

§ 8.17 Duties and Powers of Administrator.

- (1) The Administrator shall have the following duties and powers:
 - a. Meet with the Debtor forthwith at the Debtor's primary place of business, which in any case shall be within two (2) calendar days of the receipt of the Letter of Authority.
 - b. Take control either by taking possession or securing by lock (or other appropriate means) of all Property as the Administrator may deem appropriate or necessary to preserve the Property pending its final disposition.
 - c. Conduct an inventory of the Property within ten (10) business days of the Receipt of the Letter of Authority.
 - d. Investigate the financial affairs of the Debtor.
 - e. Examine Claims filed by Creditors and file objections to Claims to the extent that they are not valid in accordance with the provisions of this Act.
 - f. Make a prompt written recommendation to the Assigned Judge, with justification predicated on commercial grounds, on whether the business of the Debtor should be (i) continued and the Case treated as a Reorganization Case, or (ii) the business of the Debtor should be sold as a going concern, or (iii) the Debtor's assets should be liquidated according to a Liquidation Plan. In making such recommendation, an Administrator shall be required to give principal consideration to the possible marketing and sale value of any business operated by the debtor as a Going Concern.
 - g. Provide periodic reports to the Assigned Judge in a form and with as much reasonable frequency as may be directed by the Assigned Judge, beginning with monthly reports which may be modified to at least quarterly reports.
 - h. Pay the expenses for the administration of the bankruptcy case but only with the written approval of the Assigned Judge.
 - i. Bring lawsuits or file appeals as Administrator or in the name of the Debtor in any court of competent jurisdiction including the Commercial Court, or in a foreign court having jurisdiction, including but not limited to appealing adverse judgments establishing liability of the Debtor prior to the filing of the case and lawsuits against any persons who refuse, after demand, to turnover Property or money or property that is subject to being rescinded in accordance with Section 8.39 and 8.40 of this Act, or against any person that the Administrator determines

is in breach of obligations owed to the Debtor for the payment of money or for other performance.

- j. Amicably resolve disputes arising in connection with administration of the insolvency case.
- k. Participate in alternative dispute resolution proceedings as may be appropriate in connection with the administration of the insolvency case.
- l. Schedule and preside over meetings of creditors.
- m. Hire attorneys, accountants, auctioneers, appraisers, or other professionals as necessary to administer a bankruptcy case but only with the written order of the Assigned Judge.
- n. In the case of Reorganization, oversee Debtor's continuing operations and if the Debtor's management has been left in charge as Debtor-in-Possession, to provide oversight over Debtor-in-Possession.
- o. Perform other responsibilities and duties prescribed for the Administrator by this Act or by the Assigned Judge.

§ 8.18 Liability of an Administrator

- (1) Subject to paragraph (2) of this Section, the Administrator shall be personally liable for any loss of Property or to Creditors arising from:
 - (a) Criminal activity or corruption by the Administrator in the form of bribes, favoritism, or otherwise undertaken while administering Property;
 - (b) Collusion by the Administrator with any Creditor, buyer or other person in connection with administering assets of the estate;
 - (c) Theft by the Administrator of assets of the estate, including money in bank accounts, cash, or any other property;
 - (d) Dishonesty by the Administrator or in dealing with the Commercial Court, Assigned Judge, Debtor, or Creditors in connection with his/her/its administration of the case; or
 - (e) Gross negligence, recklessness, or bad faith by the Administrator in dealing with Property or in connection with his administration of the case.
- (2) The Administrator shall not be personally liable for any loss of Property if:

- (a) The action leading to the alleged loss was taken pursuant to authority granted under this Act and was approved by the Assigned Judge after full disclosure of all material facts;
 - (b) The action leading to the alleged loss was taken by the Administrator in the good faith exercise of his/her/its business judgment and was consistent with standards of business judgment as they exist in the community; or
 - (c) The action leading to the alleged loss was not the result of bad faith, theft, purposeful deception, or willful and malicious behavior.
- (3) Each Administrator shall be required to post a bond or procure liability insurance at the time of being licensed, and the bond shall continue to be valid for as long as the Administrator remains licensed. The amount and condition of the bond shall be established, regulated and monitored by the Commercial Court.
- (4) Any action against the Administrator arising out of the administration of an insolvency case must be presented first to the Assigned Judge, who may refer it to alternative dispute resolution.

