

PRELIMINARY MESSAGE TO ANYONE CONSIDERING BANKRUPTCY

You must disclose all possible assets, liabilities, debts and sources of income to your attorney.

Please do not leave anything out. People often make the mistake of assuming that something does not need to be listed if there is no debt involved, or if there are no particular problems in that area at the moment, or if it simply seems insignificant. To the contrary, in bankruptcy not only does the law require us to disclose everything, but as a practical matter in most cases it is better for you to list everything anyway.

Do not worry that you will lose something simply because someone knows that you have it. In the rare instances when something goes wrong in bankruptcy cases, it is usually because an important fact was not disclosed. On top of that, in most of those cases the result would not have been as bad if the facts had been fully disclosed in the beginning, and quite often the problem could have been avoided all together. Following are some more specific examples of things that must be disclosed:

Income: If there is money coming into the household from any source, it is income and it must be reported. Obviously every paycheck must be reported, but also any self-employment income, any cash income, and even unearned income must be reported. This includes any money coming into the household from Social Security, private retirement plans, AFDC, child support, alimony, unemployment benefits, regular workers' comp benefits, investment income, rental income and even regular monetary gifts from family or friends or net profit from selling personal belongings. If there is money coming in now, or in the near future, it must be reported. This does not cause you to lose that money.

Assets: The question is whether your name is (or could be) attached in any way to anything that has value, or that may become valuable in the future. It must be disclosed, even if it is not in your possession, or if you are not the person who uses it. Here are some examples of things that people mistakenly omit: Real estate, cars or other things that have been inherited (a.k.a. "heir property"), or that has been gifted to you; property that is titled in your name, but that someone else is using; bank accounts that are idle, or seldom-used; vehicles that are not under lien; vehicles that are used as collateral for a loan; and lawsuits or potential lawsuits, including class action suits. You must also disclose anything that has not happened yet, but that may happen in the near future, such as inheritances, tax refunds, bonuses or other windfalls.

Debts/

Liabilities: Every debt, of any kind, for any reason, to any person must be listed, even if it's very old, or if you don't agree that you owe it, or if it's not causing a problem for you at the moment. The question is not whether you believe you owe a debt; the question is whether somebody else out there believes that you owe something to them, or that you caused them some harm, even if they are absolutely wrong about that. Again, not only does the law require full disclosure of all debts, but it is almost always in your best interest to do so. Listing a car loan does **not** cause you to lose the car.