

Table of Contents

I.	Introduction: What Is Bankruptcy?	1
II.	The Bankruptcy System	5
	A. Bankruptcy as a Framework	5
	B. The Bankruptcy Court	6
	C. Trustees (and the DIP)	7
III.	Some Bankruptcy Fundamentals	11
	A. Structure of the Code	11
	1. Chapter 7	14
	2. Chapter 11	22
	3. The Differences Between Chapters 7 and 11	24
	4. Chapter 13	25
	5. Chapter 12	27
	6. Chapter 9	27
	7. Chapter 15	28
	B. Who May Be a Debtor?	29
	C. Involuntary Petitions	31
	D. Getting In, Getting Out	32
	E. Property of the Estate	34
	F. Exemptions	36
	1. In General	36
	2. Exemption Planning and Migratory Exemptions	40
	3. Bankruptcy and Pensions	42
	G. Automatic Stay	44
	1. The Stay	44
	2. Exceptions to the Stay	45
IV.	Claims	49
	A. What Constitutes a Claim	49
	B. How Unsecured Claims Get Paid	52

1. In Chapter 7.....	52
2. In Chapter 13.....	53
3. In Chapter 11.....	55
4. In Chapter 12.....	55
C. Secured Credit.....	56
1. Secured Credit in General.....	56
2. Secured Credit in Bankruptcy.....	57
3. Relief from Stay and Adequate Protection.....	59
D. Other Nonbankruptcy Priorities: Secured Claims, Reclamation and Setoff.....	67
1. Reclamation.....	67
2. Setoff.....	68
E. Bankruptcy Priorities.....	69
1. Introduction.....	69
2. Basic Priorities.....	69
F. Beyond Priorities: Subordination of Claims.....	71
G. Priority vs. Nondischargeability.....	72
V. Avoiding Powers.....	75
A. Introduction.....	75
B. Hypothetical Lien Creditor.....	75
C. Fraudulent Transfers.....	77
D. Debtor Avoiding Powers.....	79
E. Preferences.....	80
1. Introduction.....	80
2. Elements of a Preference.....	81
3. Preference Exceptions.....	84
F. Recovery of Avoided Transfers.....	84
G. Post-Petition Transfers.....	85
VI. Executory Contracts and Unexpired Leases.....	87
A. Introduction.....	87
B. Assumption and Assignment.....	91
C. Rejection.....	93
1. Damages.....	93

2. Rejection and Specific Performance	94
3. Labor Contracts	96
VII. Discharge.....	99
A. Introduction	99
B. Discharge vs. Dischargeability	99
C. Timing	101
D. Discharge in Chapter 7 Cases	102
1. Once and for All	102
2. Grounds for Denying the Discharge	103
3. Particular Debts Excepted from Discharge.....	103
E. Discharge in Reorganization Cases	107
1. Chapter 13	107
2. Chapter 11	107
3. Chapter 12	108
F. Effect of Discharge	108
G. Discriminatory Treatment.....	109
VIII. More on Chapter 11	111
A. Introduction	111
B. Debtor in Possession: Why and How	111
C. Use, Sell or Lease.....	113
1. In General	113
2. Cash Collateral.....	114
3. Post-Petition Credit.....	115
D. Plan	116
1. The Chapter 11 Plan	116
2. Classification and Voting	118
3. Prepack.....	119
4. Confirmation and Discharge.....	120
5. Creeping Plan.....	120
IX. Jurisdiction and Venue	123
A. Bankruptcy vs. Other Courts: A Clarification	123
B. Jurisdiction	124
C. Core vs. Noncore	125

D. Abstention, Remand.....	127
E. Venue	128
X. Bankruptcy and Domestic Relations Law	131
A. Introduction	131
B. Some Bullet Points	132
C. Discharge and Competing Claims.....	134
XI. Bankruptcy Taxation.....	135
A. Introduction	135
B. Entities in Bankruptcy.....	135
C. Tax Returns.....	139
D. Trust Fund Taxes: The “100 Percent Penalty”.....	141
E. Cancellation of Indebtedness Income	142
F. Asset Transactions.....	144
G. Changes in Corporate Ownership in Bankruptcy.....	145
H. Discharge of Taxes and Penalties.....	146
XII. Background: The Evolution of Bankruptcy Law	151
XIII. A Closing Riff on Bankruptcy in Society....	155
Appendix A: Bankruptcy Terms	161
Appendix B: Data.....	173