

## The Bankruptcy Practice in Virginia—In Context

Bankruptcy cuts a swath through virtually all aspects of consumer and business endeavors of Virginians, providing essential relief to some but resulting in loss to others. Last year there were more than 49,000 cases filed in the commonwealth. About 97% were personal bankruptcies, although most of the listed debts were owed to businesses. There are 33 states with lower filing rates than Virginia in terms of the number of households per filing. In Virginia last year, one household out of every seventy-one sought debt relief under the bankruptcy laws. In the world of troubled businesses, the fashion in decades past of filing a Chapter 11 (reorganization) case to attempt to restructure debt has faded in popularity. But, Chapter 11 continues to provide solutions in some instances, perhaps more successfully in recent years, as its use has become more carefully considered.

Perhaps you are a Virginia lawyer who knows little about bankruptcy law, beyond having a clear idea that the automatic stay imposed by a bankruptcy filing likely will bring a quick halt to everything you are doing in the case. While the articles in this issue won't teach you enough to make you comfortable with bankruptcy issues, we hope they provide you with a fuller context and round out your knowledge on points that may relate to your practice and interests.

We address two substantive areas that affect many practitioners—divorce and exemptions. For the first, our author analyzes areas in which bankruptcy and divorce law meet with something less than perfect synchronization. The second article will help you sort through the present state of available exemptions, found in too many far-flung sections of the *Virginia Code*, presenting opportunities to the debtor but pitfalls to the debtor's lawyer.

Bankruptcy filings in the Eastern District have been handled electronically for some time now, and the Western District will soon leave behind paper pleadings. This technological change has solved a lot of problems and caused one or two new ones. We are pleased to present an article touching on this topic from both bench and bar perspectives.

For those who practice routinely in the bankruptcy courts of Virginia, the United States Trustee and its office attorneys are familiar figures. The United States Trustee Program's on-going efforts at cleaning out the unfortunate fraud and abuse in the system are the subject of an additional article.



The Bankruptcy Section is pleased to sponsor this issue of *Virginia Lawyer* and, on behalf of the section, I wish to thank all of our authors for their articles. Our section has been active for a dozen years, having hosted a range of seminars for our 775 members and other lawyers, as well as a number of programs targeted to non-lawyers impacted by the bankruptcy system. We hope you will find these articles both interesting and useful.

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