SUB-CHAPTER 4: COMMENCEMENT AND DISPOSITION OF AN INSOLVENCY CASE

§ 8.19 Commencement of a Voluntary Insolvency Case

- (1) A voluntary insolvency case shall be commenced by the Debtor or a Person legally empowered by Debtor to act on its behalf filing a voluntary petition for either a reorganization or liquidation of his/her/its business.
- (2) The petition in a Voluntary Insolvency Case shall include the following information:
- (a) The name of the Debtor and the Debtor's street and mailing address.
 - (b) A schedule of the Debtors assets and liabilities as well as list of all the Debtor's known Creditors and their contact information, including last known mailing address of each of such known creditors
 - (c) All names the Debtor has used during the previous two years.

- (d) A general description of the type of business in which the Debtor is engaged and addresses of all locations at which the Debtor conducts business.
- (e) A statement whether the case is a Reorganization Case or a liquidation case.
- (f) The basis for the assertion that Debtor is an eligible Debtor in accordance with Section 8.5 of this Act; and
- (g) Any such other information reasonably necessary to give adequate notice to all interested persons and also facilitate a timely determination of the Petition.

§ 8.20 Commencement of an Involuntary Insolvency Case

- (1) An Involuntary Insolvency Case shall be commenced in keeping with the Civil Procedure Law by the filing of a verified written Petition by one or more creditors of the Debtor. A Petition for an Involuntary Insolvency case shall state, inter alia, with reasonable details the basis on which the creditor(s) would have the Debtor to be declared insolvent.
- (2) If the Assigned Judge determines that there is no reasonable basis for the commencement of an Involuntary Insolvency Case because the Petition therefor was filed in bad faith and for an improper purpose, the Person against whom the case was filed may bring an action against the Creditor(s) who filed the case in the Commercial Court for any damages suffered as a result of the improper filing.
- (3) Pending the hearing of the Petition in an Involuntary Insolvency Case, the Debtor may continue to operate the Debtor's business in the ordinary course of business, unless otherwise directed by the Assigned Judge based on a determination by the Assigned Judge that imposing restrictions on the operation of the Debtor's business is necessary to prevent fraud or similar misconduct.
- (4) If the Assigned Judge determines that the Debtor is insolvent and that protection of Creditors demands it, an Administrator shall be immediately appointed in accordance with the provisions of Sections 8.13 and 8.15 of this Act.
- (5) The Clerk shall immediately notify the Debtor and other parties appearing at the initial meeting about the appointment of the Administrator.

§ 8.21 Surrender of Records and/or Property by Debtor

- (1) Within Ten (10) days after the hearing of an Insolvency Case pursuant to Sections 8.10 and 8.11 of this Act, the Debtor shall file with the Commercial Court:
 - (a) a complete and accurate list of all of his/her/its Creditors together with their names, addresses, amounts owed, and collateral, if any;

- (b) a complete and accurate list of all Property including a listing of all tangible and intangible assets he/she/it owns, whether owned wholly or in part, together with an estimate of the value of his/her/its interest in each; and
 - (c) copies of all financial records, including all financial statements of the Debtor; and
 - (d) Copies of all executory and ongoing written contracts (for example, leases) to which the Debtor was a party and had contractual rights or duties as of the Commencement Date.
- (1) The Debtor shall provide the Commercial Court and/or the Administrator, if an Administrator is appointed, such additional information relating to the Debtor's assets, liabilities, and financial transactions as may be needed or requested; except that the failure of a Debtor to have revealed any Creditor who was known or should have been known by the Debtor at the time of a Petition for a Voluntary Case or after the hearing of any insolvency case pursuant to Section 8.10 may create a presumption of lack of good faith by the Debtor, which may be considered by the Assigned Judge in the administration of the case, including deciding on applications made by the Debtor.
 - (2) Where an Administrator is appointed and he or she so requests, the Debtor shall deliver to the Administrator either possession or control of all non-exempt property in the possession of the Debtor including but not limited to moveable property, bank accounts, accounts receivable, and cash.
 - (3) The Administrator may, upon notice to the Commercial Court or Assigned Judge and interested parties, authorize the Debtor in writing to make transfers in the Ordinary Course of Business.
 - (4) The Commercial Court may prescribe official forms to be used by the Debtor in fulfilling its obligations under this Section.

