
Earle I. Erman Provides Insight on Important Bankruptcy, Restructuring and Debtor-Creditor Rights Questions

Earle I. Erman is recognized as one of Michigan's top bankruptcy and insolvency lawyers. His practice focuses on debtor-creditor rights and insolvency-related matters in and out of bankruptcy.

Recently, Earle provided answers to some important and timely questions facing the bankruptcy, restructuring and debtor-creditor rights practice area.

What trends are you currently seeing in the economy?

The economy has remained amazingly stable in these uncharted times. Despite record unemployment and huge losses in top line revenues, confidence in a return to normalcy remains high.

We are currently seeing more bankruptcy filings, a greater restructuring of deals, payment reductions and deferrals, and an increase in consultations with our clients regarding debtor-creditor issues.

How will the current economy impact your work in the area of bankruptcy, restructuring and debtor-creditor rights?

We do expect a significant increase in out of court restructurings and Chapter 11 and 7 bankruptcies as Paycheck Protection Program (PPP) funds are depleted and some marginal businesses choose orderly wind downs or court protection. The next six to nine months will be telling. We are well prepared to assist with our clients' issues, whether on the creditor or debtor side, and whether in or out of court. We recognize that each situation is unique, we are sensitive to our clients' needs and we are able to provide specific solutions for any circumstance.

How has COVID-19 impacted your clients?

Our lender and landlord clients may be more willing to work with their borrowers

and tenants as long as there is regular communication and transparency. Our general clients may find that their businesses are still experiencing financial problems or are not sustainable despite having received a PPP loan under the CARES Act and may need to explore their options with us. The new Small Business Reorganization Act (SBRA), which was expanded by the CARES Act, also provides eligible businesses a faster, easier and more compact way to successfully reorganize under Chapter 11 than was formerly available.

Do you have any advice for clients seeking to take advantage of SBRA benefits?

Any qualifying business debtor seeking to successfully reorganize its business under Chapter 11 instead of liquidating under Chapter 7 should consider filing a Chapter 11 under SBRA. A Chapter 11 under SBRA is available for any qualifying business debtor with aggregate debt up to \$7,500,000.

Earle Erman has successfully handled a wide range of creditor-related matters, contract disputes, out-of-court workouts, mediations, receiverships, defense and prosecution of preference and fraudulent transfer actions, representation of debtors, creditors' committees, secured and unsecured creditors, and other parties in bankruptcy and non-bankruptcy matters.

With his significant litigation experience in bankruptcy, commercial matters and collections, Earle possesses particular expertise as a mediator, facilitator and arbitrator in a wide range of contract disputes and has facilitated settlements in many complex commercial cases.

Board certified in Business Bankruptcy by the American Bankruptcy Board of Certification, Earle has been recognized for his achievements many times over the years. He is AV rated in Martindale Hubbell, has been named in the *Best Lawyers in America*® since 1995, has been recognized in the Michigan edition of *Super Lawyers*®, has been listed as a Top Lawyer by *DBusiness Magazine*, and has been recognized as a Michigan Leading Lawyer. Earle was also the recipient of the Federal Bar Association's 2018 Barbara J. Rom Award for Bankruptcy Excellence.

Contact Earle Erman:

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Learn more about Maddin Hauser's Bankruptcy, Restructuring and Debtor-Creditor Rights Practice Group

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