

What's the Deal? Bankruptcy Tips and News

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07.24.2020

In turbulent economic times, clients often ask us how they can find out whether a particular company or person is in bankruptcy. While we can run quick searches for this information, there are ways you can find this information on your own. If a quick Google search does not yield results, two resources maintained by the U.S. federal courts are the Multi-Court Voice Case Information System (McVCIS) and Public Access to Court Electronic Records (PACER). The first resource is free, and the second requires setting up an online account for payment of relatively small fees.

McVCIS is an automated, toll-free telephone system that allows callers to obtain bankruptcy case information by selecting menu options on any touch tone telephone. The McVCIS number in United States is 866-222-8029. A computer-generated voice guides callers through their choices in English or Spanish, ultimately providing the following case-specific information, when available:

- Full name of the debtor or debtors
- Bankruptcy case number
- Case filing date
- Bankruptcy chapter
- Name and telephone number for debtor's attorney
- Name of case trustee (if any)
- Name of Bankruptcy Judge
- Whether there may be assets available to pay creditors
- Status of the case
- Date of first meeting of creditors
- Deadline for filing a proof of claim
- Discharge date
- Date case closed

In order to find information about a particular case using McVCIS, callers need to select the state in which they believe the debtor would have filed their bankruptcy petition. For an individual debtor, usually the filing is in the

state in which the debtor currently resides. For a debtor that is an entity such as a corporation or limited liability company, the filing may occur in the state in which the company was organized or the state where the principal place of business is located. Do not assume that because a business has operations in your state they would have filed a bankruptcy petition there. Many companies are created under the laws of Delaware, and many maintain their headquarters in New York, leading to the multitude of bankruptcy filings in those forums, even for businesses with significant connections elsewhere.

In states where federal courts are divided into more than one district, McVCIS also requires you to select the district in which the bankruptcy case would have been filed. One way to determine the correct district is to use the Federal Court Finder search tool located online at <https://www.uscourts.gov/federal-court-finder/search> Simply type in the name of any city and state in the United States to retrieve a list of federal court offices in the district where the city is located.

After selecting the state (and district, if applicable) in which you want to search, McVCIS will prompt you to enter the name, social security or case number of the party whose case you're trying to find. Using a telephone keypad to spell out names can be tedious, but remember that you aren't paying a fee for your search.

If McVCIS sounds too cumbersome or you don't know which state or district to search, PACER provides the public with a fee-based option to search for federal court records (including bankruptcy cases) using an internet connection. Once a PACER account is created, you can search a nationwide index of bankruptcy cases, eliminating the need to guess where a filing may have occurred. Copies of the actual court record and filings for every bankruptcy case in the United States are accessible 24 hours a day. If you want detailed information and to read documents filed in a debtor's case, PACER is your go-to resource.

To create a PACER account for searching (not filing) purposes, visit <https://pacer.uscourts.gov/register-account/pacer-case-search-only>. Credit card information is required during registration for immediate access and billing. Fees are calculated based on the number of pages retrieved in each search, with a charge of \$0.10 per page, capped at \$3.00 per single document. If total charges in a calendar quarter are \$30.00 or less, fees are waived for that period. For this reason, infrequent users often pay no fees at all. Documents filed in a case are retrieved in PDF format and can be downloaded to your computer for later review. Users have options to save links to specific cases of interest and to save frequent searches.

So, that's the deal with confirming whether someone has filed a bankruptcy case. Stay tuned to Nexsen Pruet's Next Steps newsletter for more practical tips from our Creditors' Rights & Bankruptcy team.