



AMERICAN  
BANKRUPTCY  
INSTITUTE

# Northeast Bankruptcy Conference and Consumer Forum

*Consumer Track*

## **Inside the Debtor's Finances**

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2023 ABI Northeast Bankruptcy Conference

# INSIDE THE DEBTOR'S FINANCES

FRIDAY, JULY 14, 2023 – 9:30 – 10:30 AM



CHAPTER 13  
ISSUES

## SCHEDULE A/B—ASSETS

- Real Property Valuation Methods
  - › Appraisal—full appraisal v. BPO v. desktop
  - › Assessment—local taxing authority
  - › Zillow or similar sources
- Personal Property
  - › Comp Sales
    - Craigslist
    - eBay
    - Appraisals
  - › Local Rules
    - E.g., VT use of NADA as presumptive vehicle value

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## SCHEDULE A/B *Cont'd*

- Personal Property (Cont.)
  - › Insurance Riders
    - Jewelry
    - Artwork
  - › Interests in Companies
    - Share prices, corporate valuation, etc.
  - › Unusual Property
    - Claims/Litigation
    - Trusts (as trustee or beneficiary)
  - › Categorization Matters (exemptions, limits, qualifications)

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## SCHEDULE I—INCOME

- Pay Advices
  - › Determine Period (weekly, biweekly, bimonthly, etc.)
  - › Determine Pay Rate
  - › Deductions and Withdrawals
    - Voluntary
      - Retirement Savings
      - HSA/FSA, etc.
    - Involuntary
      - Withholding
      - Domestic Support Obligations
      - Garnishments
  - › Net Pay

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## SCHEDULE I *Cont'd*

- Non-Wage Income Sources
  - › Business or Farm
  - › Passive Income
  - › Domestic Support from Another Person
  - › Government Benefits
  - › Other
- Income from Rental Property
  - › Ownership Documentation (Schedule B)
  - › Lease Documentation
  - › Tenant Information

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## SCHEDULE I *Cont'd*

- Income from Operation of Business
  - › Percentage and Nature of Interest (Schedule B)
  - › Formation Documents
  - › Balance Sheet for Business
  - › Profit & Loss Statement
  - › Documentation of Income/Distributions Received

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## SCHEDULE I *Cont'd*

- The Side Hustle
  - › Independent Contractor
    - Uber
    - Etsy
    - Airbnb
  - › Tax Consequences
    - 1099
    - Withholding and Estimated Payments

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## SCHEDULE J—EXPENSES

- Expenses Generally
  - › Determine Monthly Average Amount
  - › Incorporate Periodic or Extraordinary Expenses
  - › Be Prepared to Substantiate

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## SCHEDULE J *Cont'd*

- Business Expenses
  - › Separate Statement to Schedule I (Question 8.a.)
    - Gross Receipts
    - Ordinary/Necessary Expenses
    - Total Net Income
  - › Rental Property
    - Maintenance
    - Taxes
    - Insurance

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## SCHEDULE J *Cont'd*

- Business Expenses
  - › Independent Contractor
    - Tax Treatment, Deductions, Etc.
    - Cost of Materials/Services
    - Seek Advice of Accounting Professional
  - › Schedule C to IRS Form 1040

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## CHAPTER 13 STATEMENT OF MONTHLY INCOME

- Form 122C-1
  - › DETERMINES **LENGTH** OF PLAN PAYMENTS
  - › Based on **actual** income for last 6 months prepetition
  - › Determination of monthly amount
  - › More granular analysis than Schedule I
  - › Determines whether plan is 3 or 5-year commitment

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## CHAPTER 13 CALCULATION OF DISPOSABLE INCOME

- Form 122C-2
  - › DETERMINES **AMOUNT** OF PLAN PAYMENTS
  - › Pulls from Form 122C-1
  - › Applies available income to expenses
  - › Adjusts expenses
  - › Determines amount of excess income to be paid into plan on monthly basis for life of plan

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## CHAPTER 13 PLAN

- Form 113
  - › Sets forth plan payments and term (from Forms 122C-1 and 122C-2)
  - › Requires analysis of secured claims and payments, collateral valuation, lien avoidance etc.
  - › Requires calculation of distribution amounts and percentages
  - › Includes total payments across all categories for entire plan

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## SCHEDULES AND FORMS GENERALLY