§ 8.22 Initial Meeting of Creditors and other Interested Parties.

1. Within thirty (30) days as of the Commencement Date of an Insolvency case and provided notice of the commencement of the Insolvency case has been served in keeping with Section 8.12 of this Act, the Assigned Judge shall convene the first (1st) meeting of all creditors which agenda shall include such matters as provided in Section 8.23 of this Act.
2. Creditors and/or Claimants who appear at the meeting personally, through representative or proxy, shall be considered to constitute a quorum sufficient to appoint the Committee of Creditors. If new Creditors have been identified from additional information obtained pursuant to Section 8.21 of this Act, the Assigned Judge may at

his discretion delay the meeting of all creditors until 45 days after the Commencement Date of the Insolvency Case.

3. The Committee of Creditors described in Section 8.28, with each Creditor nominating his/her/its representative, shall be appointed by the Assigned Judge at the first meeting of creditors described in this section.
4. The Debtor shall attend the initial meeting of creditors, and provide any information on its/his/her affairs that is requested by Creditors or the Administrator. The Debtor shall attend subsequent meetings of Creditors as may be scheduled by the Court or the Administrator, if directed to do so by the Court or Administrator.

§ 8.23 Subsequent Meetings of Creditors.

- (1) Following the holding of the Initial meeting provided for under Section 8.22 of this Act and the appointment of an Administrator, the appointed Administrator shall schedule and preside over the meetings of Creditors to facilitate their participation in the administration of the case.
- (2) All Creditors and their designated representatives may attend and participate in any scheduled meeting of Creditors.
- (3) For a Small Business, the Administrator may notify creditors of the Commencement Date of the case, but may decide not to schedule a meeting of Creditors unless one of the Creditors requests the meeting. The notice to Creditors of a Small Business shall notify such Creditors of their right to request a meeting and to question the Debtor.
- (4) The Debtor, if so directed by the Administrator, shall attend and answer questions submitted by the Administrator and any Creditor at any scheduled meetings of Creditors.
- (5) The agenda for the meetings of Creditors shall be determined by the Administrator and may include:
 - (a) Questioning the Debtor concerning the Debtor's acts, conduct, property, liabilities or other matters relating to the Debtor's financial affairs.
 - (b) At the initial meeting of Creditors, if the business of the Debtor is still operating and has not been terminated pursuant to Section 8.26 of this Act, the Administrator together with the Creditors in attendance may formulate a recommendation to the Assigned Judge on whether or not the business should be continued pending a final resolution on a Liquidation Plan or an Agreement for Settlement.

- (c) Determining the best method to pay Claims of Creditors including sale of the business of the Debtor as a going concern or the sale of its assets in individual lots or piece meal.
- (d) Considering the need for a obtaining an appraisal of Property.
- (e) Considering any proposals by the Debtor or the Administrator for a continuation of the business under an Agreement for Settlement.
- (f) Considering the property claimed as exempt by the Debtor and whether or not to object to the claimed exemption under Section 8.38 of this Act.

§8.24 Declaration for Reorganization.

