

Pensacola Bankruptcy Lawyers Explain the Backlash Bankruptcy Courts are Receiving from Congress

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Pensacola, FLA. ? Bankruptcy courts are experiencing backlash from the congressional Democrats. The growing trend involves the protection of accused wrongdoers, despite the lack of seeking chapter 11 protection on their own. Lewis and Jurnovoy, experienced Pensacola bankruptcy lawyers, explain that bankruptcy protects businesses from their creditors but oftentimes, judges choose to provide the same security to the business?s affiliates, owners, and other stakeholders. This practice of protecting third parties from responsibility through settlement payments continues to become more common and accepted during Chapter 11 cases.

Congressional leaders are currently thinking about disallowing bankruptcy courts to sign away legal claims unless all creditors are in agreement. This is a part of the effort to keep bankruptcy courts from settling third-party legal claims. Although bankruptcy courts have been issuing this type of release to third parties for years, Congress is reevaluating the system.

Purdue Pharma LP, the producer of OxyContin, filed for bankruptcy in 2019 because of an abundance of lawsuits resulting from opioid addiction. However, the noteworthy point of this case is that members of the Sackler family who own the company are getting lawsuits filed against them personally. This is one of the main factors that drove Congress to reevaluate the system.

It is the Democratic Party?s goal to block a key element of Purdue?s repayment plan. They also want to decrease the power of bankruptcy courts by preventing them from being able to freeze litigation against third parties in the midst of repayment plans being established.

Lewis and Jurnovoy are reputable debt relief lawyers who have been practicing law for over 20 years. They make it a priority to keep an eye on the industry and provide up-to-date information to their community, regarding any changes or important events in bankruptcy law. Lewis and Jurnovoy currently serve clients across the Panhandle in Crestview, Pensacola, Panama City, and Fort Walton Beach. For further inquiries or to schedule a free consultation, give Lewis and Jurnovoy a call today at?850-409-3350 or visit their website at?https://lewisandjurnovoy.com/.

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The primary emphasis of our law firm is in the representation of individuals in Chapter 13 bankruptcy, Chapter 7 bankruptcy,mortgage foreclosures, mortgage modifications and protecting against abusive debt collectors.

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