- Prior Inconsistent Statements
  - › Tax Returns
  - › Loan Applications
  - › Personal Financial Statements
  - › Probate Court Disclosures
    - Financial Statements
    - Child Support Proceedings
    - Property Settlements
  - › Prior Bankruptcy Filings
  - › Litigation
    - Testimony (including depositions)
    - Pleadings
    - Discovery Responses

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## SCHEDULES AND FORMS GENERALLY *Cont'd*

- Local Rules and Forms
  - › Chapter 13 Plan
  - › Relief from Stay Worksheet
  - › Valuation Worksheets/Orders
- Counsel's Certification:

I, the attorney for the debtor(s) named in this petition, declare that I have informed the debtor(s) about eligibility to proceed under Chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each chapter for which the person is eligible. I also certify that I have delivered to the debtor(s) the notice required by 11 U.S.C. § 342(b) and, in a case in which § 707(b)(4)(D) applies, ***certify that I have no knowledge after an inquiry that the information in the schedules filed with the petition is incorrect.***

Form 101, Voluntary Petition (emphasis added)

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## TAX RETURNS

- Source of Income Information
- Source of Expense Information
- Many Bankruptcy Forms Explicitly Reference Specific Tax Forms and Lines

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## BANK RECORDS

- May Substantiate Income and Expenses
- May Reveal Transfers
  - › To other bank accounts (and may reveal existence of non-reported accounts of debtor)
  - › To cash transfer apps
    - PayPal
    - Venmo
    - Zelle
- Insight into expenses, spending, and anticipated changes post-filing

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## CHAPTER 11 SUBCHAPTER V ISSUES



### CONSIDERATIONS

- Under the Small Business Reorganization Act, a Subchapter V reorganization is streamlined and proceeds at a quick pace.
- Financial Reporting is integral to the process and confirmation of a plan.
- Preparation in advance is very important.
- Generally, Debtor's plan must be filed within 90 days of the entry of an order for relief under 11 U.S.C. § 1189(b).
- Less than \$7,500,000 in debt under 11 U.S.C. § 1182.

**CERTAIN REQUIRED FINANCIAL INFORMATION**

- Information
  - › 11 U.S.C. § 1116 requires that the Debtor file:
    - Most recent balance sheet;
    - Statement of Operations;
    - Cash flow statement; and
    - Federal income tax return, unless the Debtor states under the penalty of perjury that no such statements have been prepared or filed.

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**CERTAIN REQUIRED FINANCIAL INFORMATION *Cont'd***

- Key to confirmation is the determination that the Debtor's Plan is "fair and equitable" under 11 U.S.C. § 1191. That determination depends on whether all of the Debtor's projected disposable income over the plan period (3-5 years) will be applied to make payments under the plan.
- "disposable income" does not include, among other things, income reasonably necessary to be expended for the "continuation, preservation or operation" of the Debtor's business. 11 U.S.C. § 1191(d).
- Liquidation Analysis
  - › 11 U.S.C. §1129(7) Creditors must receive value not less than they would receive under a Chapter 7 liquidation.
    - Appraisals- equipment, real estate
    - Broker's value opinions-real estate

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## THE ADVANTAGES OF SUB V PLAN

- The advantages of a fast track Sub V plan confirmation include:
- No creditor's committee;
- Only the Debtor can propose a plan;
- Expedited confirmation; and
- No absolute priority rule.

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## THE ADVANTAGES OF SUB V PLAN *Cont'd*

- This saves great expense. The Debtor can be relieved of substantial unsecured debt.
  - › The importance of credible, up to date, financial information is obvious, and the expense is justified.
  - › Financial information, particularly the projections and the disposable income calculations will be reviewed by:
    - Secured lender;
    - Sub V Trustee;
    - Creditors; and
    - Bankruptcy Court.

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## Presenters

**Honorable Heather Z. Cooper**

United States Bankruptcy Court Judge  
District of Vermont

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617.488.8112

**Fill in this information to identify your case and this filing:**

Debtor 1 \_\_\_\_\_  
                     First Name                      Middle Name                      Last Name

Debtor 2 \_\_\_\_\_  
 (Spouse, if filing) First Name                      Middle Name                      Last Name

United States Bankruptcy Court for the: \_\_\_\_\_ District of \_\_\_\_\_

Case number \_\_\_\_\_

☐ Check if this is an amended filing

**Official Form 106A/B**

**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

**1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?**

- ☐ No. Go to Part 2.
- ☐ Yes. Where is the property?