- (1) At the time of filing a Voluntary Insolvency case, the Debtor may state that the goal of the case is Reorganization. Where the Debtor so states, the Debtor shall state in the Petition or in a separate submission to be filed **within ten (10) days of the filing of the Petition** all relevant information on the financial and business affairs of the Debtor sufficient to permit the Assigned Judge and all interested persons to determine whether there is a reasonable likelihood of approval of an Agreement for Settlement that will produce a more favorable result for Creditors, the Debtor and other interested persons than a Liquidation Plan.
- (2) If the Case is filed by any Creditor(s) as an Involuntary Insolvency case, the Debtor may make an application to the Assigned Judge to convert the case to a Voluntary Case for Reorganization.
- (3) The Assigned Judge may permit the Debtor's current management to remain in place as Debtor-in-Possession (DIP), to manage day to day affairs of the Debtor, while a determination is made to approve the case for Reorganization or Liquidation. In every case where the Debtor is allowed to remain in possession, the Assigned Judge shall appoint an Administrator to supervise Debtor's management.
- (6) The Assigned Judge shall approve and grant Reorganization of the Debtor if the Administrator has recommended it, or if the Debtor has requested it and the Administrator agrees or has not objected to it. The Administrator shall make recommendation specified in Section 8.17(1) (f) within 15 days of opening the case or sooner. If the Administrator has not made such recommendation, and the Debtor has requested that the insolvency be a Reorganization Case, the case shall be treated as a Reorganization Case until the Administrator makes a contrary recommendation. Where Reorganization is not feasible as determined by the Assigned Judge, taking into consideration the Administrator's recommendation, the Debtor shall be subject to Liquidation.
- (7) All Creditors shall be notified of the decision to grant Reorganization. A Creditor may object to granting Reorganization within 15 days of being notified of the Reorganization.

A hearing shall be scheduled to hear such debtor's objection, with notice to all Creditors. Unless an appropriate bond is posted in keeping with applicable laws, a Creditor's objection will not prevent the Debtor's continuing operation and the case will go forward as a Reorganization Case regardless of objection until the Assigned Judge decides that the case should not be a Reorganization Case or an appellate court decides otherwise.

- (8) Where Reorganization of the Debtor is agreed, the Assigned Judge may, in consultation with the Creditors, order that the Debtor be a Debtor-in-Possession (DIP) to be managed or supervised by an Administrator.
- (9) Without prejudice to the provisions of Subsection (3) of this Section 8.24, in a Reorganization Case, pending a determination by the Assigned Judge on the Administrator's recommendation, the Debtor is authorized to continue to operate the Debtor's business in the ordinary course, unless the Assigned Judge determines that imposing restrictions on the operation of the Debtor's business is necessary to prevent fraud or similar misconduct.
- (10) A Debtor authorized to operate the business during the administration of the case shall have the authority and power to conduct only the following specifically enumerated activities:
 - a. purchase goods and services in the ordinary course of business and timely pay for such goods and services;
 - b. enter into and perform contracts in the ordinary course of business;
 - c. pay the wages and other amounts owed to employees for work performed by them after the opening of the Insolvency Case. Executive compensation shall be subject to approval of the Administrator;
 - d. comply with applicable laws, including criminal, labor, environmental, consumer protection and competition laws; and
 - e. do such other acts as may be approved by the Assigned Judge
- (11) The Debtor-In-Possession shall operate under the supervision of an Administrator and shall comply with any restrictions or limitations imposed by the Assigned Judge concerning the operation of the business.
- (12) A Debtor-in-Possession shall not undertake operation of the business outside the ordinary course of business unless with the prior written approval of the Assigned Judge. Operation of the Business outside the ordinary course of business includes any act not commonly undertaken by persons engaged in businesses of a similar nature or size as the Debtor or involving a financial commitment larger than that which the Debtor ordinarily

entered into prior to the commencement of the case, or the giving of security over Property to secure financing.

§ 8.25 Alternative Dispute Resolution.

- (1) The Assigned Judge shall be empowered to refer any dispute between two or more parties in an Insolvency Case, to mediation or other alternative dispute resolution upon the agreement of the parties; provided, however, that no such referral shall be made until after the hearing provided for in Section 8.10 of this Act.
- (2) Debtors, Creditors with contested claims or other disputes, or the Administrator may propose to an Assigned Judge the resolution of any contested matter by way of mediation or other alternative dispute resolution, and the Judge may properly approve or grant such proposal where it has the consent of all interested parties.

