

Legal Update from Flagler Law Group



Our Mission is to serve the legal needs of Christian publishing organizations by leveraging focused expertise into practical solutions.

Brian Flagler founded Flagler Law Group in the spring of 2006 to serve the legal needs of publishers, designers, producers, and distributors of Christian media. With a combined 20+ years in the industry, we know Christian publishing. We believe that our experience handling matters for a diverse variety of Christian publishers, ministries, and other organizations **from the publishing perspective** significantly contributes to the value that we offer our clients.

(541) 549-8401
brian@flaglerlawgroup.com

ECPA PUBLISHERS LEGAL HOTLINE:

For new ECPA members and smaller ECPA houses that do not currently have access to experienced publishing counsel, ECPA offers the ECPA Publishers Legal Hotline. In partnership with Flagler Law Group, the Hotline is available to assist these members as they establish publishing procedures, navigate rights issues, and encounter other questions within the Scope of Service. Subscribers may pose questions to publishing counsel by telephone or email and receive the Hotline discount: Flagler Law Group makes up to five (5) hours of its publishing attorneys' time available to each eligible subscriber at 30 percent off of their regular rates. Visit the ECPA.org website for more information.

You are receiving this Legal Update as a member of ECPA. To subscribe to or unsubscribe from ECPA Legal Updates, update your subscription preferences in your member community profile at ECPA.org or contact ECPA.

May 2015

Deadlines Approaching for Creditors in Family Christian Bankruptcy

By Craig Gipson and Brian Flagler

For publishers that are creditors in the Family Christian, LLC (FCS) bankruptcy proceeding, several important deadlines are fast approaching. From a creditor's perspective, the deadlines (called "bar dates") for filing a proof of claim may be the most important in a bankruptcy case. A claim filed late may still be allowed by a court but only on a showing of "excusable neglect"—a bad position for any creditor to be in. For claims related to the value of goods delivered to FCS within 20 days of it filing for bankruptcy, the bar date is **Friday, May 8, 2015**. For all unsecured creditors, the bar date is **Tuesday, June 9, 2015**.

What is a proof of claim?

A proof of claim is a written statement made by a creditor in a bankruptcy case that describes the reason for and the amount of a debt allegedly owed by the debtor. The court has provided creditors with case information and a link to the proof of claim form to be used at: <http://dm.epiq11.com/FCL/Project>. Creditors must submit their completed forms to the court by the bar date.

All creditors whose debts are either not listed by the debtor in its schedules filed with the court or listed as disputed, contingent, or unliquidated must file a proof of claim by the bar date. However, even creditors whose debts are listed correctly by the debtor should file a proof of claim to preserve their right to share in the distribution of the bankruptcy estate's assets. The proof of claim does not have to state a specific liquidated amount in order to be timely filed by the bar date; it may be amended later once the creditor knows the full liquidated, non-contingent amount. Courts allow amendments to timely filed proofs of claim more regularly than they permit late claims.

Along with the form, attach copies of any pertinent documents that support the existence and circumstances of the debt. In some instances a summary explanation of the debt may be appropriate as an exhibit.

Which bar date applies to my organization's claims?

Under 11 U.S.C. 503(b)(9), creditors in the FCS bankruptcy may file a proof of claim for certain "administrative expenses." One such "administrative expense" by law is "the value of any goods received by [FCS] within 20 days before the date of commencement of [this bankruptcy case]." Essentially publishers may submit proofs of claim for the value of any inventory delivered to FCS in the 20 days before February 11, 2015, the date on which FCS filed its bankruptcy petition. This amount must be stated in a proof of claim filed by the deadline of **Friday, May 8, 2015**.

For all other unsecured debts owed by FCS, creditors should file a proof of claim by **Tuesday, June 9, 2015**.



www.ecpa.org
info@ecpa.org

This update is provided as an informational service of ECPA to its members and does not serve as, and should not be understood to provide, legal advice. Please contact [Brian Flagler](#) or your attorney if you would like to discuss application of this update to the specific circumstances of your publishing organization.

For more information about ECPA programs, contact us at 480-966-3998 or consult our website at www.ecpa.org. ECPA members may subscribe to Legal Updates by contacting stoomb@ecpa.org.

To unsubscribe, please [click here](#).

Having trouble reading it? [Read it online](#).