- (A) file an annual status report on each anniversary date of the entry of the confirmation order which outlines the status of payments made by the individual debtor in the past year and any other post-confirmation action taken toward consummation of the plan; and
- (B) file a *Notice of Plan Completion and §522(q) Statement By Individual Debtor in a Chapter 11 Case* (no service required) in a format substantially conforming to *TXEB Local Form 4004-b* under which each individual debtor declares that all payments under the confirmed Chapter 11 plan have been completed and that all prerequisites for the entry of an order of discharge pursuant to 11 U.S.C. §1141(d)(5) have been fulfilled.

(d) **Post Confirmation Requirements in Chapter 11 Subchapter V Cases**

1. In a case filed under Chapter 11 in which the Debtor elects treatment under Subchapter V and in which consensual confirmation of the Chapter 11 plan was accomplished under § 1191(a):
  - (A) the Debtor shall file a post confirmation report within 60 days after the date of the order confirming the plan and serve that report upon the master mailing list (matrix) as constituted by the Court on the date of service. The report must inform the Court of the post-confirmation actions taken by the confirmed debtor or the trustee and the progress made toward substantial consummation of the plan;
  - (B) the Debtor shall file a Notice of Substantial Consummation promptly upon the occurrence of such event and serve such notice upon the master mailing list (matrix) as constituted by the Court on the date of service; and
  - (C) the Trustee shall file a *Final Report and Account and Application for Final Decree* promptly after the filing of the Notice of Substantial Consummation and through which the Trustee shall be discharged of all duties and the Chapter 11 case shall be closed.

2. In a case filed under Chapter 11 in which the Debtor elects treatment under Subchapter V and in which non-consensual confirmation of the Chapter 11 plan was accomplished under § 1191(b):
  - (A) the Debtor shall file a Notice of Substantial Consummation promptly upon the occurrence of such event and serve such notice upon the master mailing list (matrix) as constituted by the Court on the date of service;
  - (B) the Trustee shall file, for the duration of the period in which the Debtor must tender projected disposable income or equivalent values of property under the confirmed plan as required under § 1191(c)(2) (the “*Non-Consensual Commitment Period*”), a status report on each anniversary date of the entry of the confirmation order which outlines the status of payments made by the Debtor and distributed by the Trustee in the past year and any other post-confirmation action taken toward consummation of the plan and serve that report upon the master mailing list (matrix) as constituted by the Court on the date of service;
  - (C) the Debtor shall file, upon completion of the Non-Consensual Commitment Period, a *Motion for Entry of Discharge Upon Completion of Non-Consensual Commitment Period* pursuant to LBR 4004(c) which documents that all payments of projected disposable income or equivalent values of property by the Debtor under the confirmed plan as required under § 1191(c)(2) have been completed and that all other prerequisites for the entry of an order of discharge pursuant to 11 U.S.C. § 1192 have been fulfilled.
  - (D) the Trustee shall file, upon entry of the Debtor’s discharge, a *Final Report and Account and Application for Final Decree* through which the Trustee shall be discharged of all duties and the Chapter 11 case shall be closed.

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**Local Rule of Bankruptcy Procedure 3003-1. FILING OF PROOF OF CLAIM OR EQUITY SECURITY INTEREST IN CHAPTER 9 OR CHAPTER 11 REORGANIZATION CASES.**

**(a) Time for Filing**

A proof of claim is timely filed in a Chapter 9 or Chapter 11 case if it is filed not later than 120 days after the entry of the order for relief under that chapter, except as follows:

1. in a Chapter 11 case governed by Subchapter V, a proof of claim for a creditor other than a governmental unit is timely filed if it is filed not later than 70 days after the entry of the order for relief;
2. a proof of claim by a governmental unit in any Chapter 9 or Chapter 11 case is timely filed if it is filed not later than 180 days after the entry of the order for relief; or
3. the Court may set a different bar date for a creditor or creditors. Notice of a different bar date for all creditors must comply with Fed. R. Bankr. P. 2002.

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**Local Rule of Bankruptcy Procedure 3016-1. FILING OF PLAN AND DISCLOSURE STATEMENT IN CHAPTER 9 MUNICIPALITY AND CHAPTER 11 REORGANIZATION CASES.**

The plan proponent must deliver a paper copy of the proposed plan of reorganization and the accompanying disclosure statement, **if any**, including all exhibits thereto, to the Clerk for use by the assigned judge pursuant to *TXEB Appendix 5005*.

**Local Rule of Bankruptcy Procedure 3017.1-1. COURT CONSIDERATION OF DISCLOSURE STATEMENT IN A SMALL BUSINESS CASE.**

**(a) Conditional Approval**

A plan proponent in a small business case, **or in a Subchapter V case if a disclosure statement has been required by the Court**, may seek conditional approval of a disclosure statement, subject to final approval after notice and hearing, by filing a request with the Court contemporaneously with the filing of the proposed plan of reorganization. Such request shall contain a certificate of service evidencing service upon the parties designated by LBR 9013(f) and shall be accompanied by a proposed order substantially conforming to *TXEB Local Form 3017.1*. The request will not require negative notice language and will be presented to the Court for immediate consideration

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**Local Rule of Bankruptcy Procedure 3019-1. MODIFICATION OF CONFIRMED PLAN IN CHAPTER 11 REORGANIZATION CASE.**

**(a) Required Information (Non-Subch. V Cases)**

**A proponent requesting the modification of a confirmed plan of reorganization in a case filed under Chapter 11 which is not governed by Subchapter V, must file the modified plan**, together with a motion seeking confirmation of the modified plan which specifies the precise changes sought by the modification including, but not limited to, the following:

- (1) the purpose of, or the necessity for, the modification, together with sufficient information regarding such circumstances, **including financial information**, that would enable a hypothetical investor to make an informed judgment regarding the legitimacy of the need for the modification; and
- (2) the **specific** changes being made as to **any** plan payment, the term of the plan; the proposed distribution to any class, or any other substantive provision.