1.1. \_\_\_\_\_  
 Street address, if available, or other description

\_\_\_\_\_  
 City State ZIP Code

County \_\_\_\_\_

**What is the property?** Check all that apply.

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

**Other information you wish to add about this item, such as local property identification number:** \_\_\_\_\_

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** \$ \_\_\_\_\_

**Current value of the portion you own?** \$ \_\_\_\_\_

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.** \_\_\_\_\_

☐ Check if this is community property (see instructions)

If you own or have more than one, list here:

1.2. \_\_\_\_\_  
 Street address, if available, or other description

\_\_\_\_\_  
 City State ZIP Code

County \_\_\_\_\_

**What is the property?** Check all that apply.

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

**Other information you wish to add about this item, such as local property identification number:** \_\_\_\_\_

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** \$ \_\_\_\_\_

**Current value of the portion you own?** \$ \_\_\_\_\_

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.** \_\_\_\_\_

☐ Check if this is community property (see instructions)

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Debtor 1

First Name Middle Name Last Name

Case number (if known)

1.3. Street address, if available, or other description

City State ZIP Code

County

**What is the property?** Check all that apply.

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \$

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.**

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

**Other information you wish to add about this item, such as local property identification number:**

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here. →

\$

## Part 2: Describe Your Vehicles

**Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not?** Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

- ☐ No
- ☐ Yes

3.1. Make: \_\_\_\_\_

Model: \_\_\_\_\_

Year: \_\_\_\_\_

Approximate mileage: \_\_\_\_\_

Other information:

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \$

☐ **Check if this is community property** (see instructions)

If you own or have more than one, describe here:

3.2. Make: \_\_\_\_\_

Model: \_\_\_\_\_

Year: \_\_\_\_\_

Approximate mileage: \_\_\_\_\_

Other information:

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \$

☐ **Check if this is community property** (see instructions)



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Debtor 1

First Name Middle Name Last Name

Case number (if known)

3.3. Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Year: \_\_\_\_\_  
Approximate mileage: \_\_\_\_\_  
Other information:  
\_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \_\_\_\_\_ \$ \_\_\_\_\_

3.4. Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Year: \_\_\_\_\_  
Approximate mileage: \_\_\_\_\_  
Other information:  
\_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \_\_\_\_\_ \$ \_\_\_\_\_

## 4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories

*Examples:* Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

- ☐ No  
☐ Yes

4.1. Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Year: \_\_\_\_\_  
Other information:  
\_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \_\_\_\_\_ \$ \_\_\_\_\_

If you own or have more than one, list here:

4.2. Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Year: \_\_\_\_\_  
Other information:  
\_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \_\_\_\_\_ \$ \_\_\_\_\_

5. Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here .....



\$ \_\_\_\_\_

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name Middle Name Last Name

Case number (if known)

## Part 3: Describe Your Personal and Household Items

Do you own or have any legal or equitable interest in any of the following items?

**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

### 6. Household goods and furnishings

*Examples:* Major appliances, furniture, linens, china, kitchenware

☐ No

☐ Yes. Describe.....

\$

### 7. Electronics

*Examples:* Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games

☐ No

☐ Yes. Describe.....

\$

### 8. Collectibles of value

*Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles

☐ No

☐ Yes. Describe.....

\$

### 9. Equipment for sports and hobbies

*Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

☐ No

☐ Yes. Describe.....

\$

### 10. Firearms

*Examples:* Pistols, rifles, shotguns, ammunition, and related equipment

☐ No

☐ Yes. Describe.....

\$

### 11. Clothes

*Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories

☐ No

☐ Yes. Describe.....

\$

### 12. Jewelry

*Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

☐ No

☐ Yes. Describe.....

\$

### 13. Non-farm animals

*Examples:* Dogs, cats, birds, horses

☐ No

☐ Yes. Describe.....

\$

### 14. Any other personal and household items you did not already list, including any health aids you did not list

☐ No

☐ Yes. Give specific information. ....

\$

### 15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here

\$

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

## Part 4: Describe Your Financial Assets

Do you own or have any legal or equitable interest in any of the following?

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

### 16. Cash

*Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

☐ No

☐ Yes ..... Cash: ..... \$ .....

