

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

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FAMILY CHRISTIAN SEEKS CREDITOR APPROVAL OF BANKRUPTCY PLAN

By Allison Bach, Craig Gipson, and Brian Flagler

Creditors of Family Christian Stores (FCS) will have until August 7 to vote on whether to accept a proposed plan that would discharge FCS's debts and keep Family stores open. On July 10, the Bankruptcy Court approved FCS's request to expedite the confirmation process for its Second Amended Plan of Liquidation (the "Plan"). Under the Plan, FCS would sell its assets to FCS Acquisition which has stated that it intends to continue operating FCS stores. In expediting the process, the judge conditionally approved FCS's Second Amended Disclosure Statement (the "Disclosure Statement") which permits FCS to begin soliciting votes on the Plan. The expedited process calls for FCS to distribute solicitation packages to all creditors by July 15. These packages will contain a copy of the Disclosure Statement, the Plan, a ballot (or multiple ballots for creditors holding claims in more than one class) and a pre-paid return envelope for the ballot(s).

All ballots must be received by Epiq Bankruptcy Solutions, LLC ("Epiq") by 4 p.m. Eastern time on August 7. In order to obtain approval, the Plan must be accepted by at least half of the votes in each class of creditors representing at least two-thirds of the debt in that class. There are eight classes of creditors and votes are weighted by the type and amount of debt held. Creditors that do not vote will be deemed to have accepted the Plan. Creditors that reject the proposed treatment of their claim as contained in the Plan will still be bound by such terms if the Plan receives the requisite number of votes and Court approval. Epiq must file a voting tabulation and report with the Court by noon Eastern on August 10. The Court will rule on the Plan at a confirmation hearing on August 11.

Flagler Law Group LLC would like to acknowledge the contribution of bankruptcy attorney Allison Bach of Dickinson Wright who has represented several ECPA members through this process and authored much of this Legal Update. More information on Ms. Bach may be found at http://www.dickinson-wright.com/our-people/allisonr_bach.



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.

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