(b) **Required Information (Subch. V Cases)**

A proponent requesting the modification of a confirmed plan of reorganization in a case governed by Subchapter V of Chapter 11 must file the modified plan, together with a motion seeking confirmation of the modified plan which specifies the precise changes sought by the modification including, but not limited to, the following:

- (1) the purpose of, or the necessity for, the modification, together with a sufficient description of all circumstances, including financial information, that establishes a legitimate need for the modification; and
- (2) the specific changes being made as to any plan payment, the term of the plan; the proposed distribution to any class, or any other substantive provision.

(c) **Service**

A proponent requesting the post-confirmation modification of a Chapter 11 plan of reorganization **in any Chapter 11 case** must serve the proposed modified plan and the accompanying motion upon the master mailing list (matrix) as constituted by the Court on the date of service and file a certificate of service evidencing such service. The motion must also contain the following 28-day negative notice language, which must appear as presented and be located in the motion text — preferably on the initial page:

**28-DAY NEGATIVE NOTICE – LBR 3019(b):**

**Your rights may be affected by the plan modifications sought in this pleading. You should read this pleading carefully and discuss it with your attorney, if you have one in this bankruptcy case. If you oppose the relief sought by this pleading, you must file a written objection, explaining the factual and/or legal basis for opposing the relief.**

**No hearing will be conducted on this Motion unless a written objection is filed with the Clerk of the United States Bankruptcy Court and served upon the party filing this pleading WITHIN TWENTY-EIGHT (28) DAYS FROM THE DATE OF SERVICE shown in the certificate of service unless the Court shortens or extends the time for filing such objection. If no objection is timely served and filed, this pleading shall be deemed to be unopposed, and the Court may enter an order confirming this plan modification. If an objection is filed and served in a timely manner, the Court will thereafter set a hearing with appropriate notice. If you fail to appear at the hearing, your**

**objection may be stricken. The Court reserves the right to set a hearing on any matter.**

Modifications shall be handled in accordance with the Court's usual motion procedures.

**Local Rule of Bankruptcy Procedure 4000-1. IMPOSITION, CONTINUATION OR STATUS OF THE AUTOMATIC STAY.**

**(a) Imposition/Continuation Motions Scheduled for Hearing Upon Filing**

1. The following motions to impose or to continue the automatic stay shall not require negative notice language but instead shall be scheduled for an accelerated hearing upon filing:

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- (B) Motion to impose automatic stay by a small business debtor, **including one having elected to proceed under Subchapter V of Chapter 11**, pursuant to § 362(n)(2) of the Code



**Local Rule of Bankruptcy Procedure 4004-1. GRANT OR DENIAL OF DISCHARGE.**

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**(b) Discharge Process for Chapter 11 Individual Debtors (Non-Subch. V Cases)**

1. Upon completion of all plan payments required of an individual debtor under a confirmed Chapter 11 plan **which is not governed by Subchapter V**, the individual debtor(s) shall file a “Notice of Plan Completion and §522(q) Statement By Individual Debtor in a Chapter 11 Case” (no service required) in a format substantially conforming to *TXEB Local Form 4004-b*.
2. Upon the filing of the Notice of Plan Completion, an opportunity to object to the entry of the discharge order shall be given by the Clerk to all parties on the master mailing list (matrix) as constituted by the Court on that date.
3. Upon the entry of a discharge order on behalf of an individual debtor, and in the absence of any unresolved administrative issue, a final decree closing the case shall be entered by the Clerk.

**(c) Discharge Process for Chapter 11 Subchapter V Debtors – Nonconsensual Plan**

1. Upon completion of all plan payments required to be distributed within the Non-Consensual Payment Period, the Debtor shall file a *Motion for Entry of Discharge Upon Completion of Non-Consensual Commitment Period* which documents that all payments of projected disposable income or equivalent values of property by the Debtor under the confirmed plan as required under § 1191(c)(2) have been completed and that all other prerequisites for the entry of an order of discharge pursuant to 11 U.S.C. § 1192 have been fulfilled.
2. Any *Motion for Entry of Discharge Upon Completion of Non-Consensual Commitment Period* filed by the Debtor must be served upon the master mailing list (matrix) as constituted by the Court on the date of service and contain a certificate of service evidencing such service.
3. Any *Motion for Entry of Discharge Upon Completion of Non-Consensual Commitment Period* filed by the Debtor must also contain the following 28-day negative notice language, which must appear as presented and be located in the motion text — preferably on the initial page:

**28-DAY NEGATIVE NOTICE – LBR 4004(c):**

**Your rights may be affected by the relief sought in this pleading. You should read this pleading carefully and discuss it with your attorney, if you have one in this bankruptcy case. If you oppose the relief sought by this pleading, you must file a written objection, explaining the factual and/or legal basis for opposing the relief.**

**No hearing will be conducted on this Motion unless a written objection is filed with the Clerk of the United States Bankruptcy Court and served upon the party filing this pleading WITHIN TWENTY-EIGHT (28) DAYS FROM THE DATE OF SERVICE shown in the certificate of service unless the Court shortens or extends the time for filing such objection. If no objection is timely served and filed, the relief sought in this pleading shall be deemed to be unopposed, and the Court may enter an order of discharge as requested by the Debtor. If an objection is filed and served in a timely manner, the Court will thereafter set a hearing with appropriate notice. If you fail to appear at the hearing, your objection may be stricken. The Court reserves the right to set a hearing on any matter.**