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David Mawhinney Co-Authors "6 Reasons Why Congress Should Allow Businesses With Up to $10 Million in Liabilities Reorganize Under Subchapter V" for American Bankruptcy Trustee Journal

BY CESIRA NEWCOMB • DECEMBER 21, 2021

It has almost been two years since the Small Business Reorganization Act (SBRA) took effect, including Subchapter V, the SBRA's addition to chapter 11. More than 2,600 businesses have elected to restructure under the new law, representing about 75% of small business chapter 11 cases filed since the start of 2020.

Here is an excerpt of David Mawhinney's co-authored article "6 Reasons Why Congress Should Allow Businesses With Up to $10 Million in Liabilities Reorganize Under Subchapter V" in the *American Bankruptcy Trustee Journal*:

> A great number of Small Business Reorganization Act success stories involve businesses that would not have been able to seek relief under Subchapter V were it not for Section 1113(a)(5) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which temporarily added section 1182(1) to the Bankruptcy Code.

> As the current Debt Cap faces yet another sunset in the Spring of 2022, Congress should pass legislation making section 1182(1) a permanent part of the Bankruptcy Code with a Debt Cap to $10,000,000. Passing this legislation is in the best interests of businesses, ownership, and their creditors for a multitude of reasons. There is no good reason not to do it.

Continue reading the full article "6 Reasons Why Congress Should Allow Businesses With Up to $10 Million in Liabilities Reorganize Under Subchapter V" in the *American Bankruptcy Trustee Journal* (reprinted with permission).