§ 8.26 Continuation or Termination of Commercial Activities.

- (1) As promptly as possible, and in any event within twenty (20) days of the appointment of an Administrator in an Insolvency case, the Administrator shall file a recommendation with the Assigned Judge as to whether or not the business of the Debtor should be closed immediately or continued on an interim basis pending final approval by the Assigned Judge of a Liquidation Plan or Agreement for Settlement.
- (2) Within ten (10) days following receipt of a recommendation by the Administrator on continuation or closing of the business of the Debtor, the Assigned Judge shall make a determination as to whether or not the Debtor may continue in business pending final consideration by the Assigned Judge of a Liquidation Plan or Agreement for Settlement. In making this determination, the Assigned Judge shall consider what is in the best interests of creditors, employees, trading partners, the Debtor, and the community as a whole, and whether Debtor is acting in good faith.
- (3) Upon at least seven days' notice by the Clerk, the Administrator, the Debtor, and any Creditor may appear and be heard at a hearing held by the Assigned Judge to consider continuation of the Debtor's business.
- (4) If the Assigned Judge determines to allow the Debtor to continue in business pending final consideration by the Assigned Judge of a Liquidation Plan or Agreement for Settlement, the Debtor may continue to operate the business as a Debtor-in-Possession with an Administrator as supervisor, subject to such additional limitations and conditions upon the Debtor as the Assigned Judge deems appropriate to include a specification of the degree of control to be exercised by the Administrator over the conduct of the business during this interim period.

§ 8.27 Moratorium on Legal Action(s)

- (1) Upon the commencement of an Insolvency Case, a moratorium is automatically imposed on all legal proceedings and other actions (including repossession of collateral or seizing of assets to satisfy debts) by Creditors or by counterparties to ongoing contracts with the Debtor. No such action or legal proceeding shall be commenced or recommenced without permission from the Assigned Judge, and any action so take in violation of this prohibition shall be void.
- (3) In a Liquidation Case, any Creditor that holds a valid Secured Claim based on a lien or other interest in any Property of the Debtor shall, upon notice to the Assigned Judge, be relieved from the moratorium established by Sub-section One (1) of this Section 8.27 and thereby entitled to continue, commence or recommence actions to enforce its rights against the Debtor or the Property subject to the Secured Claim.
- (3) The provisions of this Section 8.27 shall not apply to any act by an agency, department, or other unit of the Liberian government to enforce against the Debtor or the Administrator any laws or regulations governing health, safety, or welfare, including criminal, environmental, labor, consumer protection or competition laws.
- (4) Any Person who is the owner of a property that is subject to a Finance Lease held by the Debtor may file a request with the Assigned Judge to be relieved from the moratorium in respect of the Property pursuant to the person's rights provided under the Finance Lease Chapter of the Liberia Commercial Code.
- (5) In respect of any request made pursuant to the provisions of this Section 8.27, the Assigned Judge shall consider any such request and schedule a hearing to hear the request within ten (10) days from the filing of the request. The Creditor, the Administrator and other interested persons shall be entitled to be heard at the hearing to consider the request. The Assigned Judge shall issue a decision at the hearing, or if necessary to consider evidence presented at the hearing, and produce a written order with the decision within 5 days of the hearing. The decision shall be filed with the Clerk and the Clerk shall transmit it to all Creditors. If the Assigned Judge denies the request, the Judge shall impose such conditions on the continuance of the suspension as necessary to protect the Secured Claim.
- (6) In all events, the moratorium will remain in place as to the unsecured portion of the Creditor's Claim.

