

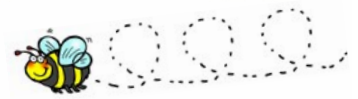


# Minnesota Bankruptcy Buzz

## KAIN & SCOTT P.A.

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### Bankruptcy news Minnesota Lawyers can use FACTS AND FIGURES

Minnesotans filed 996 Chapter 7 and Chapter 13 Bankruptcies in March, 2018. In March 2017, Minnesotans had filed 1001 Chapter 7 and Chapter 13 Bankruptcies. That is a decrease of less than 1% year over year in March.

Thus far, in 2018, Minnesotans have filed 2,413 bankruptcy cases. Compared to this time in 2017, Minnesotans had filed 2,405 bankruptcy cases. This is an increase of less than 1%.

*Testimonial: "Life is just that again, my life. It's good to have it back. Thank you, Eric"*



## More bankruptcy news you can use

### WHAT TO DO WHEN A BUSINESS IS IN FINANCIAL TROUBLE

In our day-to-day practice at Kain & Scott, our attorneys will typically field a few contacts every month from business owners who are financially stressed. The business owners typically have this, or a variation of this question: my business is in financial trouble, should the business file a bankruptcy? It's such a simple, and such a common question. One of the reasons the United States has a bankruptcy law is to provide a safety net from small business owners - to allow the business owners to take financial risks without having to worry about financial ruin if the business experiences significant reverses. But while the question is simple, the answer is usually at least a little complicated. Let's look at the factors that should be considered in making a decision as to whether to have a business file a bankruptcy case.

#### WHAT IS THE BUSINESS FORM?

The first question is whether the business is a sole proprietorship, a partnership, a limited liability company (LLC) or a corporation. If the business is a sole proprietorship or partnership, the business can't file a bankruptcy - only an individual, personal bankruptcy will discharge the business debts of a sole proprietor or partner. Business debts are listed in the personal bankruptcy as a personal obligation of the bankruptcy debtor; it is in this way that the business financial problems are resolved.

If the business is a corporation or an LLC, then filing a bankruptcy case is possible, if it will benefit the business (or the business owner).

#### ARE THE FINANCIAL OBLIGATIONS THE SOLE RESPONSIBILITY OF THE BUSINESS?

In almost every small business, there are bills owed by the business that are solely in the name of the business.

Common examples are utility bills - or bills for the day-to-day operation of the business, such as internet support or office cleaning. Other business obligations are the responsibility of the business and the business owner(s). This is true of almost every financing agreement and lease agreement - in cases where the business has borrowed money.

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CONTINUE READING**

**Words to live by...**

**"You've always  
had the power my  
dear, you just had  
to learn it for  
yourself."**

**- The Wizard of Oz**

*Testimonial: "We are simply out of words. Your company is the life preserver & lifeguard that stopped my family from drowning."*

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**3** **Minnesota’s only bankruptcy law firm to help you\*\***  
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**plus -**  
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***Testimonial: “You guys are wonderful and so down to earth. You sure make a stressful situation calming.  
The staff is so nice and caring! Thanks much! Bachmans”***

**\*See Guarantee for details**

**\*\*Client to pay costs**

**\*\*\*Requires a Third Party Guarantee**

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