

CHEAT SHEET FOR CHAPTER 11 DISCLOSURE STATEMENT FACTORS

Relevant factors for evaluating the adequacy of a disclosure statement include:

- (1) the events which led to the filing of a bankruptcy petition;
- (2) a description of the available assets and their value;
- (3) the anticipated future of the company;
- (4) the source of information stated in the disclosure statement;
- (5) a disclaimer about the information stated in the disclosure statement;
- (6) the present condition of the debtor while in Chapter 11;
- (7) the scheduled claims;
- (8) the estimated return to creditors under a Chapter 7 liquidation;
- (9) the accounting method utilized to produce financial information and the name of the accountants responsible for such information;
- (10) the future management of the debtor;
- (11) the Chapter 11 plan or a summary of the plan;
- (12) the estimated administrative expenses, including attorneys' and accountants' fees;
- (13) the collectability of accounts receivable;
- (14) financial information, data, valuations, or projections relevant to the creditors' decision to accept or reject the Chapter 11 plan;
- (15) information relevant to the risks posed to creditors under the plan;
- (16) the actual or projected realizable value from recovery of preferential or otherwise avoidable transfers;
- (17) litigation likely to arise in a non-bankruptcy context;
- (18) tax attributes of the debtor; and
- (19) the relationship of the debtor with affiliates.

Source: *In re Metrocraft Publishing Services, Inc.*, 39 B.R. 567 (1984)

<https://www.planproponent.com/2021/11/judges-series-judge-homer-drakes-top-10-confirmation-opinions-part-6-1>