

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF KANSAS  
STANDING ORDER NO. 20-1  
ORDER ADOPTING INTERIM RULES RESPONSIVE TO  
THE SMALL BUSINESS REORGANIZATION ACT OF 2019**

On August 23, 2019, the Small Business Reorganization Act of 2019, P.L. 116-54 (“SBRA”) was enacted with an effective date of February 19, 2020. In response to the SBRA, the Advisory Committee on Bankruptcy Rules recommended that certain changes to the Federal Rules of Bankruptcy Procedure were necessary to implement the SBRA. Because it can take three years or more to change federal bankruptcy rules under the procedures established by the Rules Enabling Act, 28 U.S.C. §§ 2071-77, there was insufficient time to make the recommended federal rule changes before the effective date of the SBRA. Therefore, the Advisory Committee on Bankruptcy Rules recommended that the Court adopt the following set of interim SBRA rules locally until the federal rule process can be completed.

This Court has reviewed the interim SBRA rules recommended by the Advisory Committee and finds that they should be adopted locally until the Federal Rules of Bankruptcy Procedure are amended.

IT IS THEREFORE ORDERED that 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, the Court adopts the following Local Bankruptcy Rules (“LBR”): LBR 1007(b)(5).1; LBR 1007(h).1; LBR 1020.1; LBR 2009.1; LBR 2012(a).1; LBR 2015.1; LBR 3010(b).1; LBR 3011.1; LBR 3014.1; LBR 3016.1; LBR 3017.1(a).1; LBR 3017.2.1; LBR 3018(a).1; LBR 3019(c).1. The text of those local rules is as follows:

**LBR 1007(b)(5).1  
LISTS, SCHEDULES, STATEMENTS, AND OTHER DOCUMENTS REQUIRED**

Federal Rule of Bankruptcy Procedure 1007(b)(5) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

**(b) SCHEDULES, STATEMENTS, AND OTHER DOCUMENTS REQUIRED.**

. . .

(5) An individual debtor in a chapter 11 case (unless under subchapter V) shall file a statement of current monthly income, prepared as prescribed by the appropriate Official Form.

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Adopted 2/19/20.

**LBR 1007(h).1**  
**INTERESTS ACQUIRED OR ARISING AFTER PETITION**

Federal Rule of Bankruptcy Procedure 1007(h) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(h) INTERESTS ACQUIRED OR ARISING AFTER PETITION. If, as provided by § 541(a)(5) of the Code, the debtor acquires or becomes entitled to acquire any interest in property, the debtor shall within 14 days after the information comes to the debtor's knowledge or within such further time the court may allow, file a supplemental schedule in the chapter 7 liquidation case, chapter 11 reorganization case, chapter 12 family farmer's debt adjustment case, or chapter 13 individual debt adjustment case. If any of the property required to be reported under this subdivision is claimed by the debtor as exempt, the debtor shall claim the exemptions in the supplemental schedule. This duty to file a supplemental schedule continues even after the case is closed, except for property acquired after an order is entered:

- (1) confirming a chapter 11 plan (other than one confirmed under § 1191(b)); or
- (2) discharging the debtor in a chapter 12 case, a chapter 13 case, or a case under subchapter V of chapter 11 in which the plan is confirmed under § 1191(b).

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Adopted 2/19/20.

**LBR 1020.1**  
**CHAPTER 11 REORGANIZATION CASE FOR SMALL BUSINESS DEBTORS**

Federal Rule of Bankruptcy Procedure 1020 applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(a) SMALL BUSINESS DEBTOR DESIGNATION. In a voluntary chapter 11 case, the debtor shall state in the petition whether the debtor is a small business debtor and, if so, 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 and, if so, 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.

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Adopted 2/19/20.

**LBR 2009.1**  
**TRUSTEES FOR ESTATES WHEN JOINT ADMINISTRATION ORDERED**

Federal Rule of Bankruptcy Procedure 2009 applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(a) **ELECTION OF SINGLE TRUSTEE FOR ESTATES BEING JOINTLY ADMINISTERED.** If the court orders a joint administration of two or more estates under Rule 1015(b), creditors may elect a single trustee for the estates being jointly administered, unless the case is under subchapter V of chapter 7 or subchapter V of chapter 11 of the Code.

(b) **RIGHT OF CREDITORS TO ELECT SEPARATE TRUSTEE.** Notwithstanding entry of an order for joint administration under Rule 1015(b), the creditors of any debtor may elect a separate trustee for the estate of the debtor as provided in § 702 of the Code, unless the case is under subchapter V of chapter 7 or subchapter V of chapter 11 of the Code.