### 17. Deposits of money

*Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

☐ No

☐ Yes ..... Institution name:

17.1. Checking account:	_____	\$ _____
17.2. Checking account:	_____	\$ _____
17.3. Savings account:	_____	\$ _____
17.4. Savings account:	_____	\$ _____
17.5. Certificates of deposit:	_____	\$ _____
17.6. Other financial account:	_____	\$ _____
17.7. Other financial account:	_____	\$ _____
17.8. Other financial account:	_____	\$ _____
17.9. Other financial account:	_____	\$ _____

### 18. Bonds, mutual funds, or publicly traded stocks

*Examples:* Bond funds, investment accounts with brokerage firms, money market accounts

☐ No

☐ Yes ..... Institution or issuer name:

_____	\$ _____
_____	\$ _____
_____	\$ _____

### 19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture

☐ No

☐ Yes. Give specific information about them.....

Name of entity:	% of ownership:	
_____	0% %	\$ _____
_____	0% %	\$ _____
_____	0% %	\$ _____

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Debtor 1

First Name

Middle Name

Last Name

Case number (if known)

## 20. Government and corporate bonds and other negotiable and non-negotiable instruments

*Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.  
*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.

☐ No

☐ Yes. Give specific information about them.....

Issuer name:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_

## 21. Retirement or pension accounts

*Examples:* Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☐ No

☐ Yes. List each account separately.

Type of account:

Institution name:

401(k) or similar plan: \_\_\_\_\_  
 Pension plan: \_\_\_\_\_  
 IRA: \_\_\_\_\_  
 Retirement account: \_\_\_\_\_  
 Keogh: \_\_\_\_\_  
 Additional account: \_\_\_\_\_  
 Additional account: \_\_\_\_\_

\$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_

## 22. Security deposits and prepayments

Your share of all unused deposits you have made so that you may continue service or use from a company  
*Examples:* Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☐ No

☐ Yes .....

Institution name or individual:

Electric: \_\_\_\_\_  
 Gas: \_\_\_\_\_  
 Heating oil: \_\_\_\_\_  
 Security deposit on rental unit: \_\_\_\_\_  
 Prepaid rent: \_\_\_\_\_  
 Telephone: \_\_\_\_\_  
 Water: \_\_\_\_\_  
 Rented furniture: \_\_\_\_\_  
 Other: \_\_\_\_\_

\$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_

## 23. Annuities (A contract for a periodic payment of money to you, either for life or for a number of years)

☐ No

☐ Yes .....

Issuer name and description:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☐ No☐ Yes ..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**☐ No☐ Yes. Give specific information about them....

\_\_\_\_\_ \$ \_\_\_\_\_

**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property***Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements☐ No☐ Yes. Give specific information about them....

\_\_\_\_\_ \$ \_\_\_\_\_

**27. Licenses, franchises, and other general intangibles***Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses☐ No☐ Yes. Give specific information about them....

\_\_\_\_\_ \$ \_\_\_\_\_

**Money or property owed to you?****Current value of the portion you own?**  
Do not deduct secured claims or exemptions.**28. Tax refunds owed to you**☐ No☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years. ....

\_\_\_\_\_

Federal: \$ \_\_\_\_\_  
State: \$ \_\_\_\_\_  
Local: \$ \_\_\_\_\_

**29. Family support***Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement☐ No☐ Yes. Give specific information.....

\_\_\_\_\_

Alimony: \$ \_\_\_\_\_  
Maintenance: \$ \_\_\_\_\_  
Support: \$ \_\_\_\_\_  
Divorce settlement: \$ \_\_\_\_\_  
Property settlement: \$ \_\_\_\_\_

**30. Other amounts someone owes you***Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else☐ No☐ Yes. Give specific information.....

\_\_\_\_\_ \$ \_\_\_\_\_

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name

Middle Name

Last Name

Case number (if known)

**31. Interests in insurance policies***Examples: Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance*☐ No☐ Yes. Name the insurance company of each policy and list its value. ...

Company name:

Beneficiary:

Surrender or refund value:

\$

\$

\$

**32. Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☐ No☐ Yes. Give specific information.....

\$

**33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment***Examples: Accidents, employment disputes, insurance claims, or rights to sue*☐ No☐ Yes. Describe each claim. ....

