

IRVINE, CA, September 26, 2013 **/24-7PressRelease/** -- Bankruptcy is a federal court process designed to help individuals and businesses eliminate their debts or repay them under the protection of the bankruptcy court.

A case filed under chapter 11 of the United States Bankruptcy Code is frequently referred to as a "reorganization" bankruptcy. An individual cannot file under chapter 11 or any other chapter if, during the preceding 180 days, a prior bankruptcy petition was dismissed due to the debtor's willful failure to appear before the court or comply with orders of the court, or was voluntarily dismissed after creditors sought relief from the bankruptcy court to recover property upon which they hold liens. 11 U.S.C. sections 109(g), 362(d)-(e).

In addition, no individual may be a debtor under chapter 11 or any chapter of the Bankruptcy Code unless he or she has, within 180 days before filing, received credit counseling from an approved credit counseling agency either in an individual or group briefing. 11 U.S.C. sections 109, 111. There are exceptions in emergency situations or where the U.S. trustee (or bankruptcy administrator) has determined that there are insufficient approved agencies to provide the required counseling. If a debt management plan is developed during required credit counseling, it must be filed with the court.

Chapter 11 differs from chapter 7 cases. Chapter 7 filings are commonly referred to as straight bankruptcy or liquidation cases, and may be filed by an individual, corporation, or a partnership. A Chapter 7 bankruptcy case does not involve the filing of a plan of repayment as in Chapter 13. Instead, the bankruptcy trustee gathers and sells the debtor's nonexempt assets and uses the proceeds of such assets to pay holders of claims (creditors) in accordance with the provisions of the Bankruptcy Code.

Part of the debtor's property may be subject to liens and mortgages that pledge the property to other creditors. In addition, the Bankruptcy Code will allow the debtor to keep certain "exempt" property; but a trustee will liquidate the debtor's remaining assets. Accordingly, potential debtors should realize that the filing of a petition under Chapter 7 may result in the loss of property.

If you, or someone you know is drowning in debt, or facing foreclosure, and is in need of an Orange County Chapter 11 bankruptcy attorney, please contact the Law Office of Andrew S. Bisom. or visit our websites; <http://www.andrewsbisom.com> or <http://www.orangecountychapter7.com>

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