(c) **APPOINTMENT OF TRUSTEES FOR ESTATES BEING JOINTLY ADMINISTERED.**

(1) Chapter 7 Liquidation Cases. Except in a case governed by subchapter V of chapter 7, the United States trustee may appoint one or more interim trustees for estates being jointly administered in chapter 7 cases.

(2) Chapter 11 Reorganization Cases. If the appointment of a trustee is ordered or is required by the Code, the United States trustee may appoint one or more trustees for estates being jointly administered in chapter 11 cases.

(3) Chapter 12 Family Farmer's Debt Adjustment Cases. The United States trustee may appoint one or more trustees for estates being jointly administered in chapter 12 cases.

(4) Chapter 13 Individual's Debt Adjustment Cases. The United States trustee may appoint one or more trustees for estates being jointly administered in chapter 13 cases.

(d) **POTENTIAL CONFLICTS OF INTEREST.** On a showing that creditors or equity security holders of the different estates will be prejudiced by conflicts of interest of a common trustee who has been elected or appointed, the court shall order the selection of separate trustees for estates being jointly administered.

(e) **SEPARATE ACCOUNTS.** The trustee or trustees of estates being jointly administered shall keep separate accounts of the property and distribution of each estate.

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Adopted 2/19/20.

**LBR 2012(a).1**  
**SUBSTITUTION OF TRUSTEE OR SUCCESSOR TRUSTEE; ACCOUNTING**

Federal Rule of Bankruptcy Procedure 2012(a) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(a) TRUSTEE. If a trustee is appointed in a chapter 11 case (other than under subchapter V), or the debtor is removed as debtor in possession in a chapter 12 case or in a case under subchapter V of chapter 11, the trustee is substituted automatically for the debtor in possession as a party in any pending action, proceeding, or matter.

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Adopted 2/19/20.

**LBR 2015.1**  
**DUTY TO KEEP RECORDS, MAKE REPORTS, AND GIVE NOTICE OF CASE OR CHANGE OF STATUS**

Federal Rule of Bankruptcy Procedure 2015 applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

- (a) TRUSTEE OR DEBTOR IN POSSESSION. A trustee or debtor in possession shall:
- (1) in a chapter 7 liquidation case and, if the court directs, in a chapter 11 reorganization case (other than under subchapter V), file and transmit to the United States trustee a complete inventory of the property of the debtor within 30 days after qualifying as a trustee or debtor in possession, unless such an inventory has already been filed;
  - (2) keep a record of receipts and the disposition of money and property received;
  - (3) file the reports and summaries required by § 704(a)(8) of the Code, which shall include a statement, if payments are made to employees, of the amounts of deductions for all taxes required to be withheld or paid for and in behalf of employees and the place where these amounts are deposited;
  - (4) as soon as possible after the commencement of the case, give notice of the case to every entity known to be holding money or property subject to withdrawal or order of the debtor, including every bank, savings or building and loan association, public utility company, and landlord with whom the debtor has a deposit, and to every insurance company which has issued a policy having a cash surrender value payable to the debtor, except that notice need not be given to any entity who has knowledge or has previously been notified of the case;
  - (5) in a chapter 11 reorganization case (other than under subchapter V), on or before the last day of the month after each calendar quarter during which there is a duty to pay fees under 28 U.S.C. § 1930(a)(6), file and transmit to the United States trustee a statement of any disbursements made during that quarter and of any fees payable under 28 U.S.C. § 1930(a)(6) for that quarter; and
  - (6) in a chapter 11 small business case, unless the court, for cause, sets another reporting interval, file and transmit to the United States trustee for each calendar month after the order for relief, on the appropriate Official Form, the report

required by § 308. If the order for relief is within the first 15 days of a calendar month, a report shall be filed for the portion of the month that follows the order for relief. If the order for relief is after the 15th day of a calendar month, the period for the remainder of the month shall be included in the report for the next calendar month. Each report shall be filed no later than 21 days after the last day of the calendar month following the month covered by the report. The obligation to file reports under this subparagraph terminates on the effective date of the plan, or conversion or dismissal of the case.

(b) **TRUSTEE, DEBTOR IN POSSESSION, AND DEBTOR IN A CASE UNDER SUBCHAPTER V OF CHAPTER 11.** In a case under subchapter V of chapter 11, the debtor in possession shall perform the duties prescribed in (a)(2)–(4) and, if the court directs, shall file and transmit to the United States trustee a complete inventory of the debtor’s property within the time fixed by the court. If the debtor is removed as debtor in possession, the trustee shall perform the duties of the debtor in possession prescribed in this subdivision (b). The debtor shall perform the duties prescribed in (a)(6).

