



THE NEEDLEMAN LAW OFFICE

5300 East Main Street, Suite 109
Columbus, OH 43213
Phone: 614-575-1188
Fax: 614-575-1186

SECTION 527(a),(b),(c) DISCLOSURES & NOTICES

INSTRUCTIONS ON PROVIDING INFORMATION REQUIRED BY U.S. BANKRUPTCY LAW

Before you actually file a bankruptcy case with the U.S. Courts, you must be aware that you will have important, and mandatory **DUTIES** under Federal Law. These duties include the preparation and filing of totally truthful, complete, and accurate documentation described as (i) List of Creditors; (ii) Schedule of Assets and Debts; (iii) Schedule of Current Income and Current Expenditures; and (iv) Statement of Financial Affairs.

You will also be obligated to file a Statement of Intention regarding debts that are secured by collateral (e.g. a house, vehicle, or other personal property), and perform such intentions within 30 days after filing. Additionally, you will be required to file certain additional documentation (and/or forms) to substantiate information given in the above referenced forms.

Finally, and PRIOR TO filing you will be required to engage in CREDIT COUNSELING, and obtain a written certification of your compliance and file it with the Court.

[Below are INSTRUCTIONS to assist you to comply with your DUTIES]

LIST OF CREDITORS

- You must include ALL of your creditors on the list even if you want to continue to pay a particular creditor (e.g. home loan, car loan, or loan to a personal friend or family member), or even if a particular debt is not one that is ordinarily subject to discharge (e.g. student loans, certain taxes, and child and marital support).
- The ADDRESS information for each creditor is extremely important. Gather your bills and carefully review them. It is critical that you use the CORRESPONDENCE address given on the bill, or an address at which the creditor receives U.S. Mail. Do **not** use a "payment address". It will be important for you to use the address provided to you by the creditor in at least the last (2) two bills/correspondence sent to you over the last 90 days.

- Also provide a listing of collectors, collection agencies, or attorneys representing the creditors. However, do NOT substitute the collecting entity for the creditor. List ALL entities associated with the debt.
- If you are concerned that you do not have a complete understanding of who you may owe money to, then obtaining consumer/credit reports can be helpful. Understand however, that consumer/credit reports are not always accurate, and that most information on them tends to be deleted after approximately seven years. Thus, older debts that you continue to owe may not be reported on the credit reports. Under recent law known as the FACT ACT, you may obtain free of charge, once a year, copies of your credit reports from EXPERIAN, EQUIFAX, and TRANSUNION. Visit www.annualcreditreport.com and obtain your reports from each of the companies. Do **not** select the credit scoring option, because it will cost you money.

SCHEDULE OF ASSETS AND DEBTS

- **ASSETS:** An “asset” means simply, anything you own or have an interest in. You must give the Court a complete list of your assets, and a statement of their values. You will be guided by a worksheet that will help you define what you own, and it is important that you leave no space blank. If you do not own an item described on the worksheet, put “N/A” instead of leaving it blank. Assets include for example: real estate (your home, lot, land contracts); your personal property (vehicles, household furnishings & electronics, clothing, jewelry); and your intangible property (insurance policies, bank accounts, 401ks, IRAs, stocks, bonds, and interests in business ventures).
- What is your stuff worth? You will be required to place a “**replacement**” value on your assets as of the DATE OF FILING OF YOUR CASE without regard to the costs associated with the marketing, or sale of the items.
 - For real estate, a proper replacement value can be obtained by looking at your county’s real estate auditor’s market data, or the sale amount of a similar home or homes recently sold in your neighborhood/area.
 - For vehicles, NADA Guidebook, KELLY Blue Book, and other internet guidebooks are available to obtain values (generally a replacement value is the average of trade-in and retail under the guidebooks).
 - For personal property, determine what you could purchase the item for based upon the items age and current condition from a retail merchant such as (Used Good stores, Play it Again Stores).
 - For intangible items – state the current cash balance, or market value for such items (e.g. bank accounts, stocks, IRAs, 401ks).
- **DEBTS:** As set forth above, ALL debts must be listed. The ADDRESSES are the most critical bit of information needed. *See, Creditor Listing above.* However, additional data will also be important.

- Provide the FULL NAME of the creditor, the account number, the current balance of the debt, and the year in which the debt was originally created. Use your most recent bill to establish a balance, and if you are uncertain, we will assist you determining the amount.

