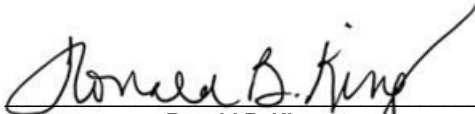



SIGNED this 21st day of April, 2020.





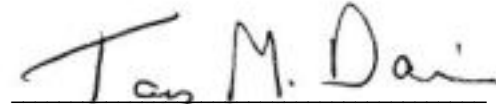
Ronald B. King
Chief United States Bankruptcy Judge



Craig A. Gargotta
United States Bankruptcy Judge



H. Christopher Mott
United States Bankruptcy Judge



Tony M. Davis
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS**

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**STANDING ORDER ADOPTING AMENDMENTS TO
INTERIM BANKRUPTCY RULE 1020 TO IMPLEMENT THE
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT**

Effective February 19, 2020, the judges of this Court entered Standing Order 20-01 adopting the Interim Federal Rules of Bankruptcy Procedure related to the implementation of the Small Business Reorganization Act of 2019 (SBRA). Interim Rule 1020 was one of the rules adopted under the SBRA and reflects the new option for a small business debtor of proceeding under subchapter V of chapter 11.

Thereafter, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act modifies the definition of “debtor” for determining eligibility to proceed under subchapter V of chapter 11. Previously, 11 U.S.C § 1182(1) defined “debtor” under subchapter V as “a small business debtor.” A “small business debtor” is defined in § 101(51D) and requires that the prospective debtor have “aggregate noncontingent liquidated secured and unsecured debts . . . in an amount not more than \$2,725,625”

(a figure subject to adjustment every three years under § 104). Under the CARES Act, § 1182(1) was amended to include a separate definition of “debtor” for subchapter V purposes that is identical to the definition of “small business debtor” in all respects except that the debt limitation is \$7,500,000. The definition of “debtor” in § 1182(1) will revert to its prior version one year after the effective date of the CARES Act. Accordingly, the Committee on Rules and Practice and Procedure of the Judicial Conference of the United States has further revised and adopted Interim Rule 1020, which makes applicable the new definition of "debtor" for determining eligibility to proceed under subchapter V of chapter 11.

NOW THEREFORE, pursuant to 28 U.S.C. § 2071, Rule 83 of the Federal Rules of Civil Procedure, and Rule 9029 of the Federal Rules of Bankruptcy Procedure, Interim Federal Rule of Bankruptcy Procedure 1020 is adopted in its entirety without change by the judges of this Court effective April 20, 2020. The Interim Rule shall remain in effect until further order of the Court.

It is **SO ORDERED**.

###

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.