§ 8.28 Rights and Power of Creditors

- (1) A Creditors' Committee of Creditors' representatives, appointed by the Assigned Judge according to Section 8.22 of this Act at the Initial meeting of creditors shall have the right to:

- (a) consult with the Administrator or Debtor-in-Possession concerning the administration of the case;
 - (b) investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of the business, and any other matter relevant to the case or to the formulation of a plan;
 - (c) participate in the formulation of a plan, advise those represented by the committee of the committee's determinations as to any plan formulated, and collect and file with the Assigned Judge acceptances or rejections of a plan;
 - (d) request the appointment of an Administrator; and
 - (e) perform such other services as are in the interest of those represented.
- (2) Subject to approval by the Assigned Judge, a creditor's committee may employ attorneys, accountants and other professionals at the expense of the estate that may be needed to assist the committee to perform its functions.
- (3) An attorney or accountant employed to represent a committee appointed under this Law may not, while employed by the committee, represent any other entity having an adverse interest in connection with the case. Representation of one or more creditors of the same class as represented by the committee shall not per se constitute the representation of an adverse interest.
- (4) A committee appointed under this Section shall establish rules to govern the performance of the functions and decision-making of the committee, including rules relating to majorities and voting, as prescribed in Section 8.22 and this Section 8.28 of this Act
- (5) As soon as practicable after the appointment of a committee under this Law, the Administrator shall meet with the committee to transact such business as may be necessary and proper.
- (6) Members of the creditor committee are exempt from liability for their actions in their capacity as members of the committee unless they are found to have acted fraudulently.
- (7) Individual members of the Creditor's Committee may be removed or replaced on the grounds of lack of the necessary skills, gross negligence, incompetence or inefficiency. The Creditor shall be allowed to replace the removed member with another representative.

§ 8.29 Formulation of an Agreement of Settlement

- (1) The Debtor, with the help of the Administrator, or the Administrator, in consultation with the Debtor, shall attempt to formulate an Agreement for Settlement that:
 - (a) Will achieve the highest and best recoveries for creditors;
 - (b) Is reasonably achievable and based on realistic assumptions;
 - (c) Treats creditors and other persons fairly in light of their legal rights;
 - (d) Considers the interests of creditors, the Debtor, and other interested persons;
 - (e) Facilitates a reasonable reorganization of the debtor and the continuance of the Debtor in business; and
 - (f) Complies with this Act.
- (2) The proponent of the Agreement for Settlement, Debtor and/or Administrator shall negotiate with the Creditors and other interested parties as appropriate concerning the terms of an Agreement for Settlement.
- (3) An Agreement for Settlement may propose any treatment of Claims of Creditors and may deal with Property in any lawful manner, including by way of illustration, by providing for:
 - (a) Modifying the terms for repayment of the Claims of Creditors, whether secured or unsecured.
 - (b) Issuance to Creditors of new debt of the Debtor and/or of ownership of the Debtor in exchange for the Creditors' existing Claims, with the existing ownership of the Debtor being extinguished in whole or in part.
 - (c) The retention by the Debtor of all or part of the Debtor's property and business.
 - (d) The sale of all or part of the property or business of the Debtor, with the proceeds of such sales being used to repay Creditors and/or to invest in the Debtor's business.
 - (e) The investment by one or more persons of money or property in the Debtor, with such investment to be in return for the issuance of debt and/or ownership and with the proceeds of such investment to be used to make payments to Creditors and/or to invest in the business of the Debtor.
 - (f) Any combination of the above transactions or any other lawful transactions.

§ 8.30 Agreement for Settlement Negotiated Before the Start of the Case.

- (1) If the Debtor has proposed to Creditors an Agreement for Settlement before the start of the case, the information provided by the Debtor for declaration of Reorganization shall include the Agreement for Settlement, along with its terms and Debtor's financial information and support for why the Agreement for Settlement is likely to be successful, as well as why the Agreement for Settlement will provide a greater return to Creditors than would a Liquidation Plan.
- (2) The Administrator shall provide an assessment of the Agreement for Settlement to the Assigned Judge and Creditors within 10 days of submission of the Agreement for Settlement by Debtor.
- (3) If the Assigned Judge determines that pursuing approval of the proposal is in the best interests of Creditors and other interested persons, the Assigned Judge shall set a hearing to consider approval of the proposed Agreement of Settlement by the Creditors in accordance with the provisions of this Act with such modifications as the Assigned Judge deems appropriate and consistent with the terms of this Act.

