

THIS IS A MUST READ. THE TRUSTEE WILL ASK YOU IF YOU READ AND UNDERSTOOD THIS.

**NOTICE TO CLIENT
REQUIRED BY BANKRUPTCY CODE SECTION 342(b)**

The purpose of this notice is to acquaint you with the four chapter of the federal Bankruptcy Code under which you may file a bankruptcy petition. The bankruptcy law is complicated and not easily described. Therefore, you should consult with your attorney to learn of your rights and responsibilities under that law should you decide to file a bankruptcy case. Court employees are prohibited from giving you legal advice.

Chapter 7: Liquidation (Court fee \$299)

1. Chapter 7 is designed for debtors with no ability to repay existing debts. There are eligibility requirements for Chapter 7 you must discuss with your attorney.
2. Under Chapter 7, a trustee takes ownership of all your property. You may claim as exempt from seizure and sale only items allowed by governing law. The trustee liquidates any property in which there is equity and applies sale proceeds to pay past debts according to priorities set in the Bankruptcy Code.
3. In Chapter 7, Debtors may retain property that is exempt or in which there is no equity if that property is not collateral for a delinquent debt.
4. The purpose of Chapter 7 is to allow Debtors to obtain a discharge of debts and obtain a fresh start. Debtors may be deprived of a discharge for committing certain improper conduct, thereby defeating the purpose of the Bankruptcy.
5. Some debts are not dischargeable in Bankruptcy (domestic support obligations, student loans, some taxes, criminal fines and restitution, debts for intentional injury to person or property, some debts incurred within 90 days of filing). You will be responsible for paying these.

Chapter 13: Debt Adjustment Through a Repayment Plan (Court fee \$274)

1. Chapter 13 is designed for individuals with regular income, but desire and are able to repay in installments over time. There are eligibility requirements for Chapter 13 you must discuss with your attorney.
2. Chapter 13 requires you to file with the Court and comply with a repayment plan to repay all or part of your debts. You must have sufficient earnings to fund the plan month after month (for 3 to 5 years) until completed. The Court must confirm your plan before it takes effect.
3. Unlike Chapter 7, there is no liquidation of property in a Chapter 13 as long as you make monthly Chapter 13 payments in full and on time to the Chapter 13 trustee assigned to your case.
4. Once you've completed the plan, you will receive a discharge of the unpaid portions of any remaining debts that existed before you filed your case, with the exception of those debts that are not dischargeable in bankruptcy.

Chapter 11: Reorganization (Court fee \$1,039)

1. Chapter 11 is designed for business reorganization, but is available for individuals whose debt exceeds the debt eligibility levels for Chapter 13. Its provisions are complicated and the attorney's fees involved are expensive. You should review this option with your attorney.

Chapter 12: Family Farmer (Court fee \$239)

1. Chapter 12 is designed for family farmers to repay their debts over time. It is like Chapter 13, but its eligibility debt levels are less restrictive.

I, the undersigned, declare under penalty of perjury that I have read this Notice.

Debtor

Debtor

CASE NO. _____