

Creditors' Rights Law Alert: Creditors Meeting – The 341 Meeting

In our previous [Business Creditors Alert](#), we mentioned that the first notice you are likely to receive of the fact that one of your business associates has filed for bankruptcy protection is the notice of the Meeting of Creditors (the “341 Meeting”). This meeting will be held shortly after the filing of a bankruptcy case. In Chapter 11 reorganization cases, it is convened by the United States Trustee. In Chapter 7 dissolution cases and Chapter 13 adjustment cases for individuals with income, it is convened by the appointed Bankruptcy Trustee. It is important that you remember that upon receipt of notice of this meeting, the automatic stay applies and all collection efforts should stop immediately.

The purpose of the meeting is to give the Trustee and the creditors a limited opportunity to question the debtor and obtain information regarding the circumstances of the case. The information acquired from the meeting may help you evaluate whether you are likely to recover any monies and, if so, in what proportion to the amount that is due to you.

In a Chapter 11 reorganization case, where the debtor-in-possession continues its operations under court supervision after the filing, the debtor is given a number of options regarding its ongoing business relationships. Those will be the subject of a future Alert. In these cases the 341 Meeting will also provide you with an opportunity to obtain information to help you evaluate your ongoing relationship with the debtor during its post-petition operations.

You have the right to attend the 341 Meeting yourself or by a representative, including your lawyer. Should you receive notice of a 341 Meeting, the lawyers in our Creditors' Rights Practice Group can help you decide whether or not to attend. We can help you prepare for the meeting, and we can appear for you when necessary.

Please visit our [Bankruptcy & Creditors' Rights Practice Area](#) to learn more about the legal services we can provide in this area. If you have any questions or would like more information on the issues discussed in this communication, please contact any of our Bankruptcy & Creditors' Rights attorneys.