1. **General Observations: The World Before Bankruptcy**

   Corporate financial distress has changed considerably since LoPucki and Whitford first developed the Bankruptcy Research Database (BRD) in the early 1990s. Among other things, power has shifted away from traditional management, and to creditors, who are often professional distress investors with complex strategies and portfolios. As Nini et al. (2009) have observed, most companies that default on debt contracts do not commence a chapter 11 case, but nevertheless cede some control to creditors. Many important decisions about the fate of a distressed firm, therefore, will be made before a formal chapter 11 filing, by or for the benefit of creditors. I have tried to explore this with qualitative data, but also believe there are ways to supplement or otherwise use the BRD to capture this information quantitatively.

2. **Some Agenda Items**

   2.1 **Pre-Bankruptcy 8-K Default Announcements.** Do BRD companies report debt covenant defaults on Form 8-K prior to bankruptcy? Although Nini et al. track 8-K default data, they do not study companies that eventually file under chapter 11. I would propose to add this data to the BRD. The research questions would therefore ask when (or whether) such announcements are made, what they say, and how the foregoing correlate to case outcomes.

   2.2 **Governance Changes.** One reason to collect pre-bankruptcy 8-K data is to investigate corporate governance changes before bankruptcy. For example, I hope to track the (rise in) use of turnaround managers and other major governance changes before (or during) the case, both in terms of personnel (e.g., the board or senior executives) and organic documents (charter/bylaw amendments), especially as made at the behest of creditors.

   2.3 **Committee Effects.** I would collect pleadings for (some) BRD cases to determine the effect (if any) of a creditors committee objection to (i) major sale procedures motions, (ii) DIP financings, and/or (iii) plan confirmation (perhaps including disclosure statement objections). The research question asks whether, other things equal, such objections matter. Harner and Marinic (2010) present some data on some of these questions using a smaller sample. I would expand and deepen the inquiry. (This project would likely require qualitative data, as well, because committees may “object” informally, without filing pleadings.).

3. **Using the BRD**

   I have used the BRD as a starting point for a study of the use of examiners (2010). I did not use the entire BRD, but instead selected certain cases and fields. I then supplemented those fields with additional hand-collected data to create my own dataset. That would be my basic strategy for the projects described below.

   As others will doubtless note, the BRD is a large dataset (by number of fields), which can make it unwieldy. At the same time, there are many missing values. Nevertheless, it is an extremely valuable resource, and I expect this conference will make it even more so.

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