DISCLOSURES REQUIRED UNDER 11 U.S.C. §§ 527 AND 342

NOTICE #1: Notice Mandated by 11 U.S.C. §§342(b)(1) and 527(a)(1)

PURPOSE, BENEFITS AND COSTS OF BANKRUPTCY

Bankruptcy is a federal court proceeding that provides relief to people and businesses that are having financial difficulty. The relief comes in the form of an "automatic stay" which generally stops most collection proceedings and harassment from creditors. The cost of filing a bankruptcy consists of a filing fee which varies depending on the type of case you are filing (see below) and if you choose to hire a lawyer to represent you, the lawyer will likely charge you a fee for the representation. Additionally, there may be costs to obtain necessary information and documentation required by the bankruptcy code, bankruptcy rules and local rules.

The discussion here is meant only as a brief overview and no one should base their decision as to whether to file or not to file bankruptcy solely on this information. Bankruptcy is complex and a number of factors and considerations must be taken into account in making a determination to file or not. Anyone considering bankruptcy is encouraged to seek the advice and assistance of experienced counsel who practices bankruptcy law.

What Bankruptcy Can and Can't Do

Bankruptcy may be able to help financially distressed people to:

1. Discharge (eliminate) liability for most or all of their debts and a get a fresh start. When the debt is discharged, the debtor no longer has any legal obligation to pay it.
2. Stop foreclosure proceedings! The automatic stay in bankruptcy can freeze a foreclosure proceeding and provide an opportunity to catch up on missed payments.
3. Prevent repossession of a car or other property! The automatic stay can prevent a finance company from exercising its repossession rights, or might even be able to force a creditor to return a vehicle that has already been repossessed.
4. Prevent utility shut-offs! The automatic stay in bankruptcy can prevent a utility company from terminating service because of non-payment and can even force the company to reconnect service that has already been terminated.
5. Stop wage garnishments and creditor harassment! The automatic stay in bankruptcy can suspend wage deduction proceedings and other types of debt collection efforts.
6. Lower monthly payments! The automatic stay in bankruptcy can alter your contractual relationships with your creditors by lowering or eliminating interest and can allow payments to creditors for less than the outstanding balance.
7. Can provide an opportunity for debtors to challenge then claims of certain creditors who might be seeking to collect more than they are entitled.

Bankruptcy, however, may not be the cure-all for every financial problem. There are limitations. For instance, a debtor usually can not:

1. Eliminate certain liens of secured creditors. Although it is possible to force secured creditors to take payments over time and although it is possible to modify the terms of payments in some cases, a debtor usually can not keep the collateral unless the debtor continues to pay the debt.
2. Discharge types of debts identified in the bankruptcy code. The most common exceptions to discharge are domestic support orders (child support, maintenance, or alimonry), most student loans, criminal fines, and most taxes.
3. Discharge debts incurred after the bankruptcy is filed. Bankruptcy only helps with debts already existing at the time of filing; it doesn't provide relief for future debts.
4. Protect co-signors. If someone co-signed for you, the co-signor is usually going to be liable to pay the creditor whatever part of the loan you don't pay or that isn't paid through a bankruptcy case.

The Four Types of Bankruptcy Available to Individual Consumer Debtors

The Bankruptcy Code is divided into four chapters. The most commonly used chapters by consumer debtors are chapter 7, known as a "fresh start" or "straight" bankruptcy and chapter 13 which is a voluntary court approved, court supervised affordable repayment plan.

The main benefit of filing for bankruptcy under all chapters is the automatic stay. The automatic stay is a court order that automatically applies once a bankruptcy case is filed (with rare exceptions that apply to some repetitive case filings). The automatic stay stops most lawsuits, repossessions, foreclosures, garnishments, utility shut-offs, and debt collection harassment. It offers debtors relief and enables debtors and a case trustee to review the facts and develop an appropriate solution to the debt problems.

Chapter 7: Liquidation (court filing fee (not including attorney fees or costs = $299)

1. Chapter 7 is designed for debtors in financial difficulty who do not have the ability to pay their existing debts. Debtors whose debts are primarily consumer debts are subject to a "means test" designed to determine whether the case should be permitted to proceed under chapter 7. If your income is greater than the median income for your state of residence and family size, in some cases, creditors have the right to file a motion requesting the court dismiss your case as an abuse under ?07(b) of the United States Bankruptcy Code. It is up to the court to decide whether the case should be dismissed.
2. Under chapter 7, you may claim certain property exempt under applicable law. Some states force debtors in the state to only claim property exempt pursuant to state law, while other states allow debtors to choose to claim property exempt under either state or federal law. A trustee can take possession and sell any non-exempt property and use the sale proceeds to pay your creditors.
3. The purpose of filing a chapter 7 case is to obtain a discharge of the debts existing as of the date you file a case. However, not all debts are dischargeable. If you have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny you a discharge and, if it does, the purpose for which you filed the bankruptcy petition will be defeated.
4. Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may be responsible to pay for most taxes and student loans; debts incurred to pay no dischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are not properly listed in your paperwork; and debts for death or personal injury caused by operation of a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs. Also, if a creditor can prove that a debt arose from fraud, breach of fiduciary duty, or theft, or from a willful or malicious injury, the bankruptcy court may determine that the debt is not discharged.

Chapter 13: Repayment of All or Part of the Debts of an Individual with Regular Income (court filing fee, not including attorney fees or costs = $274).

1. Chapter 13 is designed for individuals with regular income who would like to pay all or part of their debts in installments over a period of time. You are only eligible for chapter 13 if your debts do not exceed certain dollar amounts set forth in the Bankruptcy Code.
2. Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money you owe them from your future earnings. The period allowed by the court to repay your debts may be three or five years, depending upon your income and other factors. The court must approve your plan of repayment before it can take effect.
3. After completing the payments under your plan, your debts are generally discharged except for domestic support obligations; most student loans; certain taxes; most criminal fines and restitution obligations; certain debts which are not properly listed in your bankruptcy papers; certain debts for acts that caused death or personal injury; and certain long term secured obligations (like mortgages).

