

United States Code Annotated  
Title 11. Bankruptcy (Refs & Annos)  
Chapter 11. Reorganization (Refs & Annos)  
Subchapter II. The Plan (Refs & Annos)

11 U.S.C.A. § 1123

§ 1123. Contents of plan

Effective: October 17, 2005

[Currentness](#)

- (a)** Notwithstanding any otherwise applicable nonbankruptcy law, a plan shall--
- (1)** designate, subject to [section 1122](#) of this title, classes of claims, other than claims of a kind specified in [section 507\(a\)\(2\)](#), [507\(a\)\(3\)](#), or [507\(a\)\(8\)](#) of this title, and classes of interests;
  - (2)** specify any class of claims or interests that is not impaired under the plan;
  - (3)** specify the treatment of any class of claims or interests that is impaired under the plan;
  - (4)** provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest;
  - (5)** provide adequate means for the plan's implementation, such as--
    - (A)** retention by the debtor of all or any part of the property of the estate;
    - (B)** transfer of all or any part of the property of the estate to one or more entities, whether organized before or after the confirmation of such plan;
    - (C)** merger or consolidation of the debtor with one or more persons;
    - (D)** sale of all or any part of the property of the estate, either subject to or free of any lien, or the distribution of all or any part of the property of the estate among those having an interest in such property of the estate;
    - (E)** satisfaction or modification of any lien;
    - (F)** cancellation or modification of any indenture or similar instrument;

(G) curing or waiving of any default;

(H) extension of a maturity date or a change in an interest rate or other term of outstanding securities;

(I) amendment of the debtor's charter; or

(J) issuance of securities of the debtor, or of any entity referred to in subparagraph (B) or (C) of this paragraph, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purpose;

(6) provide for the inclusion in the charter of the debtor, if the debtor is a corporation, or of any corporation referred to in paragraph (5)(B) or (5)(C) of this subsection, of a provision prohibiting the issuance of nonvoting equity securities, and providing, as to the several classes of securities possessing voting power, an appropriate distribution of such power among such classes, including, in the case of any class of equity securities having a preference over another class of equity securities with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in the payment of such dividends;

(7) contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan and any successor to such officer, director, or trustee; and

(8) in a case in which the debtor is an individual, provide for the payment to creditors under the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan.

(b) Subject to subsection (a) of this section, a plan may--

(1) impair or leave unimpaired any class of claims, secured or unsecured, or of interests;

(2) subject to [section 365](#) of this title, provide for the assumption, rejection, or assignment of any executory contract or unexpired lease of the debtor not previously rejected under such section;

(3) provide for--

(A) the settlement or adjustment of any claim or interest belonging to the debtor or to the estate; or

(B) the retention and enforcement by the debtor, by the trustee, or by a representative of the estate appointed for such purpose, of any such claim or interest;

- (4) provide for the sale of all or substantially all of the property of the estate, and the distribution of the proceeds of such sale among holders of claims or interests;
- (5) modify the rights of holders of secured claims, other than a claim secured only by a security interest in real property that is the debtor's principal residence, or of holders of unsecured claims, or leave unaffected the rights of holders of any class of claims; and
- (6) include any other appropriate provision not inconsistent with the applicable provisions of this title.
- (c) In a case concerning an individual, a plan proposed by an entity other than the debtor may not provide for the use, sale, or lease of property exempted under [section 522](#) of this title, unless the debtor consents to such use, sale, or lease.
- (d) Notwithstanding subsection (a) of this section and [sections 506\(b\)](#), [1129\(a\)\(7\)](#), and [1129\(b\)](#) of this title, if it is proposed in a plan to cure a default the amount necessary to cure the default shall be determined in accordance with the underlying agreement and applicable nonbankruptcy law.

#### CREDIT(S)

(Pub.L. 95-598, Nov. 6, 1978, 92 Stat. 2631; Pub.L. 98-353, Title III, § 507, July 10, 1984, 98 Stat. 385; Pub.L. 103-394, Title II, § 206, Title III, §§ 304(h)(6), 305(a), Title V, § 501(d)(31), Oct. 22, 1994, 108 Stat. 4123, 4134, 4146; Pub.L. 109-8, Title III, § 321(b), Title XV, § 1502(a)(7), Apr. 20, 2005, 119 Stat. 95, 216.)

#### VALIDITY

<U.S. Supreme Court, Oct. Term 2023, Oral Argument - Question Presented: Whether the Bankruptcy Code authorizes a court to approve, as part of a plan of reorganization under Chapter 11 of the Bankruptcy Code, a release that extinguishes claims held by nondebtors against nondebtor third parties, without the claimants' consent. *In Re Purdue Pharma L.P.*, 69 F.4th 45 (2d Cir.), cert. granted sub nom. *Harrington v. Purdue Pharma L.P.*, 144 S. Ct. 44, 216 L. Ed. 2d 1300 (2023), 2023 WL 9375572 (U.S.) (U.S.Oral.Arg.,2023).>

#### Notes of Decisions (388)

11 U.S.C.A. § 1123, 11 USCA § 1123

Current through P.L. 118-62. Some statute sections may be more current, see credits for details.