

## UNITED STATES BANKRUPTCY COURT

### NOTICE TO CONSUMER DEBTOR(S) UNDER §342(b) OF THE BANKRUPTCY CODE

In accordance with § 342(b) of the Bankruptcy Code, this notice to individuals with primarily consumer debts: (1) Describes briefly the services available from credit counseling services; (2) Describes briefly the purposes, benefits and costs of the four types of bankruptcy proceedings you may commence; and (3) Informs you about bankruptcy crimes and notifies you that the Attorney General may examine all information you supply in connection with a bankruptcy case.

You are cautioned that bankruptcy law is complicated and not easily described. Thus, you may wish to seek the advice of an attorney to learn of your rights and responsibilities should you decide to file a petition. Court employees cannot give you legal advice.

Notices from the bankruptcy court are sent to the mailing address you list on your bankruptcy petition. In order to ensure that you receive information about events concerning your case, Bankruptcy Rule 4002 requires that you notify the court of any changes in your address. If you are filing a **joint case** (a single bankruptcy case for two individuals married to each other), and each spouse lists the same mailing address on the bankruptcy petition, you and your spouse will generally receive a single copy of each notice mailed from the bankruptcy court in a jointly-addressed envelope, unless you file a statement with the court requesting that each spouse receive a separate copy of all notices.

#### **1. Services Available from Credit Counseling Agencies**

**With limited exceptions, § 109(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 on 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. Each debtor in a joint case must complete the briefing.

**In addition, after filing a bankruptcy case, an individual debtor generally must complete a financial management instructional course before he or she can receive a discharge.** The clerk also has a list of approved financial management instructional courses. Each debtor in a joint case must complete the course.

#### **2. The Four Chapters of the Bankruptcy Code Available to Individual Consumer Debtors**

##### **Chapter 7: Liquidation (\$245 filing fee, \$46 administrative fee, \$15 trustee surcharge: Total fee \$306)**

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, the United States trustee (or bankruptcy administrator), the trustee, or creditors have the right to file a motion requesting that the court dismiss your case under § 707(b) of the Code. It is up to the court to decide whether the case should be dismissed.

Under chapter 7, you may claim certain of your property as exempt under governing law. A trustee may have the right to take possession of and sell the remaining property that is not exempt and use the sale proceeds to pay your creditors.

The purpose of filing a chapter 7 case is to obtain a discharge of your existing debts. If, however, you are found to have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny

your discharge and, if it does, the purpose for which you filed the bankruptcy petition will be defeated.

Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may still be responsible for most taxes and student loans; debts incurred to pay nondischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are not properly listed in your bankruptcy papers; and debts for death or personal injury caused by operating 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 and 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 (\$235 filing fee, \$46 administrative fee: Total fee \$281)**

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.

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.

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.

**Chapter 11: Reorganization (\$1000 filing fee, \$46 administrative fee: Total fee \$1046)**

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. Its 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 or Fisherman (\$200 filing fee, \$46 administrative fee: Total fee \$246)**

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.

**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 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:** Section 521(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. The documents and the deadlines for filing them are listed on Form B200, which is posted at [http://www.uscourts.gov/bkforms/bankruptcy\\_forms.html#procedure](http://www.uscourts.gov/bkforms/bankruptcy_forms.html#procedure).

**DISCLOSURE #2**

**NOTICE TO CONSUMER DEBTORS  
ON INFORMATION REQUIRED IN BANKRUPTCY CASES  
(Pursuant to 11 U.S.C. 527(a)(2))**

The bankruptcy code requires you to provide complete and accurate information about your debts, property and financial affairs. We take this requirement very seriously. We want you to understand these requirements clearly.

