

EXERCISE**CHAPTER 11 PLAN CONFIRMATIONS*****Background***

You represent a distressed company that's undergoing a traditional Chapter 11 bankruptcy. The company already received court approval of its disclosure statement and sent solicitation packages to its impaired creditors. It's now waiting to see how its creditors will vote.

The company's Board of Directors tells you that it's important to them that they try to get approval of the Plan from all of the creditors who will be affected. They've asked you to provide an overview of the plan confirmation process. In particular, they want to know:

- What's required to confirm a plan with creditor support?
- Do all the creditors have to vote in favor of the plan?
- What are the voting requirements?
- What payments have to be made before a plan can be confirmed?
- What happens if one or more of their impaired classes rejects the plan?

Instructions

Come prepared to discuss what you'll tell the client, being sure to cover:

- The difference between a consensual confirmation v. a cramdown plan.