

Statement Mandated by Section 527 (a) of the Bankruptcy Code

Notice to Clients Who Contemplate Filing Bankruptcy

The purposes of this Notice and The Statement Mandated by Section 527 of the Bankruptcy Code, which you have been provided as a separate document are to make you aware of some of your obligations should you file bankruptcy.

Note: This Notice and the Statement are required by legislation adopted by Congress in 2005, after intense lobbying by the credit industry. In our opinion they are designed to intimidate people who need debt relief under the Bankruptcy Code, and are based on the erroneous assumption that debtors are dishonest. So long as you are honest and meet the requirements set out under the law, you are entitled to debt relief. We can guide you through all the requirements of filing bankruptcy, so long as you provide us accurate and complete information.

You are notified as follows:

1. All information that you are required to provide with your bankruptcy petition and thereafter in your case is required to be complete, accurate, and truthful.
2. All your assets and all your liabilities are required to be completely and accurately disclosed in the documents filed to commence your case.
3. The value of each asset which is (a) secured by a lien, or (b) exempt, must be stated as the replacement value of such asset after reasonable inquiry to establish such value. The **replacement value means** the replacement value of the date of the filing of the bankruptcy petition without deduction for costs of sale or marketing. With respect to property acquired for personal, family, or household purposes, **replacement value means** the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value as determined.
4. After reasonable inquiry you are required to state your current monthly income. Current monthly income is described on the attached of Terms and Definitions Addendum.
5. After reasonable inquiry you are required to state the amounts (*your living expenses*) set out in section 707(b)(2) of the Bankruptcy Code. Those amounts are explained in the attached Terms and Definitions Addendum.
6. In a case under Chapter 13, after reasonable inquiry, you are required to state your disposable income determined in accordance with section 707(b)(2) of the Bankruptcy Code. Disposable income is explained on the attached addendum of Terms and Definitions.
7. Information that you provide during your case may be audited pursuant to the provisions of the Bankruptcy Code. Your failure to provide information may result in dismissal of your case or other sanctions, including criminal sanctions.

TERMS AND DEFINITIONS ADDENDUM

The following terms and definitions are the "Means Test". This is a complex analysis of your families' income and living expenses. We will assist you in completing the "means test".

Current Monthly Income: The average monthly income from all sources that the debtor(s) receives without regard to whether such income is taxable income, derived during the 6-month period ending the last calendar month immediately preceding the date of the commencement of the case. [§ 101 (10A)]

Amounts Set Out Pursuant to Sections 707(b): These are your monthly living expenses as specified under the National and Local Standards and your actual monthly expenses for categories specified as Other Necessary Expenses issued by the IRS for the area in which you live. [§ 707 (b)]

Disposable Income: The current monthly income received by the debtor, less amounts reasonably necessary to be expended for: (i) the maintenance or support of the debtor or a dependent of the debtor or for a domestic support obligation..., and

(ii) for charitable contributions..., and

(iii) if the debtor is engaged in business, for the payment of expenditures necessary for the...operation of such business.

[§ 1325 (b)(2)]

Statement Mandated by Section 527 (b) of the Bankruptcy Code

IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES

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. *(Lattin Law Offices, Chartered has enclosed their Written Contract on the green colored paper)*

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. *(Very seldom do your creditors appear at this hearing).*

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 Mandated by Section 527 (c) of the Bankruptcy Code

Instructions On Providing Information Required By Bankruptcy Law

You are required to provide certain information to the court when you file bankruptcy. It is our obligation to make diligent inquiry of you so as to obtain information to include in your bankruptcy petition. Attached are forms designed to obtain the necessary information. Please carefully read and follow these instructions. Put your initials next to each instruction.

- _____ 1. READ AND FILL OUT THE FORMS COMPLETELY, ACCURATELY, AND NEATLY.
- _____ 2. DO NOT LEAVE BLANKS. If a particular blank does not apply to you, put "N/A" in the blank. By doing so we will know that you did not mistakenly overlook it.
- _____ 3. List ALL your property.

In Kansas the following property is exempt: Homestead, one car per debtor (2 for Husband and wife), Retirement / Pension plan, household goods and furnishings, necessary jewelry, Tools of the trade and a few other listed items. In addition there are limitations on these exemptions. This property must be valued at its replacement value.

- _____ 4. List all your debts.
 - a) You must list debts that will not be discharged, such as student loans and child support.
 - b) You must list debts that you intend to pay.
 - c) You must list debts that you cosigned for someone else or that someone else cosigned for you.
 - d) You must list debts to family members.
- _____ 5. Attach additional sheets if you do not have sufficient space to include all the information.
- _____ 6. In determining the amount you owe each creditor list the amount on your most current statement or correspondence from the creditor. In rare cases your ability to file Chapter 7 may depend on how much debt you owe. In those cases we will assist you in determining how much you owe each creditor.
- _____ 7. If a creditor is still communicating with you, use the address supplied by the creditor in at least 2 communications over the last 90 days. Do not use the address to which you send payments. Use the correspondence address. Keep all mailings from your creditor, so we can keep up with any changes in the creditors' addresses and prove, if necessary we used the appropriate addresses.
- _____ 8. List the account number, if any, for each debt.

Debt Counseling Requirement. You are not eligible to file a bankruptcy unless you receive an individual or group briefing from an approved nonprofit budget and counseling agency. That briefing must outline your opportunities for available credit counseling and assist you in performing a related budget analysis. It must occur within 180 days prior to filing the bankruptcy. It can take place in person, on the internet or by telephone. If you have not yet received the counseling and you want our assistance, we will help you make the arrangements for it.

In addition to the information set out in these forms, you must file the following documents of information with your petition, or when specified, while your case is pending.

1. Copies of all pay stubs, payment devices, or other evidence of payment received within 60 days before the date of filing of the petition by you from any employer.
2. A statement of the amount of monthly net income itemized to show how the amount is calculated
3. A statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of the filing of the petition.
4.
 - a. A certificate from an approved nonprofit budget and credit counseling agency describing the individual or group briefing received by you.
 - b. If you developed a debt repayment plan as a result of the briefing, a copy of the plan
5. A record of any interest you have in an educational individual retirement account or under a qualified state tuition program.
6. A copy of your federal income tax return, or a transcript of the return, for the most recent year ending immediately before we file your case and for which you filed the return.
7. If the court, the United States Trustee, or any other party to your case request it, you must file with the court:
 - a. A copy of each federal income tax return, or transcript of the return, required for each year while your case is pending at the same time filed with the IRS.
 - b. A copy of each required federal income tax return that had not been filed with the IRS when your case is filed and that you subsequently file for any tax year for the three years preceding the date we file your case.
 - c. A copy of each amendment to any federal income tax return or a transcript of each amendment filed with the court pursuant to paragraphs (a) and (b).
8.
 - a. In a Chapter 13 case at certain intervals in your case, you must provide a statement, under penalty of perjury, of your income and expenditures during the previous tax year, and of your monthly income, the statement must show how income, expenditure, and monthly income are calculated.
 - b. The statement set out above must disclose the amount and services of your income, the identity of any person responsible with you for the support of your dependents, and the identity of any person who contributes to the household in which you reside.
9. A document that establishes your identity, including a driver's license, passport, or such other document containing your photograph, or such other personal identification establishing your identity. (*i.e.*: *Social Security Card*)

Statement Mandated by 342(b) of the Bankruptcy Code

1. Some or all of the information you provide in connection with your bankruptcy will be filed with the U.S. Bankruptcy Court on forms and/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 a false oath or statement 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 by the Attorney General.