Chapter 11: Reorganization (court filing fee, not including attorney fees or costs = $1,039)

Chapter 11 is designed for the reorganization of a business but is also available to individual consumer debtors. Its provisions are quite complicated and any decision by an individual to file a chapter 11 petition should be reviewed by an attorney. Further information about chapter 11 cases, since chapter 11 usually does not pertain to individuals with primarily consumer debts can be found at the following website: www.uscourts.gov/bankruptcycourts.html . Or, you can obtain information about chapter 11 by obtaining a copy of the brochure published in June, 2000 and titled "A Bankruptcy Basics" prepared by the Administrative Office of the United States Courts.

Chapter 12: Family Farmer or Fisherman (court filing fee, not including attorney fees or costs = $239)

Chapter 12 is designed to permit family farmers and fishermen to repay their debts over a period of time from future earnings and is similar to chapter 13. The eligibility requirements, however, are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation. Chapter 12, therefore, is usually not available to consumers whose debts are primarily consumer debts. The brochure and website mentioned above also provides more detailed information regarding chapter 12.

SERVICES AVAILABLE FROM CREDIT COUNSELING AGENCIES

With limited exceptions, ?09(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis. The briefing must be given within 180 days before the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or over the Internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States Trustee or bankruptcy administrator. The clerk of the bankruptcy court has a list that you may consult of the approved budget and credit counseling agencies in your jurisdiction.

BANKRUPTCY CRIMES AND AVAILABILITY OF BANKRUPTCY PAPERS TO LAW ENFORCEMENT OFFICIALS

A person who knowingly and fraudently conceals assets or makes a false oath or statement under penalty of perjury, either orally or in writing, in connection with a bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the United States Trustee, the Office of the United States Attorney, and other components and employees of the Department of Justice.

WARNING:

11 U.S.C. ?21(a)(1) of the Bankruptcy Code requires that you promptly file detailed information regarding your creditors, assets, liabilities, income, expenses and general financial condition. Your bankruptcy case may be dismissed if this information is not filed with the court within the time deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court.

NOTICE #2: Notice Mandated by 11 U.S.C. ?342(b)(2)

FRAUD & CONCEALMENT PROHIBITED

It is important that you understand the following:

1. Some or all of the information you provide in connection with your bankruptcy case will be filed with the United States Bankruptcy Court in the appropriate jurisdiction on forms or documents that you will be required to sign and declare as true under penalty of perjury.
2. A person who knowingly and fraudulently conceals assets or makes false oaths or statements under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both.
3. All information you provide in connection with your bankruptcy case is subject to examination and audit by the Attorney General of the United States .

NOTICE #3: Notice Mandated by 11 U.S.C. ?527(a)(2)

MANDATORY DISCLOSURE TO CONSUMERS WHO ARE CONTEMPLATING FILING FOR BANKRUPTCY

PLEASE TAKE NOTICE THAT:

1. All information that you are required to provide with the filing of your case and thereafter, while your case is pending, must be COMPLETE, ACCURATE, and TRUTHFUL.
2. You must disclose ALL of your assets and liabilities! Further, you must identify the replacement value of each asset (as defined in the Bankruptcy Code, ?06) must be stated in documents where requested after reasonable inquiry to establish the value. For most property used and acquired for personal, family, or household purposes, replacement value means the amount retail merchant would charge for "used" property similar to what you own considering the age and condition of the property. Replacement cost does NOT mean the amount you would have to pay a retail merchant for a "new" item. For many cases involving used clothing, furniture, computers, etc?replacement cost may be "yard sale" value, or what the used item might sell for on eBay. With regard to antiques, jewelry or collectables, replacement value might be the retail value. For motor vehicles, replacement value would be the third party purchase value. For real estate, replacement value would be what the property would sell for at current market value. For cash and bank accounts it is the actual amount on deposit. For stocks and bonds, it is their market value as of the date your case is filed and the value is the cash value of what the stock could sell for in the market, or the amount a bond could be redeemed for at the time of filing.
3. Before you file a case, you are subject to a "means test." The "means test" is a statutory test designed to determine whether or not you qualify to file a case under chapter 7 of the bankruptcy code, and if not, how much you need to pay to your unsecured creditors in a chapter 13 case. You must therefore state, after reasonable inquiry, your current monthly income, the amount of all expenses as specified in ?07(b)(2), and, in a case under chapter 13 of this title, disposable income(determined in accordance with ?07(b)(2), are required to be stated after reasonable inquiry.
4. Any information you provide during the case may be audited pursuant to Title 11 of the United States Code and failure to provide information may result in dismissal of the case or other sanction, including criminal sanctions!

NOTICE #4: Notice Mandated by 11 U.S.C. ?527(b)

IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST. Ask to see the contract before you hire anyone.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a 'trustee' and by creditors.

If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming your debts.

If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge. If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what should be done from someone familiar with that type of relief.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.

[Statement contained in and required by 11 USC 527(b).]

ACKNOWLEDGEMENT OF RECEIPT

By using this Site and/or otherwise accepting this Agreement, user acknowledges that user received a copy or has been provided access to all of the following notices:

1. Notice Mandated by 11 U.S.C. §§342(b)(1) and 527(a)(1)
2. Notice Mandated by 11 U.S.C. ?342(b)(2)
3. Notice Mandated by 11 U.S.C. ?527(a)(2)
4. Notice Mandated by 11 U.S.C. ?527 (b)