§ 8.31 Agreement for Settlement.

- (1) The Debtor and/or Administrator shall endeavor to file an Agreement for Settlement with the Commercial Court as promptly as possible after the case is approved as a Reorganization Case by the Assigned Judge, but in no more than ninety (90) days after the date of such approval, unless that date is extended by the Assigned Judge for cause.
- (2) For a Small Business Reorganization Case, the Administrator will work with the Debtor and Administrator to file the Agreement for Settlement within 45 days of the date of approval of the case as a Reorganization Case.
- (3) The proposed Agreement for Settlement shall include:
 - (a) A list of all Secured Claims specifying amounts and collateral for each such Secured Claim.
 - (b) A list of all Unsecured Claims specifying amounts of claims
 - (c) A proposal for the repayment of Secured Claims and Unsecured Claims and the terms of repayment, including any compromise of claims.
 - (d) A proposal for dealing with the property and business of the Debtor.

- (e) A proposal for treatment of all ongoing contracts of the Debtor
 - (f) Sufficient information concerning the Debtor's prospects and ability to perform the Agreement for Settlement to better enable the Creditors to make an informed decision on whether to accept the Agreement for Settlement. The information that the Debtor must provide with the Agreement for Settlement may be specified in rules of the Commercial Court to be adopted after passage of this Act.
- (4) The Assigned Judge shall schedule a hearing within 30 days after the filing of the proposed Agreement for Settlement to consider approval of the agreement. Notice of the meeting scheduled to consider approval of the proposed Agreement for Settlement, along with a copy of the proposed Agreement for Settlement, shall be provided to the Debtor and all Creditors.
- (5) In order for a proposed Agreement for Settlement to be accepted by the Creditors, the proposed Agreement for Settlement must receive the affirmative vote in favor of acceptance of the Creditors as follows:
- (a) Each Creditor holding a Secured Claim must vote in favor of the treatment provided for the repayment of its Secured Claim as provided for in the proposed Agreement for Settlement. Notwithstanding the foregoing, the Assigned Judge may treat a Creditor holding a Secured Claim as if it had voted in favor of the Agreement for Settlement upon satisfaction of the conditions relating to the Treatment of a Secured Claim Under Agreement for Settlement as set forth in this Act in Section 8.36.
 - (b) Approval of the Agreement for Settlement by unsecured Creditors is based upon those Creditors that attend the meeting either in person or through proxy. Of those that attend, more than half in number of Creditors holding at least two thirds in amount of the total unsecured Claims represented at the meeting must vote to accept the proposed Agreement for Settlement.
 - (c) For purposes of this Section only, the holder and the amount of a Claim shall be presumed to be the same as listed and filed with the Court by the Debtor, unless an objection is filed to the listing by the Administrator, a Creditor, or the Debtor. If an objection is filed, the Assigned Judge shall convene a hearing to consider the objection. At such hearing, after considering evidence from the Administrator, the Debtor, and any Creditor in attendance, the Assigned Judge shall make a determination as to the proper amount of the Claim.
- (6) Each Creditor, in deciding on whether to vote for or against the proposed Agreement for Settlement, may consider the following:

- (a) Whether the proposal will result in more being paid to or recovered by the Creditor than would be paid or recovered if the Debtor's assets were sold in accordance with a Liquidation Plan.
 - (b) The causes of the inability of the Debtor to pay the creditors. Causes that may be viewed unfavorably include fraud and dishonesty in dealing with creditors, concealment of assets, and transfers of assets to keep them from creditors. Causes that may be viewed favorably include economic conditions beyond the control of the Debtor, the failure of third parties to pay money owed to the Debtor, sickness, losses caused by force majeure, or other events not caused by the Debtor.
- (7) If the Agreement for Settlement fails to obtain the required approval of Creditors, the Assigned Judge may allow a continuance of 30 days to allow amendment of the plan if the Assigned Judge, in consultation with the Administrator and Creditors, believes that amendment of the Agreement for Settlement may lead to its approval. A new Agreement for Settlement must be submitted within the 30 day continuance, after which a subsequent hearing will be convened, with notice to Creditors and which will be conducted according to the provisions set forth for voting in this Section 8.31. The Creditors will vote again according to the provisions of this Section 8.31.
- (8) The Assigned Judge shall approve the proposed Agreement for Settlement if each of the following conditions is satisfied:
 - (a) Creditors have approved the plan or have been deemed to approve it as described in 5(a) and 5(b) of this Section 8.31.
 - (b) The Debtor shall have given a written commitment to comply with the terms of the Agreement for Settlement containing such terms and conditions as the Assigned Judge deems appropriate under the circumstances. The written commitment shall be filed with the Clerk and served on the member and/or the leader of the Creditors' Committee.
 - (c) The Assigned Judge shall have determined that the Agreement for Settlement was proposed in good faith, complies with the requirements of this law, and is not likely to result in a need for further reorganization or liquidation.
- (9) Upon approval of an Agreement for Settlement, the Debtor and/or Administrator (as the case may be) shall not commence or continue any actions to collect and dispose of the Estate, except as permitted by the Agreement for Settlement.
- (10) An Agreement for Settlement that is approved by the Assigned Judge:
 - (a) Shall be binding on all persons, wherever located, whether or not such persons voted for or against the Agreement for Settlement or filed a claim in the case,

- (b) After the satisfactory completion of the Agreement for Settlement pursuant to paragraph (11) of this section, releases and discharges the Debtor from liability on all Claims, except as otherwise provided in the Agreement for Settlement
 - (c) Entitles the Debtor to restoration of credit and reputation after the satisfactory completion of the Agreement for Settlement pursuant to paragraph (11) of this section.
- (11) Following the approval of an Agreement for Settlement, the Administrator shall have the obligation to monitor the Debtor's compliance with the Agreement for Settlement and to report the status of such compliance to the Assigned Judge on a periodic basis as directed by the Assigned Judge.
- (12) Upon fulfillment of the obligations imposed under the Agreement for Settlement and the written commitment described in this Section, the Administrator shall certify such compliance to the Assigned Judge. All Creditors shall receive prompt notice of such certification and be given an opportunity to object to the certification. If no objection is received, the certification shall be considered final. If an objection is received, the Assigned Judge shall schedule a hearing to consider the objection. The Administrator and the Debt or may also be heard at this hearing. The Assigned Judge shall make a determination of whether or not the obligations imposed by the Agreement for Settlement have been fully performed.
- (13) If the debtor has performed the Agreement for Settlement by making the payments provided therein and performing any other obligations imposed in the agreement, the debtor shall be discharged of all debts treated in the Agreement. No creditor shall take any action, directly or indirectly, thereafter to attempt to collect such a debt.
- (14) After the Assigned Judge has determined that the obligations under the Agreement for Settlement have been fully performed, and no other matters are pending relating to the insolvency case, the Clerk shall close the case.
- (15) If the Debtor fails to properly implement the Agreement for Settlement, a Creditor or the Administrator can notify the Assigned Judge of the failure in implementation and the Assigned Judge shall review the Debtor's situation, and ask the Administrator for a report on the likelihood that Debtor will be able to fulfill the Agreement for Settlement. The Assigned Judge may, as appropriate:
- a. Permit minor modifications to the Agreement for Settlement that allow Debtor to continue implementation so long as the modified Agreement for Settlement complies with the requirements in this Act for an Agreement for Settlement. The creditors affected by such proposed modifications must be notified of the proposed modifications and such Creditors may object in writing to the Assigned Judge within 30 days of being notified of the modifications or otherwise be deemed to have accepted the modifications. If a