\$

**34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**☐ No☐ Yes. Describe each claim. ....

\$

**35. Any financial assets you did not already list**☐ No☐ Yes. Give specific information.....

\$

**36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here** →

\$

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.****37. Do you own or have any legal or equitable interest in any business-related property?**☐ No. Go to Part 6.☐ Yes. Go to line 38.**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

**38. Accounts receivable or commissions you already earned**☐ No☐ Yes. Describe.....

\$

**39. Office equipment, furnishings, and supplies***Examples: Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones, desks, chairs, electronic devices*☐ No☐ Yes. Describe.....

\$

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

**40. Machinery, fixtures, equipment, supplies you use in business, and tools of your trade**

☐ No

☐ Yes. Describe.....

\$

**41. Inventory**

☐ No

☐ Yes. Describe.....

\$

**42. Interests in partnerships or joint ventures**

☐ No

☐ Yes. Describe.....

Name of entity:

% of ownership:

\_\_\_\_\_ %

\$

\_\_\_\_\_ %

\$

\_\_\_\_\_ %

\$

**43. Customer lists, mailing lists, or other compilations**

☐ No

☐ Yes. Do your lists include personally identifiable information (as defined in 11 U.S.C. § 101(41A))?

☐ No

☐ Yes. Describe.....

\$

**44. Any business-related property you did not already list**

☐ No

☐ Yes. Give specific information .....

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\$

\$

\$

\$

\$

\$

**45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have attached for Part 5. Write that number here** .....



\$

**Part 6:**

**Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**  
If you own or have an interest in farmland, list it in Part 1.

**46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**

☐ No. Go to Part 7.

☐ Yes. Go to line 47.

**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

**47. Farm animals**

*Examples:* Livestock, poultry, farm-raised fish

☐ No

☐ Yes .....

\$

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name

Middle Name

Last Name

Case number (if known)

**48. Crops—either growing or harvested**

☐ No

☐ Yes. Give specific information.....

\$ \_\_\_\_\_

**49. Farm and fishing equipment, implements, machinery, fixtures, and tools of trade**

☐ No

☐ Yes.....

\$ \_\_\_\_\_

**50. Farm and fishing supplies, chemicals, and feed**

☐ No

☐ Yes.....

\$ \_\_\_\_\_

**51. Any farm- and commercial fishing-related property you did not already list**

☐ No

☐ Yes. Give specific information.....

\$ \_\_\_\_\_

**52. Add the dollar value of all of your entries from Part 6, including any entries for pages you have attached for Part 6. Write that number here** .....

\$ \_\_\_\_\_

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

**53. Do you have other property of any kind you did not already list?**

*Examples: Season tickets, country club membership*

☐ No

☐ Yes. Give specific information.....

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**54. Add the dollar value of all of your entries from Part 7. Write that number here** .....

\$ \_\_\_\_\_

**Part 8: List the Totals of Each Part of this Form**

**55. Part 1: Total real estate, line 2** .....

\$ \_\_\_\_\_

**56. Part 2: Total vehicles, line 5**

\$ \_\_\_\_\_

**57. Part 3: Total personal and household items, line 15**

\$ \_\_\_\_\_

**58. Part 4: Total financial assets, line 36**

\$ \_\_\_\_\_

**59. Part 5: Total business-related property, line 45**

\$ \_\_\_\_\_

**60. Part 6: Total farm- and fishing-related property, line 52**

\$ \_\_\_\_\_

**61. Part 7: Total other property not listed, line 54**

**+** \$ \_\_\_\_\_

**62. Total personal property. Add lines 56 through 61.** .....

\$ \_\_\_\_\_

Copy personal property total →

**+** \$ \_\_\_\_\_

**63. Total of all property on Schedule A/B. Add line 55 + line 62.** .....

\$ \_\_\_\_\_



## Fill in this information to identify your case:

Debtor 1	First Name _____	Middle Name _____	Last Name _____
Debtor 2 (Spouse, if filing)	First Name _____	Middle Name _____	Last Name _____
United States Bankruptcy Court for the: _____ District of _____			
Case number (If known)	_____		

Check if this is:

- ☐ An amended filing
- ☐ A supplement showing postpetition chapter 13 income as of the following date:

MM / DD / YYYY \_\_\_\_\_

Official Form 106I

**Schedule I: Your Income**

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Employment****1. Fill in your employment information.**

