

BERNSTEIN-BURKLEY, P.C.

Attorneys at Law

A BUSINESS APPROACH
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“Ask the Legal Professional”

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BANKRUPTCY

Q I was listed as one of the 20 Largest Unsecured Creditors on a recent chapter 11 filing of a customer. I received a letter asking if my company wanted to become a member of the Unsecured Creditors' Committee. I am interested in being involved, but wonder if it will cost me money.

A The amount of money that it will cost you to be on the Unsecured Creditors' Committee is almost nothing. The Debtor pays all of the Committee's reasonable and necessary fees and expenses. Being on the Committee can give you influence over the eventual reorganization or liquidation of the customer.

The Bankruptcy Code provides for an alliance of unsecured creditors (the "Committee"), consisting of five to seven of the Debtor's unsecured creditors, whose duty is to represent the interests of all of the Debtor's unsecured creditors. Serving on a Committee usually takes far less time than most people think. The Committee will hire professionals (at the Debtor's expense) that review the Debtor's books, monitor the Debtor's legal filings and make detailed recommendations to the Committee members as to what course of action to take.

*Learn more about credit policies and collections with Bob Bernstein's book, *Get P.A.I.D.™ A Guide to Getting Paid Faster (and What to Do if You Don't!)* at www.getpaysystem.com

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Bob Bernstein, Esquire
Bernstein-Burkley P.C.
Suite 2200 Gulf Tower,
Pittsburgh, PA 15219-1900
Ph: 412-456-8100
Fax: 412-456-8135
rbernstein@bernsteinlaw.com
www.bernsteinlaw.com