

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

NOTICE

On May 11, 2020, pursuant to 28 U.S.C. § 2071(e), the judges of the United States District Court for the Eastern District of Pennsylvania having determined that there is an immediate need to amend the local bankruptcy rules to implement the procedural and substantive changes to the Bankruptcy Code made by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) approved a Resolution amending the Local Bankruptcy Rules. The amended Local Bankruptcy Rules are available on the Eastern District of Pennsylvania’s website:

[www. paed.uscourts.gov](http://www.paed.uscourts.gov).

The amended local bankruptcy rules reflect Section 1113 of the CARES Act which made several temporary changes to the Bankruptcy Code to provide financial assistance during the coronavirus crisis. These changes necessitate a corresponding amendment to Interim Bankruptcy Rule 1020. Interim Rule 1020 was adopted in February 2020 to implement the Small Business Reorganization Act. The bankruptcy provisions of the CARES Act are of limited duration, but require additional amendments to Interim Rule 1020, as well as to several Official

Bankruptcy Forms. The five bankruptcy forms are Official Forms 101, 122A-1, 122B, 122C-1 and 201. The adoption of this amendment to Local Rule 1020, Local Rule 1020-1, is for one year and is needed to maintain national uniformity in the administration of the Bankruptcy Code.

The adoption of these amendments does not change the conformance of the Local Rules of Bankruptcy Procedures and the Local Bankruptcy Forms with the Federal Rules of Bankruptcy Procedures. Accordingly, an Order of the Court was entered on May 19th, 2020 making these amendments effective May 19th, 2020 with a period to follow of forty-five (45) days for purposes of Notice to the Bar and Public and Solicitation of Comment pursuant to 28 U.S.C. § 2071(e).

Those wishing to offer comments on these amendments may do so by submitting said comments to the attention of Kate Barkman, Clerk of Court, United States Courthouse, 601 Market St., Room 2609, Philadelphia, PA, 19106, before the close of business on Monday, July 6, 2020 by emailing kate_barkman@paed.uscourts.gov. Copies of the amended Local Bankruptcy Rules may be obtained by submitting a request at the address listed above or at the court's website, www.paed.uscourts.gov.

Juan R. Sánchez

Chief Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA
IN RE: LOCAL RULES OF BANKRUPTCY PROCEDURE

ORDER

AND NOW, this 19th day of May, 2020, it appearing that this Court is vested with authority, pursuant to 28 U.S.C. §§ 2071(e), 2077, and Fed. R. Bankr. P. 9029;

AND, in accordance with the resolution of the Judges of the Court on May 11, 2020, the court having determined that there is a need to amend Rule 1020 of the Local Rules of Bankruptcy Procedure, including Forms, effective immediately to conform with the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) which modifies the definition of “debtor” for determining eligibility to proceed under subchapter V of chapter 11 of the Bankruptcy Code;

AND, the amendments to Rule 1020 and forms are based on the recommendations of the Advisory Committee on Bankruptcy Rules which has been approved by the Committee on Rules of Practice and Procedure and by the Executive Committee acting on an expedited basis on behalf of the Judicial Conference to amend Rules 1020 as soon as possible for a one year period, it is hereby

ORDERED that amendments to the Local Bankruptcy Rule 1020, as Local Rule 1020-1, and Forms, **as set forth on the attachments to this Order**, are approved and adopted by the court, effective May 19, 2020, with a period to follow of forty-five (45) days afforded for

purposes of Notice to the Bar and Public and Solicitation of Comment pursuant to 28 U.S.C. § 2071(e).

It is **FURTHER ORDERED** that the Clerk of Court transmit a copy of the amendments to the Local Bankruptcy Rules, as approved and adopted by the Court, to the Director of the Administrative Office of the United States Courts and the Judicial Council of the Third Circuit Court of Appeals and make said Rules and Forms available to the bar and public.

FOR THE COURT:

/s/ Juan R. Sánchez
Juan R. Sánchez, Chief Judge

Rule 1020. Chapter 11 Reorganization Case for Small Business Debtors or Debtors Under Subchapter V

(a) DEBTOR DESIGNATION. In a voluntary chapter 11 case, the debtor shall state in the petition whether the debtor is a small business debtor or a debtor as defined in § 1182(1) of the Code and, if the latter, whether the debtor elects to have subchapter V of chapter 11 apply. In an involuntary chapter 11 case, the debtor shall file within 14 days after entry of the order for relief a statement as to whether the debtor is a small business debtor or a debtor as defined in § 1182(1) of the Code and, if the latter, whether the debtor elects to have subchapter V of chapter 11 apply. The status of the case as a small business case or a case under subchapter V of chapter 11 shall be in accordance with the debtor's statement under this subdivision, unless and until the court enters an order finding that the debtor's statement is incorrect.

(b) OBJECTING TO DESIGNATION. The United States trustee or a party in interest may file an objection to the debtor's statement under subdivision (a) no later than 30 days after the conclusion of the meeting of creditors held under § 341(a) of the Code, or within 30 days after any amendment to the statement, whichever is later.

(c) PROCEDURE FOR OBJECTION OR DETERMINATION. Any objection or request for a determination under this rule shall be governed by Rule 9014 and served on: the debtor; the debtor's attorney; the United States trustee; the trustee; the creditors included on the list filed under Rule 1007(d) or, if a committee has been appointed under § 1102(a)(3), the committee or its authorized agent; and any other entity as the court directs.

Attachment

1 **Rule 1020. Chapter 11 Reorganization Case for Small**
2 **Business Debtors or Debtors Under Subchapter V**

3 (a) ~~SMALL—BUSINESS—DEBTOR~~
4 DESIGNATION. In a voluntary chapter 11 case, the debtor
5 shall state in the petition whether the debtor is a small
6 business debtor or a debtor as defined in § 1182(1) of the
7 Code and, if the latter so, whether the debtor elects to have
8 subchapter V of chapter 11 apply. In an involuntary chapter
9 11 case, the debtor shall file within 14 days after entry of the
10 order for relief a statement as to whether the debtor is a small
11 business debtor or a debtor as defined in § 1182(1) of the
12 Code and, if the latter so, whether the debtor elects to have
13 subchapter V of chapter 11 apply. The status of the case as
14 a small business case or a case under subchapter V of chapter
15 11 shall be in accordance with the debtor's statement under
16 this subdivision, unless and until the court enters an order
17 finding that the debtor's statement is incorrect.

18 (b) OBJECTING TO DESIGNATION. The United
19 States trustee or a party in interest may file an objection to
20 the debtor's statement under subdivision (a) no later than 30
21 days after the conclusion of the meeting of creditors held

22 under § 341(a) of the Code, or within 30 days after any
23 amendment to the statement, whichever is later.

24 (c) PROCEDURE FOR OBJECTION OR
25 DETERMINATION. Any objection or request for a
26 determination under this rule shall be governed by Rule 9014
27 and served on: the debtor; the debtor’s attorney; the United
28 States trustee; the trustee; the creditors included on the list
29 filed under Rule 1007(d) or, if a committee has been
30 appointed under § 1102(a)(3), the committee or its
31 authorized agent; and any other entity as the court directs.

Committee Note

The interim rule is amended in response to the enactment of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), Pub. L. No. 116-136, 134 Stat. 281. That law provides a new definition of “debtor” for determining eligibility to proceed under subchapter V of chapter 11. Subdivision (a) of the rule is amended to reflect that change. This amendment to the Code will terminate one year after the date of enactment of the CARES Act.