

UNITED STATES BANKRUPTCY COURT

NOTICE REQUIRED BY § 342(b) OF THE BANKRUPTCY CODE

This Notice is required to be provided to you by § 342(b) of the US Bankruptcy Code. The purpose of this notice is to:

1. Briefly describe the different chapters of bankruptcy, including the purposes, benefits and costs of each type or chapter;
2. Briefly describe the types of services available from credit counseling agencies;
3. Notify you that a person that **knowingly and fraudulently conceals assets or makes a false statement** under penalty of perjury in connection with a bankruptcy case shall be **subject to fine, imprisonment or both**; and
4. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General.

1. The Four Types (Chapters) of Bankruptcy Available to Individual Debtors:**Chapter 7 - Liquidation Cost - \$299 Filing Fee + Agreed Attorney's Fees**

1. A Chapter 7 bankruptcy is designed for people who do not have the ability to pay their existing debts. It is a "**liquidation**" bankruptcy with the concept of liquidating those assets of the debtor that are not liened (mortgaged) and which are available after the debtor has claimed his/her exemptions. In exchange for this liquidation of assets the debtor is entitled to receive a discharge of debts.
2. Debtors who's debts are primarily consumer debts are subject to a **means test**. That means if your income is greater than the **median income** for your family size, creditors or the US Trustee's office may move to have your case dismissed or converted to a Chapter 13 case.
3. In exchange for placing your assets under the jurisdiction of the US Bankruptcy Court, you are entitled to a **discharge** of your existing debts. However, if you are guilty of concealing assets or providing the court with deliberately false information, your discharge may be denied.
4. Even if you receive your general discharge you should be aware that some particular types of debts are not discharged. Those special types of debts include
 - A. taxes which have been incurred during the last three years,
 - B. student loans,
 - C. child support or spousal maintenance,
 - D. Claims against you for injuries you caused while you were intoxicated and operating a motor vehicle.
 - E. Claims against you for debts incurred through your fraud, malicious injuries to others, or breach of your fiduciary duties

Chapter 13: Individual Repayment Plan of Debts Cost - \$274 Filing Fee

1. Chapter 13 is designed for individuals with regular income who would like to pay all or part of 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 that you owe them, using your future earnings. The period allowed by the court to repay your debts may be three years or five years, depending upon your income and other factors. The court must approve your plan 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 term secured obligations.

Chapter 11: Reorganization (\$1,000 filing fee, \$39 administrative fee: Total fee: \$1039)

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. It's provisions are quite complicated, and any decision by an individual to file a chapter 11 petition should be reviewed with an attorney.

Chapter 12: Family Farmer Reorganization (\$200 filing fee, \$39 administrative fee: Total fee \$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 are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation.

2. Services Available from Credit Counseling Agencies:

All individuals who file for bankruptcy must obtain **credit counseling** within 180 days prior to their filing for bankruptcy. **You may not file for bankruptcy without a certificate from an approved agency that you have received this counseling.** This briefing is to outline the available opportunities for credit counseling and is to provide you with assistance in performing a budget analysis. It must be provided by a nonprofit budget and credit counseling agency approved by the US Trustee or US Department of Justice. Your attorney will provide you with the list of those approved agencies.

In addition, after filing a bankruptcy case, you must obtain a certificate that you have completed a Financial Management instructional course. You can not get a discharge unless you have completed this second counseling session and provide the court with the certificate showing your completion of this second counseling session.

3. Bankruptcy Crimes and Availability of Bankruptcy Papers to Law Enforcement Officials

A person who knowingly and fraudulently conceals assets or makes a false oath (lies) under penalty of perjury in connection with his/her bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in a bankruptcy case is subject to examination by the Attorney General, through the office of the United States Trustee and other components and employees of the US Department of Justice.

Certificate of the Debtor

I have received **and read** this notice.

Date _____

Date _____

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