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Akerman Partner Eyal Berger Sees Growing Popularity of Subchapter V Bankruptcies

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In 2019, Congress passed the Small Business Reorganization Act, amending Chapter 11 to make it easier for small businesses to successfully declare bankruptcy. The law added the Subchapter V amendment to Chapter 11 and eased the financial burden on small businesses filing for bankruptcy by eliminating certain fees. More than two years later, Florida is leading the country in the number of Chapter V filings, which bankruptcy and reorganization partner [Eyal Berger](#) in Fort Lauderdale says could become even more popular if the debt threshold continues rising, allowing more businesses to file under the subchapter.

In a *Daily Business Review* article, Berger explained the benefits of the subchapter.

The publication wrote: “You could modify every single one of your debts without a single creditor voting in favor of the plan. Under regular Chapter 11, you had to have at least one creditor and usually more than one creditor vote in favor of the plan to get confirmed,” Berger said. “That’s a huge departure, and it really gives incredible leverage to get companies restructured.”

“Because of the changes, Berger estimated that there’s now statistically more businesses that qualify to restructure thanks to the changes.”

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