

D.N.J. LBR 3021-1. Chapter 11 Plan Distributions

(a) Disbursing agent. A chapter 11 plan providing for distribution of property must designate a disbursing agent and state the terms of any compensation to the disbursing agent.

(b) Deposit of funds. The disbursing agent must deposit funds in a segregated account. Distributions from the account must indicate the source of the funds.

(c) Funds held for more than 30 days. If the chapter 11 plan requires the disbursing agent to maintain funds for more than 30 days, the funds must be held in an interest-bearing account or certificate for the benefit of creditors and interest holders.

(d) Report of Distributions. Within 14 days after each distribution, and until the case is closed, the disbursing agent must file and serve on the debtor, the chapter 11 plan proponent, the United States Trustee, and any official committee Local Form *Report of Distributions Under Confirmed Chapter 11 Plan*.

(e) Unclaimed distributions. Unclaimed security, money, or other property must be returned to the debtor or the entity acquiring the assets of the debtor under the chapter 11 plan not later than 180 days from the date of distribution unless the plan provides otherwise.

(f) Individual debtor. Except in the case of a plan confirmed under § 1191(a) or (b) of the Code, a chapter 11 debtor who is an individual must file Local Form *Chapter 11 Individual Debtor's Certification of Completion of Plan Payments and Notice to Creditors* after the final distribution.

2021 Comment

Subdivision (f) is amended due to the enactment of the Small Business Reorganization Act of 2019.

2015 Comment

Subdivision (a) has been amended to require that a chapter 11 plan providing for distribution of property must designate a disbursing agent.

Subdivision (b) has been amended to eliminate the requirement in the former rule that a distribution be only by check. The Rule now permits distribution by other means, such as electronic transfer. If a check is used, it must identify the case name and the disbursing agent's name.

Subdivision (e) supplements § 347(b) of the Code, and in the absence of a time period set forth in a plan, provides a deadline for return of unclaimed security, money, or other property.

Subdivision (f) supplements § 1141(d)(5) of the Code, which provides that in a case in which the debtor is an individual the court does not grant a discharge until the debtor has completed all payments under the plan.