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Next Week in Bankruptcy.

The city of San Bernardino, Calif., could get one step closer on Wednesday to getting out of bankruptcy after nearly four years.

Judge Meredith Jury is scheduled to look over a description of the 77-page plan that shows how city leaders will cut the municipality's biggest debts and increase services for its roughly 200,000 residents. The plan, if approved, would be sent to creditors for a vote.

Judge Jury has rejected past proposals, but the latest version includes a key settlement with a European bank that once fought to protect future payments of \$95 million for the bonds it bought. San Bernardino officials said they will make payments that add up to about \$50.7 million over the next 30 years instead.

San Bernardino stopped repaying the bonds once it filed for bankruptcy on Aug. 1, 2012, projecting it would run out of money in less than two months. The city that sits about 60 miles east of Los Angeles has suffered from double-digit unemployment and lower tax revenue from fallen property values.

The deal means that San Bernardino's bondholders will be paid a much higher percentage than other creditors, including general unsecured debtholders who are owed roughly \$200 million and would be paid only 1% of that amount. That group includes businesses that provided city services, plus more than 100 individuals and families who have filed in excessive-force lawsuits for injuries and deaths allegedly caused by San Bernardino police officers and employees.

San Bernardino officials, however, defended the low repayment rate in documents filed in U.S. Bankruptcy Court in Riverside, Calif., saying that municipal services have been "cut to the bone" in recent years.

"The city needs to dedicate every dollar available to it to rebuild those municipal services," city officials said in court papers.

The plan doesn't call for any immediate tax increases on its residents. City officials cited U.S. Census Bureau data that found 32.4% of residents live below poverty level.

"The city remains the poorest community of its size in California, and it has grown progressively poorer over the past decades," city officials said in court papers.

A Houston bankruptcy judge could enable oil and gas firm Black Elk Energy Offshore Operations LLC to clear a similar hurdle at a court hearing on Friday.

Judge Marvin Isgur is scheduled to look over a bankruptcy-exit plan's summary for the company—one of many energy company stung by fallen oil prices. Since filing for bankruptcy, Black Elk says its operations are limited to four platforms as well as 16 additional platforms that are being decommissioned.

Black Elk is also dealing with criminal charges in connection with a fatal explosion on a welding platform in the Gulf of Mexico. The lawsuits allege Black Elk didn't follow proper safety precautions and rushed the work, resulting in the deaths of three workers, as well as injuries. On March 21, court papers show Black Elk pleaded not guilty to the criminal charges and asked to have the charges dismissed.

Black Elk was pushed into bankruptcy by four of its creditors in August, when they filed an involuntary chapter 7 petition against the company. Regulators soon after said the company had failed to put in place a safety and environmental management system program.

On Monday, a Delaware judge is scheduled to look over the voting results for Nuo Therapeutics' plan to exit bankruptcy behind its flagship drug, a gel used to treat skin ulcers.

Judge Mary Walrath could sign off on the Maryland biomedical company's plan, which includes two possible scenarios: emerging from bankruptcy if it can raise \$10.5 million in equity capital through a private placement or health-care-focused hedge fund Deerfield Management getting 95% of the reorganized company's common stock.

If Nuo exits bankruptcy under the first scenario, Deerfield—which has been lending money to the company throughout its chapter 11 case—will receive preferred shares valued at \$29.3 million. Existing shares will be canceled under both scenarios.

Nuo Therapeutics traced the company's financial troubles to the government's reimbursement rate of \$435 per treatment for Aurix, a "hematogel" that uses a patient's own platelets and plasma as a catalyst for healing. The hospital reimbursement rate for Aurix, by contrast, has been boosted to more than \$1,400 per treatment, according to documents filed in U.S. Bankruptcy Court in Wilmington, Del.

Company officials have called Aurix the only therapy of its kind cleared by the Food and Drug Administration for use for the treatment of a variety of ulcers and wounds.

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