

**UNITED STATES BANKRUPTCY COURT
FOR THE
EASTERN DISTRICT OF VIRGINIA**

CHAPTER 11 CLOSING PROCEDURE

Applicable to chapter 11 cases in which
substantial consummation has been completed

SUMMARY

This procedure outlines the steps to be followed in chapter 11 cases in which an Order Confirming Plan has been entered and substantial consummation has been completed. In a chapter 11 case, substantial consummation is defined in 11 U.S.C. §1101 (2) which reads:

"substantial consummation" means -

- (A) transfer of all or substantially all of the property proposed by the plan to be transferred;**

- (B) assumption by the debtor or by the successor to the debtor under the plan of the business or of the management of all or substantially all of the property dealt with by the plan; and**

- (C) commencement of distribution under the plan.**

Procedure

All pending motions, contested matters, fee applications and adversary proceedings must be resolved 180 days after confirmation of the Plan. When the plan is confirmed, the Clerk's office will send this package to the debtor in possession. Within six months of the confirmation of the Plan, the debtor shall prepare the final Report and the Final Account of the administration of the estate pursuant to §1106(a)(7). The Final Report should incorporate a Motion for final Decree. [FRBP 3022]. A proposed Final Decree should also be submitted.

Final Report and Motion for Final Decree

The Final Report should be a commentary on the progress made in implementing the plan, should relate directly to 11 USC §1101 (2), and should demonstrate to the Court that substantial consummation has been completed. The Motion for Final Decree should state that the plan has been substantially consummated.

Final Account

The Final Account of the administration of the estate is a summary of the fees and expenses awarded by the Court and the claims allowed at the time of confirmations.

Final Decree

The proposed Final Decree should contain a finding that substantial consummation has been completed and any special provisions covered in the Motion for Final Decree.

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA**

IN RE:

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Chapter 11

Case No. XX-XXXXX-X

Debtor

FINAL REPORT AND MOTION FOR FINAL DECREE

FINAL REPORT

Now comes ABC Mfg. Co., debtor, and submits this Final Report and Motion for Final Decree. Contemporaneously with this report, the debtor is also submitting a Final Account which should be considered in evaluating the debtor's Motion for Final Decree.

There has been substantial consummation of the Plan confirmed by the Court on [date of confirmation]. The debtor has transferred substantially all of the property proposed by the Plan to be transferred; the debtor has assumed the management of all the property dealt with by the plan; and the debtor has commenced distribution under the plan. Each of these three requirements under 11 USC §1101(2) is summarized below.

I

Transfer of Property

The plan proposed the sale of two different tracts of real estate, both of which had been sold prior to confirmation. From the sale of these two tracts of land, the debt owed the Federal Land Bank in the amount of \$XXXXXX was paid in full; the Internal Revenue Service was paid \$XXXXXX; and the State and County taxes in the amount of \$XXXXXX were paid. The sale disposed of the Class 3 claim and substantially paid the Class 2 claim of IRS and all other priority tax claims owed by the debtor.

The plan proposed no further transfer of property other than that property which will be disbursed to the creditors under the plan. None of the assets of ABC Mfg. Co. (debtor) were proposed to be transferred and none have been transferred.

II

Assumption by the Debtor of Management of Property

The plan provided for the debtor to stay in control of its business and continue to operate [debtor's business] after confirmation. The plan did not contemplate any other individual or business entity taking control or assisting the debtor in the management of the business and its property. Since [date of confirmation], the debtor has remained in control and has operated its business pursuant to the terms of the plan.

