

Von Zastrow, Bart A. (USTP)

From: Von Zastrow, Bart A. (USTP)
Sent: Tuesday, May 1, 2018 5:27 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [REDACTED] Initial Debtor Interview, ITR, Form 426 request
Attachments: Form 426 - Report on owned entities.pdf

[REDACTED],

As you know, in all Chapter 11 cases, an Initial Debtor Interview (IDI) is scheduled prior to the §341 meeting of creditors, pursuant to 28 USC §586(a)(7), with a principal of the Debtor and Debtor counsel, and has the following purposes:

- Begin to investigate the debtor's viability
- Inquire about the debtor's history and current operations
- Inquire about the events leading up to the bankruptcy filing and initial thoughts on how these will be remedied
- Inquire about the debtor's business plan
- Explain the debtor's obligations to file monthly operating reports and other required reports
- Confirm the DIP bank account, insurance coverage and other administrative tasks

The debtor will be receiving a packet of information from our office, including a stapled document titled 'Chapter 11 Operating Instructions and Reporting Requirements' (**OIRR**). I have attached a PDF version of this document to this email. This document needs to be read and there are several form exhibits that need to be completed, signed and returned to our office. Please have this document with you at the IDI. Please try to get those exhibits to our office in advance of the IDI, and please provide insurance certificates within the next couple of days

I have also attached a **template** (in both PDF and excel format) that the debtor should use to prepare and file its Monthly Operating Report (**MOR**). We will discuss this during the IDI. Please forward to the debtor and to whomever might be helping the debtor prepare the MOR so they can get familiar with the form and will be ready to discuss at the IDI.

Please use these documents that I have attached here, not ones you may have in your files, because they have been recently updated.

We typically conduct the IDI via telephone for your convenience. **I would like to schedule your telephonic IDI sometime next week, Wednesday or Thursday (5/9 or 5/10).** I am so far free either of those days in the afternoon after 2PM. Would either of those days work for you and your client? If so, please propose a time. If not, please propose an alternative date and time.

Also, I would like to see the **debtor's two most recently filed income tax returns** prior to our IDI. Please forward them to our office, and **include all schedules, statements and K-1's**.

As you may know, **Bankruptcy Rule 2015.3** requires that Chapter 11 debtors must file financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation and in which the estate has a controlling interest (which is defined as at least a 20% interest). This report is called the **Form 426** (this, too, has been recently updated), and must be filed with the court no later than 7 days prior to the First Meeting of Creditors. I have attached a fillable PDF version of this form to this email. The report then needs to be updated and filed with the court every six months until a plan is confirmed, or the case is converted or dismissed. It is not necessary for entities that are already in bankruptcy.

Finally, please **provide liability and property insurance certificates** with the US Trustee named as a certificate holder for the debtor's real and personal property.

I look forward to hearing from you, and working with you and your client.

Best regards,

Bart A. von Zastrow
Bankruptcy Analyst

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