- (A) All information that you are required to provide with a bankruptcy petition and thereafter during your bankruptcy case is required to be complete, accurate and truthful.
- (B) In the documents you have me file with the court to commence your bankruptcy case and thereafter, you must completely and accurately disclose all your assets and all of your liabilities. You must provide the replacement value without deducting the costs of sale or marketing as of the date you file of each item of personal property (property other than real estate) that is subject to a lien or security interest. You must make a reasonable inquiry to establish this value. If you acquired the property primarily for personal, family or household purposes, "replacement value" means the price a retail merchant would charge for an item of that kind given the age and condition of the item at the time you file.
- (C) You must accurately provide after reasonable inquiry, your current monthly income, the amounts specified in 11 U.S.C. § 707(b)(2) and in a case under Chapter 13, disposable income (determined in accordance with § 707 (b)(2)).
- (D) Information you provide during your case may be audited pursuant to the Bankruptcy Code. Failure to provide accurate information may result in dismissal of your case or other sanction including a criminal sanction.

I have received a copy of this notice

\_\_\_\_\_  
Signature of Assisted Person

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name of Assisted Person

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Last 4 Digits of Social Security Number

\_\_\_\_\_  
Telephone Number

**DISCLOSURE #3**

**IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE  
SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER  
(Pursuant to 11 U.S.C. § 527(b))**

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 three (3) to five (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.

I have received a copy of this notice

\_\_\_\_\_  
Signature of Assisted Person

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name of Assisted Person

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Last 4 Digits of Social Security Number

## DISCLOSURE #4

### NOTICE TO ASSISTED PERSON ON HOW TO PROVIDE ALL THE INFORMATION REQUIRED UNDER THE BANKRUPTCY CODE PURSUANT TO 11 U.S.C. § 521 (Pursuant to 11 U.S.C. § 527(c))

#### A. Assets and Income.

##### 1. Valuation:

Examples of how to value assets at replacement value include:

##### a. Vehicles

- [www.nadaguides.com](http://www.nadaguides.com) (retail value).
- Written replacement value from a dealer or insurance agent.
- Newspaper advertisements.
- Tax records (online or request copy from tax assessor)
- [www.cars.com](http://www.cars.com) (private party value)

##### b. Real Estate

- We can provide an appraised value of your home for a fee of \$17 per parcel of real property.
- Obtain a realtor to provide you with a written value.
- Obtain the recent appraisal of your home. If you purchased your home recently, your lender may have a copy.
- Check the MLS listings.
- Use your best estimate based upon your purchase price.
- Improvements, amount you would accept to sell your home.
- Online tax records or request copy from tax assessor.
- [www.zillow.com](http://www.zillow.com)

##### c. Personal property

- Think of what you would pay to replace the item with an exact match.
- Online tax records or request copy from tax assessor.
- Insurance policies may contain replacement value.
- eBay

##### 2. Current monthly income

- a. Means the average monthly income from all sources that the debtor receives (or in a joint case the debtor and the debtor's spouse receive) without regard to whether such income is taxable income, derived during the six-month period ending on:

- (i) the last day of the calendar month immediately preceding the date of the commencement of the case if the debtor files the schedule of current income required by § 521(a)(1)(B)(ii); or
- (ii) the date on which current income is determined by the court for purposes of this title if the debtor does not file the schedule of current income required by § 521(a)(1)(B)(ii); and
- (iii) includes any amount paid by any entity other than the debtor (or in a joint case the debtor and the debtor's spouse), on a regular basis for the household expenses of the debtor or the debtor's dependents (and in a joint

case the debtor's spouse if not otherwise a dependent), but excludes benefits received under the Social Security Act, payments to victims of international terrorism (as defined in § 2331 of title 18) on account of their status as victims of such terrorism.