INCOME AND EXPENSES

- A statement of your current monthly INCOME will be required, and such statement may be used in multiple areas of your filing. You will need to gather documentation evidencing your income received from ALL sources over the last six (6) months. Such documentation will generally include (*paycheck stubs, 1099 statements, SSI statements, SSD statements, Workers Comp and Unemployment Comp statements, Draw advices, Commission checks/statements, Cash disbursement receipts, etc...*).
- You will also be required to give the Court a sworn statement of the average of your income received from all sources of the last six (6) months. Assume that your case filing will occur in the month you received this notice, and provide all documentation of your income for the full six (6) months preceding this month.
- A statement of your current monthly expenditures will also be required. Monthly expenditures includes but is not necessarily limited to: rent (lot rent incld.), mortgage payments, utility expenses (gas, propane, electric, and telephone), cell phone, cable TV, home maintenance, food, car insurance, transportation (gasoline, oil changes, vehicle maint.), recreation, clothing and laundry expenses, and personal care items). It will be helpful for you to provide a six (6) month average of such expenses in the worksheet that will be provided to you. You can obtain the information from a review of your checkbook, your utility bills, and monthly receipts for food and other items.
- You will also be required to provide the Court with a statement concerning expected changes in your income or expenses for the twelve (12) month period following the filing of your case. While not always applicable, sometimes people can anticipate bonuses, or even job losses/temporary layoffs, and anticipate temporary or permanent increases in expenses associated with situations like pregnancy, or medical conditions requiring surgery. Keep these types of situations in mind when preparing the materials.

STATEMENT OF FINANCIAL AFFAIRS

- Your Statement Of Financial Affairs (SOFA) is basically a questionnaire designed to assist you to reveal pertinent, but often overlooked information concerning your assets, debts, and general financial condition for at least the several year period prior to your case filing.
- In order to fully prepare your SOFA, you will need to provide the following types of documentary information:
 - Tax returns (or transcripts) for at least the three (3) tax years preceding the year of filing.
 - Copies of all lawsuits pending or commenced within the year before filing.

- Information concerning payment of your debts for the ninety (90) day period prior to filing – and up to a year for payments on debts to friends and family members.
- Information concerning closures of bank accounts within the year before filing.
- Information concerning addresses at which you lived in the two (2) year period prior to filing.
- Information concerning transfers (sales, gifts, exchanges) of any of your assets in at least the two (2) year period prior to filing – may include garage sales, car transfers, real estate transfers, and even the giving of collateral for loan within the two year period of time.
- Information concerning whether you are using or borrowing another's assets (e.g. company cars, parent/friend's cars, furniture etc...)
- Information concerning your interest(s) in business entities for at least the six (6) years prior to filing. Your interest can be as little as 5%, but still must be listed and may include businesses such as corporations, partnerships, joint ventures, limited liability companies/partnerships, franchises, S Corps, C Corps, and Sole or unincorporated proprietorships.

SECURED DEBTS AND YOUR STATEMENT OF INTENTION

- You may have debts for which the creditor is holding collateral, such as a home loan, a vehicle loan, or loans used to purchase personal property like furniture, and electronics. You may also have debts where you have given the creditor items of your personal property as collateral to obtain the loan. Like all of your other debts, these debts **MUST** be listed on your Creditors List, and your Schedule of Debts.
- Additionally, you must file a document with the Court to inform the secured creditor what you specifically intend to do with the collateral. You have three (3) choices, but the secured creditor's wishes may also influence the outcome. Nevertheless you must inform the creditor of your intention to (i) reaffirm the debt and keep the collateral; (ii) surrender the collateral; or (iii) redeem and keep the collateral which generally entails a lump sum, one-time payment to the secured creditor of the value of the collateral.
- Under Federal Law you have a **DUTY** to perform your intention within thirty (30) days of filing the Statement of Intention with the Court. If you do not, you may face serious problems concerning your discharge, and may face monetary or other sanctions. Thus, it will be important for you to make a decision and follow through.

ADDITIONAL FILING AND DISCLOSURE REQUIREMENTS

CREDIT COUNSELING

- Within one hundred eighty (180) days **PRIOR** to filing a case under TITLE 11 (includes Chapter 7, Chapter 11, Chapter 12 or Chapter 13), you must engage in and receive written certification that you engaged in an individual or group briefing that outlines the opportunities for available credit counseling, and assists you to prepare a related budget analysis.

