# Night study guide answers chapter 1-3

Without the luxury of a unique product, virtual receptionist company Answer 1 tackles customer service and marketing with a unique and diverse target audience. By partnering with ConsumerAffairs, Answer 1 was able to communicate with consumers further down the sales cycle, making it one of the most profitable marketing channels for the company. Problem: Providing support in the digital age (lly dependent)As the business community continues to shift to more digital-oriented service offerings, companies that want to remain at the forefront continue to increase their dependence on technology integration at all levels. Answer 1 knows that it is important that response services change over time. Virtual receptionist services, such as those offered by Answer 1, respond to this call for a more integrated digital solution, leaving traditional ol' response services to fall on the sidelines in favour of advanced service offerings such as planning, bilingual on-demand translation, ordering, support for emails and texts , online chat and CRM data entry to name a few. Goals: Personalization is essential with a diverse customer baseThe goal of Answer 1 is to act as an extension of their customers' activities, and with such a large customer base, representing small and large companies in many different sectors, this means that Response 1 must adapt to provide a personalized service offering to best meet the needs of each customer. With a variety of services, from simple call response to Level 1 IT support, Response 1 is able to respond to this call for customization and serve each of their customers in a unique way to their needs. Read the full case study here. Chapter 12 is a special type of bankruptcy specifically for a person who meets the definition of family farmer or family fisherman. The person must also have what is known as regular annual income. Definition deeperChapter 12 bankruptcy does not automatically clear all your debts. Instead, you must file a repayment plan, similar to the bankruptcy of Chapter 13. A person, an individual and their spouse can apply for bankruptcy protection under Chapter 12, but most of their debts must be related to their farm or fishing business. This includes debts that are fixed, but exclude the registrant's home. For a family farmer, at least 50 per cent of the debt must be business-related, and for a fisherman, at least 80 per cent to be. In addition, at least 50 per cent of their income must come from the business for the previous tax year. For family farmers, this includes the previous three tax years. They must have a regular annual income in order to have the financial resources to make a long-term plan to repay their creditors over a period of 3 to 5 years. As with other types of bankruptcy, anyone filing Chapter 12 must a petition to the court that serves their area, as well as the documentation and documents required. This includes disclosure of their assets and liabilities, their income and expenses, as well as a statement of their financial affairs. They must provide detailed lists of all income as well as all business and subsistence expenses, as well as a detailed list of all assets as well as a list of each creditor and the sums owed. Read more: What is bankruptcy? Chapter 12 exampleYou run a family farm business and have had to replace several expensive pieces of equipment over the past two years. There has also been a drought that has hurt your crops so you have produced fewer products for sale. Not only do you earn less money, but you also spend more because of business-related expenses. If at least 50 per cent of your debt is tied to running your business, you can file for bankruptcy in Chapter 12 and create a 3 to 5 year plan to help you pay your creditors while allowing your financial situation to recover. Debt management calculators. Chapter 7 refers to a chapter in the bankruptcy code that provides for liquidation. Under Chapter 7, your debt is paid, but your property is sold, and the proceeds are distributed to your creditors. Deeper definitionBankruptcy exists to give people a new financial start. Although Chapter 7 allows you to become debt-free, it is not without price. In exchange for a clean slate, you will become expected to hand over personal property for sale. Depending on the state in which you live, your home, pension, car, personal belongings, coin collections, jewellery and other personal property may be liquidated to pay your creditors. Each state has a set of its own exemptions, although 17 states allow you to choose between your state exemptions and the federal bankruptcy exemptions set out by Congress.California offer two sets of state exemptions for debtors to choose from. If you live in one of the 17 states that allow you to choose between state and federal exemptions, you must choose one. You cannot choose between the provisions of the two codes. Exemptions work like this: Say you own a car that is worth $5,000, and the vehicle exemption in your condition is $6,000. You would be able to keep your current vehicle. However, if your car is worth $15,000, the bankruptcy trustee will probably sell your car, pay off the loan and pay you $6,000 for the exemption. Any other money from the sale of the car would be spent on other unsecured creditors. Debt management calculators. Chapter 7 example No one wants to declare bankruptcy, since it remains on a debtor's credit file for 10 years. If you find yourself unable to pay your bills or put food on the table however, bankruptcy may be the right option. According to FindLaw, Chapter 7 can help you in five ways: you can make a fresh start. You can keep your future income. There is no limit amount of debt you can claim. There is no repayment plan to follow. Debt repayment occurs quickly. Find out more about life after bankruptcy. Chapter 9 is a chapter of the bankruptcy code that deals specifically with a municipality's debts, such as a city or city. The chapter allows the municipality to make a plan to repay or adjust its debts while offering protection against creditors. Further definitionChapter 9 of the bankruptcy code covers the needs of cities, counties, school districts, municipal utilities, villages and tax districts. Individuals and corporations are not eligible to file for bankruptcy in Chapter 9. Chapter 9 is also not accessible to states. To be eligible for bankruptcy in Chapter 9, a municipality must meet four requirements: it must be insolvent. It