(c) **CHAPTER 12 TRUSTEE AND DEBTOR IN POSSESSION.** In a chapter 12 family farmer’s debt adjustment case, the debtor in possession shall perform the duties prescribed in clauses (2)–(4) of subdivision (a) of this rule and, if the court directs, shall file and transmit to the United States trustee a complete inventory of the property of the debtor within the time fixed by the court. If the debtor is removed as debtor in possession, the trustee shall perform the duties of the debtor in possession prescribed in this subdivision (c).

(d) **CHAPTER 13 TRUSTEE AND DEBTOR.**

(1) **Business Cases.** In a chapter 13 individual’s debt adjustment case, when the debtor is engaged in business, the debtor shall perform the duties prescribed by clauses (2)–(4) of subdivision (a) of this rule and, if the court directs, shall file and transmit to the United States trustee a complete inventory of the property of the debtor within the time fixed by the court.

(2) **Nonbusiness Cases.** In a chapter 13 individual’s debt adjustment case, when the debtor is not engaged in business, the trustee shall perform the duties prescribed by clause (2) of subdivision (a) of this rule.

(e) **FOREIGN REPRESENTATIVE.** In a case in which the court has granted recognition of a foreign proceeding under chapter 15, the foreign representative shall file any notice required under § 1518 of the Code within 14 days after the date when the representative becomes aware of the subsequent information.

(f) **TRANSMISSION OF REPORTS.** In a chapter 11 case the court may direct that copies or summaries of annual reports and copies or summaries of other reports shall be mailed to the creditors, equity security holders, and indenture trustees. The court may also direct the publication of summaries of any such reports. A copy of every report or summary mailed or published pursuant to this subdivision shall be transmitted to the United States trustee.

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Adopted 2/19/20.

**LBR 3010(b).1**  
**SMALL DIVIDENDS AND PAYMENTS IN CASES UNDER CHAPTER 7,  
SUBCHAPTER V OF CHAPTER 11, CHAPTER 12, AND CHAPTER 13**

Federal Rule of Bankruptcy Procedure 3010(b) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(b) CASES UNDER SUBCHAPTER V OF CHAPTER 11, CHAPTER 12, AND CHAPTER 13. In a case under subchapter V of chapter 11, chapter 12, or chapter 13, no payment in an amount less than \$15 shall be distributed by the trustee to any creditor unless authorized by local rule or order of the court. Funds not distributed because of this subdivision shall accumulate and shall be paid whenever the accumulation aggregates \$15. Any funds remaining shall be distributed with the final payment.

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Adopted 2/19/20.

**LBR 3011.1**  
**UNCLAIMED FUNDS IN CASES UNDER CHAPTER 7, SUBCHAPTER V OF  
CHAPTER 11, CHAPTER 12, AND CHAPTER 13**

Federal Rule of Bankruptcy Procedure 3011 applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

The trustee shall file a list of all known names and addresses of the entities and the amounts which they are entitled to be paid from remaining property of the estate that is paid into court pursuant to § 347(a) of the Code.

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Adopted 2/19/20.

**LBR 3014.1**  
**ELECTION UNDER § 1111(b) BY SECURED CREDITOR IN CHAPTER 9  
MUNICIPALITY OR CHAPTER 11 REORGANIZATION CASE**

Federal Rule of Bankruptcy Procedure 3014 applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

An election of application of § 1111(b)(2) of the Code by a class of secured creditors in a chapter 9 or 11 case may be made at any time prior to the conclusion of the hearing on the disclosure statement or within such later time as the court may fix. If the disclosure statement is conditionally approved pursuant to Rule 3017.1, and a final hearing on the disclosure statement is not held, the election of application of § 1111(b)(2) may be made not later than the date fixed pursuant to Rule 3017.1(a)(2) or another date the court may fix. In a case under subchapter V of chapter 11 in which § 1125 of the Code does not apply, the election may be made not later than a date the court may fix. The election shall be in writing and signed unless made at the hearing on

the disclosure statement. The election, if made by the majorities required by § 1111(b)(1)(A)(i), shall be binding on all members of the class with respect to the plan.

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Adopted 2/19/20.

**LBR 3016.1**  
**FILING OF PLAN AND DISCLOSURE STATEMENT IN A CHAPTER 9**  
**MUNICIPALITY OR CHAPTER REORGANIZATION CASE**

Federal Rule of Bankruptcy Procedure 3016 applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(a) IDENTIFICATION OF PLAN. Every proposed plan and any modification thereof shall be dated and, in a chapter 11 case, identified with the name of the entity or entities submitting or filing it.

(b) DISCLOSURE STATEMENT. In a chapter 9 or 11 case, a disclosure statement, if required under § 1125 of the Code, or evidence showing compliance with § 1126(b) shall be filed with the plan or within a time fixed by the court, unless the plan is intended to provide adequate information under § 1125(f)(1). If the plan is intended to provide adequate information under § 1125(f)(1), it shall be so designated, and Rule 3017.1 shall apply as if the plan is a disclosure statement.