Cricket Debt Counseling
296 Edington Circle
Canton, MI 48187
866-719-0400
CricketDebt.com

Money Management International Inc.
9009 West Loop South
7th Floor
Houston, TX 77096-1719
877-918-2227
www.moneymanagement.org
In Person (*not available in all judicial districts*), Telephonic and
Internet Counseling

Springboard Nonprofit Consumer Credit Management Inc.
4351 Latham Street
Riverside, CA 92501
800-947-3752
www.credit.org
In Person (*not available in all judicial districts*), Telephonic and

GreenPath, Inc.
38505 Country Club Drive, Suite 210
Farmington Hills, MI 48331-3429
800-630-6718
In Person (*not available in all judicial districts*), and Telephonic
Counseling

LifeSpan Inc.
1900 Fairgrove Avenue
Hamilton, OH 45011
513-868-3210
(In Person and Telephonic)Internet Counseling

←The credit counseling agency selected by you must first be approved as a nonprofit budget and credit-counseling agency. Most of the currently approved agencies offer internet-based counseling services and can be found at these described locations.

EDUCATION IRA/STATE TUITION PROGRAM FILING REQUIREMENT

- If you have ANY interest in an “education individual retirement account”, or in an Ohio Tuition Program, you must file evidence of such interest with the Court. You will need to obtain copies of your periodic statements for filing.

FEDERAL TAX RETURN INFORMATION REQUIREMENTS

- You will be required to provide a complete copy of your Federal 1040 tax returns, and all amendments (or a copy of the official IRS transcript) for the most recent year immediately preceding the year in which your bankruptcy case is filed if a return was required. The bankruptcy trustee, and any creditor may review this document, and it will be recommended that such return be filed with the Court, with all but the last four digits of your SSN redacted.

- If a request is made by the Court, U.S. Trustee or a creditor, you may be required to file copy of your Federal 1040 tax returns, and all amendments for each year your case (Chapter 7, 11 or 13) remains pending in the Court. It is highly likely that the Court will request this information.
- If you HAVE NOT FILED FEDERAL TAX RETURNS, you may be compelled to complete such returns, and all amendments (for at least the three (3) years prior to the filing of your case) and file them with the Bankruptcy Court at the same time you submit them to the IRS. It is highly likely that the Court, U.S. Trustee, or other party will make such a demand of you.

SWORN INCOME, EXPENSE & SUPPORT
STATEMENTS IN CHAPTER 13 CASES

- If you file a Chapter 13 case, you MUST provide an ANNUAL statement that tracks your TAX YEAR, signed by you under the penalty of FEDERAL PERJURY, that discloses detailed the following information:
 - The amount and sources of your income
 - How your monthly income is calculated
 - The identity of any person responsible (with you) for the support of any of your dependants.
 - The identity of any person who contributed, and the amounts contributed, to the household in which you reside
- These ANNUAL statements will be required for each year your case is pending, until your case is closed.

DOCUMENTS OF PERSONAL IDENTIFICATION

- You will be required to provide the Court upon request with sufficient documents to authenticate your IDENTITY. You must show a driver's license, a Passport, or other document containing your picture (e.g. state issued picture ID), and additional evidence of your social security number.
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ATTORNEY FEES AND WRITTEN AGREEMENTS

If we provide assistance to you in any manner we will be required to provide you with a written contract explaining the fees, and the nature of our services within five (5) days of our initial meeting. We intend to provide you a copy of our standard fee agreement at our initial meeting to comply with this requirement. However, we also restate below the legal services that we would generally provide in connection with assisting someone with debt relief.

- We will meet with you first obtain a general understanding of your debt and household (or business) financial situation, and come to some preliminary conclusion as to what legal or other remedy to employ to meet your needs.
- We will then assist you in preparing information for our second meeting, and direct you to bring additional documentation for our review. From here, we will consult with you in order to finalize our determinations as to which debt relief remedy best fits your needs.
- If we determine that a U.S. Bankruptcy proceeding is necessary, we will prepare all of the many required forms and documents for Court filing, and set up a third meeting with you to thoroughly review and execute these documents. If a U.S. Bankruptcy proceeding is not recommended, we will direct you accordingly to such other sources of relief (e.g. consumer credit counseling, State law trusteeships and receivership proceedings, and third party debt reduction management agreements).
- Assuming that a U.S. Bankruptcy proceeding is filed, our services will include all typical attorney required participation in such proceeding including but not limited to: appearances at Court hearings, preparation of legal memoranda, and communication with opposing counsel and parties.
- If your proceeding requires additional, but not customary work, we will inform you directly, and enter into a separate written contract for such services to fully apprise you of the fees, payment requirements, and expected services to be provided.

THANK YOU FOR YOUR ATTENTION