- b. Provide a copy of your last six-month's income.
  - c. If you are self employed and do not receive pay stubs, provide documentation of the income you received monthly for the previous six months less any business expenses you paid out of pocket.
  - d. Provide proof of alimony or child support.
  - e. Provide proof of other financial assistance.
  - f. Copies of your last 2 years filed tax returns.
  - g. Provide all information correctly and completely as requested on your Debtor Questionnaire and answer our follow up questions completely, accurately and timely.
3. Complete lists of creditors
- a. For \$30 per person (\$50 per couple) we can obtain a copy of your credit report, containing information from all three credit bureaus. We require you pay this fee and obtain a credit report through us even if you have another credit report pulled.
  - b. Provide copies of the previous two pieces of correspondence you have received from each creditor.
4. Exempt property

The state legislature lists most exempt property in S.C. Code Annotated § 15-41-30 *et al.* We will attempt to determine the extent of your available exemptions. If you have not lived in SC for 2 years, you will not be eligible to use these exemptions. Most likely, you will use either your former state's exemptions or the federal exemptions.

I have received a copy of this notice

\_\_\_\_\_  
Signature of Assisted Person

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name of Assisted Person

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Last 4 Digits of Social Security Number

**DISCLOSURE #5**

**WRITTEN CONTRACT  
(Pursuant to 11 U.S.C. § 528(a))**

Moore, Taylor and Thomas, PA. is a debt relief agency. We help people file for bankruptcy relief under the bankruptcy code. You have requested our assistance as specified herein:

You have requested an initial consultation consisting of an overview of the bankruptcy process, the difference in Chapter 7 and Chapter 13 and generally, how the filing of bankruptcy affects secured and unsecured debt. For a maximum of a 30-minute, one-time general information session, there is no charge. Beyond the 30-minute session or for a consult pertaining to your specific situation, you agree to pay a fee of at least \$350 per hour. Unless stated otherwise, you have not incurred a consultation fee. The fee you have incurred for our initial consultation today is \$\_\_\_\_\_. You have paid \$\_\_\_\_\_.

If the box remains unchecked, the Assisted Person has not retained Jane H. Downey or Moore Taylor and Thomas, PA. to perform any services in the future. If this box is checked, the Assisted Person has paid \$\_\_\_\_\_ as a partial fee to retain Moore, Taylor and Thomas, PA to perform future services beyond the initial consultation, such as to begin preparing paperwork toward a bankruptcy filing. Specifically, the Assisted Person is interested in preparing a Ch 7/11/13 (circle one) case knowing (s)he will need to pay all fees to be charged, provide all information necessary to file and qualifies for the selected chapter. All fees paid are nonrefundable. No work will begin until at least \$800 of the fee is paid. This fee applies even if a potential conflict is discovered or if the Assisted Person decides not to file bankruptcy after making the payment. This is not the final fee for services.

The remainder of the fee will depend upon the extent of work involved and chapter filed. Provided the bankruptcy case is filed within 30 days of paying the initial fee, it is estimated the total initial fee for preparing and filing the local simple consumer Chapter 7 case with all of the information provided at once will be a nonrefundable fee starting at \$2,100, payable prior to the filing or \$3,000 for a local consumer Chapter 13 with a requested \$1,000 or more paid prior to filing the Chapter 13 case.

The Assisted Person understands (s)he may incur additional fees during the course of the bankruptcy, usually \$350 to \$500 per incident or at least \$250 per hour. The Assisted Person may encounter other costs after the case is filed, such as an amendment fee of \$26 for adding creditors.

The Assisted Person understands (s)he must pay all costs prior to the filing. Costs include at least \$30 to this firm to cover pulling a credit report, and may include fees for an appraisal, tax transcripts, or to cover costs of mail and postage. In addition, the Assisted Person also must pay the applicable court fee, which is \$274 for a Chapter 13 case and \$299 for a Chapter 7 case.

The Assisted Person understands (s)he cannot file bankruptcy unless within 180 days of filing, (s)he attends an approved credit counseling course and obtains a certificate.

I have received a copy of this notice:

\_\_\_\_\_  
Signature of Assisted Person

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name of Assisted Person

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Last 4 Digits of Social Security Number

Please take a moment to let us know how you found this firm (referral, specific web site, telephone book, etc): \_\_\_\_\_