

Support the Bankruptcy Venue Reform Act

Introduce and Support it Today!



Iowa Needs Venue Reform

Rampant forum shopping of large and small chapter 11 bankruptcy cases hurts Iowa's interests, citizens and business climate, millions lost.

A loophole in federal law has allowed some companies based in Iowa to file for bankruptcy elsewhere. When small and large businesses file bankruptcy in DE or NY, Iowa's interests are ignored, harming your local creditors, employees, retirees, and communities. Why? Because having far-away courts with no local connection hear bankruptcy cases hinders access, increases costs, diverts economic activity away from your state, and thwarts development of bankruptcy law.

This is forum shopping and it's bad for Iowa.

Solution: Require Filing Chapter 11's in Local Districts

Local stakeholders expect to work out problems with companies near them, not in a distant bankruptcy court chosen by the debtors.



Davenport Based

Happy Joe's Pizza filed 4 Subchapter V cases in Delaware in Sept. 2022

Davenport Based

Lee Enterprises, a far-reaching newspaper publisher filed in Delaware in 2011.

Sioux Falls-based

VeraSun, an ethanol producer with over 6,000 Iowa farmers having contracted corn sales filed in Delaware in 2009.

Ames Based

Hawkeye Renewables, an ethanol and distillers grain company, filed in Delaware in 2009.

Companies with ties to Iowa forum shop, hurting Iowa's economy and disenfranchising Iowa citizens who cannot afford to travel to distant bankruptcy courts to protect their rights.

Notes: Data for 2004 through 2018. Lost revenue based on Bloomberg Business Week (Feb. 10, 2012) article that estimates \$300 million per year transferred to Delaware and SDNY for legal fees, hospitality and other spending from cases, averaging 4.5 million per case. Forum-shopped cases based on venue group research; details available.