(c) INJUNCTION UNDER A PLAN. If a plan provides for an injunction against conduct not otherwise enjoined under the Code, the plan and disclosure statement shall describe in specific and conspicuous language (bold, italic, or underlined text) all acts to be enjoined and identify the entities that would be subject to the injunction.

(d) STANDARD FORM SMALL BUSINESS DISCLOSURE STATEMENT AND PLAN. In a small business case or a case under subchapter V of chapter 11, the court may approve a disclosure statement and may confirm a plan that conform substantially to the appropriate Official Forms or other standard forms approved by the court.

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Adopted 2/19/20.

**LBR 3017.1(a).1**  
**COURT CONSIDERATION OF DISCLOSURE STATEMENT IN A SMALL BUSINESS**  
**CASE OR IN A CASE UNDER SUBCHAPTER V OF CHAPTER 11**

Federal Rule of Bankruptcy Procedure 3017.1(a) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(a) CONDITIONAL APPROVAL OF DISCLOSURE STATEMENT. In a small business case or in a case under subchapter V of chapter 11 in which the court has ordered that § 1125 applies, the court may, on application of the plan proponent or on its own initiative, conditionally approve a disclosure statement filed in accordance with Rule 3016. On or before conditional approval of the disclosure statement, the court shall:

- (1) fix a time within which the holders of claims and interests may accept or reject the plan;
- (2) fix a time for filing objections to the disclosure statement;
- (3) fix a date for the hearing on final approval of the disclosure statement to be held if a timely objection is filed; and
- (4) fix a date for the hearing on confirmation.

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Adopted 2/19/20.

**LBR 3017.2.1**  
**FIXING OF DATES BY THE COURT IN SUBCHAPTER V CASES IN WHICH THERE IS NO DISCLOSURE STATEMENT**

Federal Rule of Bankruptcy Procedure 3017.2 applies in the Bankruptcy Court for the District of Kansas effective February 19, 2020, is adopted on an interim basis, and states:

In a case under subchapter V of chapter 11 in which § 1125 does not apply, the court shall:

- (a) fix a time within which the holders of claims and interests may accept or reject the plan;
- (b) fix a date on which an equity security holder or creditor whose claim is based on a security must be the holder of record of the security in order to be eligible to accept or reject the plan;
- (c) fix a date for the hearing on confirmation; and
- (d) fix a date for transmission of the plan, notice of the time within which the holders of claims and interests may accept or reject the plan, and notice of the date for the hearing on confirmation.

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Adopted 2/19/20.

**LBR 3018(a).1**  
**ACCEPTANCE OR REJECTION OF PLAN IN A CHAPTER 9 MUNICIPALITY OR A CHAPTER 11 REORGANIZATION CASE**

Federal Rule of Bankruptcy Procedure 3018(a) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(a) ENTITIES ENTITLED TO ACCEPT OR REJECT PLAN; TIME FOR ACCEPTANCE OR REJECTION. A plan may be accepted or rejected in accordance with § 1126 of the Code within the time fixed by the court pursuant to Rule 3017, 3017.1, or 3017.2. Subject to subdivision (b) of this rule, an equity security holder or creditor whose claim is based on a security of record shall not be entitled to accept or reject a plan unless the equity security holder or creditor is the holder of record of the security on the date the order approving the disclosure statement is entered or on another date fixed by the court under Rule 3017.2, or fixed



for cause, after notice and a hearing. For cause shown, the court after notice and hearing may permit a creditor or equity security holder to change or withdraw an acceptance or rejection. Notwithstanding objection to a claim or interest, the court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan.

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Adopted 2/19/20.

**LBR 3019(c).1**  
**ACCEPTANCE OR REJECTION OF PLAN IN A CHAPTER 9 MUNICIPALITY OR A**  
**CHAPTER 11 REORGANIZATION CASE**

Federal Rule of Bankruptcy Procedure 3019(c) applies in the Bankruptcy Court for the District of Kansas but, effective February 19, 2020, is amended on an interim basis to state:

(c) MODIFICATION OF PLAN AFTER CONFIRMATION IN A SUBCHAPTER V CASE. In a case under subchapter V of chapter 11, a request to modify the plan under § 1193(b) or (c) of the Code is governed by Rule 9014, and the provisions of this Rule 3019(b) apply.

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Adopted 2/19/20.

IT IS SO ORDERED this 13<sup>th</sup> day of January, 2020.



DALE L. SOMERS

Chief Judge



ROBERT E. NUGENT III

Judge



ROBERT D. BERGER

Judge