must make a plan to reorganize or adjust its debts. It must obtain the agreement of a majority of its creditors, have failed to negotiate with the majority of its creditors or be unable to negotiate with its creditors. It must be authorized to be debtord by a government agent or organization, or by state law. The objective of Chapter 9 is to protect municipalities from creditors as they work to develop a debt reorganization plan. A municipality can reorganize its debts by refinancing, reducing interest due or the amount of capital, or extending the debt repayment period. Unlike other chapters of the bankruptcy code, there is no chapter 9 asset liquidation. Chapter 9 exampleSins since Chapter 9 was added to the bankruptcy code in 1937, approximately 10 Chapter 9 petitions have been filed each year. This is much less common than other bankruptcies. Some chapter 9 bankruptcies have been remarkable. In 1994, Orange County, California, sought to restructure a $1.7 billion debt, the largest municipal bankruptcy declaration at the time. In November 2011, Jefferson County, Alabama, asked for help restructuring a $4 billion debt, which stems from an investment in a local sewer system gone wrong. In July 2013, Detroit became the largest city in the United States to file for Chapter 9 bankruptcy with an estimated debt of between $18 billion and $20 billion and 100,000 creditors. The approved repayment plan for the city cut about $7 billion from its debt. Debt management calculators. In the chapter 7 and Chapter 11 bankruptcy events, shareholders of companies filing for bankruptcy will see very little or no return on their investments. However, there are significant differences between these two filings. Bankruptcy companies in Chapter 7 have moved beyond the reorganization stage and must sell any assets that are notmped to pay creditors. Creditors whose claims are secured are prioritized over those whose claims are not guaranteed in the event of a Chapter 7 bankruptcy. Chapter 11 bankruptcy allows the company to reorganize its debt and try to re-emerge again Bankruptcy in Chapter 7 is sometimes referred to as liquidation bankruptcy. Companies that experience this form of bankruptcy have moved beyond the reorganization stage and must sell unseeded assets to pay their creditors. In Chapter 7, creditors recover their debts based on how they lent the money to the company, also known as the absolute priority. A trustee is appointed to ensure that all secured assets are sold and that the proceeds are paid to specific creditors. For example, secured debt would be loans issued by banks or institutions based on the value of a specific asset. Whatever assets and residual cash remain after the payment of all secured creditors, they are pooled to be paid to all outstanding creditors with unsecured loans, such as bondholders and preferred shareholders. To qualify for Chapter 7 relief, a debtor may be a corporation, a person or a small business. However, it is prohibited to file for bankruptcy if, within the previous 180 days, another bankruptcy application has been dismissed because of the debtor's failure to go to court. A debtor also waives the right to file for bankruptcy if the debtor agrees to dismiss an old case after the creditors have applied to the bankruptcy court for the right to seize the assets over which they hold the liens. Chapter 7 Known as bankruptcy liquidation Assets are sold by a trustee to pay their debts When all assets are sold, the remaining debt is usually forgiven Most often filed by individuals Chapter 11 Known as bankruptcy reorganization Debts are restructured. by a trustee and the company continues All debt must be repaid by future profits Most often filed by companies Chapter 11 bankruptcy is also known as reorganization or rehabilitation of bankruptcy. Almost anyone can file for Chapter 11 bankruptcy, including individuals, businesses, partnerships, joint ventures and limited liability companies (LDCs). There is no specified debt limit and no income required. However, Chapter 11 is the most complex and generally the most expensive form of bankruptcy. Thus, it is most often used by companies and not by individuals. It is much more involved than Chapter 7 because it allows the company to reorganize its debt and try to re-emerge as a healthy organization. This means that the company will contact its creditors in an attempt to change terms of the loans, such as the interest rate and the dollar value of payments. A Chapter 11 case begins with filing an application in the bankruptcy court where the debtor lives. The application may be voluntary, which is filed by the debtor, or involuntary, which is filed by creditors who meet certain requirements. The Small Business Reorganization Act 2019, which came into force on February 19, 2020, added a new Chapter V sub-Chapter 11 to easier for small businesses, which are defined as entities with less than $2.7 million in debt that also meet other criteria, according to the U.S. Department of Justice. The Act imposes shorter time frames to complete the bankruptcy process, allows for greater flexibility in negotiating restructuring plans with creditors, and provides for a private trustee to work with the small business debtor and its creditors to facilitate the development of a consensual reorganization plan. The Coronavirus Assistance, Aid and Economic Security Act (CARES), signed by President Trump on March 27, 2020, has made a number of changes to bankruptcy laws to make the process more accessible to businesses and individuals economically disadvantaged by the Covid-19 pandemic. These include raising the debt limit in Sub-Chapter 11 of Sub-Chapter V to $7,500,000 and excluding federal emergency assistance payments due to COVID-19 from the current monthly income in Chapter 7. The amendments apply to bankruptcies filed after the adoption and termination of the CARES Act one year later. Like Chapter 7, Chapter 11 requires that a trustee be appointed. However, rather than selling all assets to repay creditors, the trustee oversees the debtor's assets and allows businesses to continue. It is important to note that the debt is not absolved in Chapter 11. Restructuring only changes the terms of the debt, and the company must continue to repay it through future profits. If a company succeeds in Chapter 11, it is generally expected to continue to operate effectively with its newly structured debt. If it is not successful, it will file a file for Chapter 7 and liquidate.