III
Distributions

In [month/year], the debtor commenced distribution to all holders of class 6 claims. The following amount have been paid on those claims in each month since confirmation:

\$ _____	in month 1 class	_____
\$ _____	in month 2 class	_____
\$ _____	in month 3 class	_____
\$ _____	in month 4 class	_____
\$ _____	in month 5 class	_____
\$ _____	in month 6 class	_____

The debtor has also made payments in the amount of \$XXXX per month to the IRS for each of these months. The debtor has continued to pay First Bank since filing for relief and has made the payments required by the plan to be made to First Bank since confirmation. The debtor is current in its obligations to First bank and will maintain that debt current until the debt is paid in full. The debtor has not yet begun distribution of payments on class 7 claims but the plan did not contemplate distribution until after full payments to holders of class 6 claims. As of the date of this report , the debtor has made all payments contemplated by the plan including the commencement of distribution to unsecured creditors.

MOTION FOR FINAL DECREE

As shown above, there has been substantial consummation of the plan. The plan contemplated full payment of all claims and the debtor is on schedule for meeting this provision of the plan. All administrative costs have been paid and it is not anticipated that there will be any further application for administrative expenses. All property to be transferred under the plan has been transferred and no further transfers are contemplated. All pending motions, contested matter, fee applications and adversary proceedings have been resolved.

Wherefore the debtor respectfully requests the court to approve its Final Report and grant its Motion for Final Decree by entering a Final Decree in this case.

Dated: _____

Attorney for the Debtor

U.S. Trustee has reviewed and has no objection

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA

IN RE:

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Chapter 11

Case No. XX-XXXXX-X

Debtor

FINAL ACCOUNT

ABC Mfg. Co., debtor filed a voluntary petition under Title 11, Chapter 11 in the United States Bankruptcy Court for the Eastern District of Virginia on (date). Pursuant to the requirements of 11 USC §1106(a)(7), debtor now files this final account.

1. Administrative Expenses:

Trustee compensation	\$	_____
Attorney for trustee compensation	\$	_____
Other professionals compensation	\$	_____
Subtotal	\$	_____
All other expenses (include Clerk's Office charges)	\$	_____
Attorney for debtor compensation	\$	_____
Subtotal	\$	_____
Total administrative expenses	\$	_____

	Total to Be Paid	Paid to Date
2. Secured creditors paid or to be paid under plan. List:	\$ _____	\$ _____

3. Priority creditors paid or to be paid under plan. List:	\$ _____	\$ _____

4. Unsecured claims paid or to be paid under plan. List:	\$ _____	\$ _____

	Total to Be Paid	Paid to Date
5. Amount paid or to be paid equity security holders under plan.	\$ _____	\$ _____
6. Other distributions (includes payments to, or to be paid to debtor)	\$ _____	\$ _____
7. Total distributions to, or to be paid creditors Percentage paid or to be paid to Unsecured Creditors: _____%	\$ _____	\$ _____
8. Total disbursement under plan	\$ _____	\$ _____

These amounts reflect the amount of the claims allowed regardless of whether or not the claims in a particular category have been or will be paid in full under the plan.

Wherefore, the debtor submits this final account in discharge of its obligations under 11 USC §1106 and §1107 on this _____ day of _____, 20 ____.

Attorney for the Debtor

U.S. Trustee has reviewed and has no objection

S*A*M*P*L*E

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA**

IN RE:

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Chapter 11

Case No. XX-XXXXX-X

Debtor

FINAL DECREE

Whereas, ABC Mfg. Co., debtor, filed a voluntary petition under title 11, Chapter 11 in the United States Bankruptcy Court for the Eastern District of Virginia on [date of filing]; and

Whereas, a Plan of Reorganization was proposed to the creditors and was confirmed by Order of this Court on [date of confirmation of Plan]; and

Whereas, debtor has reported to this court that the Plan of Reorganization has been substantially consummated; and

Whereas, FRBP 3022 provides for the entry of a Final Decree; it is therefore

ORDERED that the Final Report of the Debtor is approved, the Motion for Final Decree is granted, and the case is closed.

The Clerk of Court is directed to forward a copy of this Order to the Debtor, debtor's counsel and the Office of the U. S. Trustee.

So ordered this _____ day of _____, 20 ____.

UNITED STATES BANKRUPTCY JUDGE

I ask for this

Attorney for the Debtor

Seen and not objected to:

Office of the U. S. Trustee