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Lance Martin Speaks at National Association of Bankruptcy Trustees Conference

Written By **Lance P. Martin** (lpm@wardandsmith.com)

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Creditors' rights attorney Lance Martin recently attended the National Association of Bankruptcy Trustees Conference in Vancouver, British Columbia, where he spoke on issues with individual debtor cases under Subchapter V.



Lance is a Subchapter V trustee for the United States Bankruptcy Court for the Western District of North Carolina. Subchapter V of Chapter 11 of the Bankruptcy Code, which took effect in February 2020, creates a

more streamlined and less expensive Chapter 11 reorganization path for small business debtors. Besides businesses, the law allows qualifying individuals to avail themselves of its provisions. But the young law has led to a host of conflicting opinions about eligibility to file, what reorganization plans are confirmable, and the role of the Subchapter V trustee in facilitating a consensual plan of reorganization between the debtor and his or her creditors.

Despite the growing pains, Subchapter V has proven popular, with over 3,400 cases filed since it took effect (83 in North Carolina). The American Bankruptcy Institute has reported that Subchapter V cases are experiencing higher plan-confirmation rates, speedier plan confirmation, more consensual plans, and improved cost savings than if those cases had been filed as a traditional Chapter 11.