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

**Employment status**

- ☐ Employed  
☐ Not employed

- ☐ Employed  
☐ Not employed

**Occupation****Employer's name****Employer's address**

Number Street

Number Street

City State ZIP Code

City State ZIP Code

How long employed there? \_\_\_\_\_

**Part 2: Give Details About Monthly Income**

**Estimate monthly income as of the date you file this form.** If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

	For Debtor 1	For Debtor 2 or non-filing spouse
2. <b>List monthly gross wages, salary, and commissions</b> (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	2. \$ _____	\$ _____
3. <b>Estimate and list monthly overtime pay.</b>	3. + \$ _____	+ \$ _____
4. <b>Calculate gross income.</b> Add line 2 + line 3.	4. \$ _____	\$ _____

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name Middle Name Last Name

Case number (if known)

	For Debtor 1	For Debtor 2 or non-filing spouse
Copy line 4 here..... → 4.	\$ _____	\$ _____
<b>5. List all payroll deductions:</b>		
5a. Tax, Medicare, and Social Security deductions	5a. \$ _____	\$ _____
5b. Mandatory contributions for retirement plans	5b. \$ _____	\$ _____
5c. Voluntary contributions for retirement plans	5c. \$ _____	\$ _____
5d. Required repayments of retirement fund loans	5d. \$ _____	\$ _____
5e. Insurance	5e. \$ _____	\$ _____
5f. Domestic support obligations	5f. \$ _____	\$ _____
5g. Union dues	5g. \$ _____	\$ _____
5h. Other deductions. Specify: _____	5h. + \$ _____	+ \$ _____
6. Add the payroll deductions. Add lines 5a + 5b + 5c + 5d + 5e + 5f + 5g + 5h.	6. \$ _____	\$ _____
7. Calculate total monthly take-home pay. Subtract line 6 from line 4.	7. \$ _____	\$ _____
<b>8. List all other income regularly received:</b>		
8a. Net income from rental property and from operating a business, profession, or farm		
Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.		
8a.	\$ _____	\$ _____
8b. Interest and dividends		
8b.	\$ _____	\$ _____
8c. Family support payments that you, a non-filing spouse, or a dependent regularly receive		
Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement.		
8c.	\$ _____	\$ _____
8d. Unemployment compensation		
8d.	\$ _____	\$ _____
8e. Social Security		
8e.	\$ _____	\$ _____
8f. Other government assistance that you regularly receive		
Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies.		
Specify: _____	8f. \$ _____	\$ _____
8g. Pension or retirement income		
8g.	\$ _____	\$ _____
8h. Other monthly income. Specify: _____	8h. + \$ _____	+ \$ _____
9. Add all other income. Add lines 8a + 8b + 8c + 8d + 8e + 8f + 8g + 8h.	9. \$ _____	\$ _____
10. Calculate monthly income. Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse.	10. \$ _____ +	\$ _____ = \$ _____
<b>11. State all other regular contributions to the expenses that you list in Schedule J.</b>		
Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives.		
Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J.		
Specify: _____	11. + \$ _____	
<b>12. Add the amount in the last column of line 10 to the amount in line 11.</b> The result is the combined monthly income. Write that amount on the <i>Summary of Your Assets and Liabilities and Certain Statistical Information</i> , if it applies		
	12.	\$ _____ Combined monthly income
<b>13. Do you expect an increase or decrease within the year after you file this form?</b>		
<input type="checkbox"/> No.		
<input type="checkbox"/> Yes. Explain: _____		

## Fill in this information to identify your case:

Debtor 1	_____	_____	_____
	First Name	Middle Name	Last Name
Debtor 2	_____	_____	_____
(Spouse, if filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: _____ District of _____			
Case number	_____		
(If known)			

Check if this is:

- ☐ An amended filing
- ☐ A supplement showing postpetition chapter 13 expenses as of the following date:

MM / DD / YYYY \_\_\_\_\_

## Official Form 106J

**Schedule J: Your Expenses**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Your Household**

## 1. Is this a joint case?

- ☐ No. Go to line 2.
- ☐ Yes. Does Debtor 2 live in a separate household?
- ☐ No
- ☐ Yes. Debtor 2 must file Official Form 106J-2, *Expenses for Separate Household of Debtor 2*.

## 2. Do you have dependents?

Do not list Debtor 1 and Debtor 2.

Do not state the dependents' names.

☐ No☐ Yes. Fill out this information for each dependent.....

Dependent's relationship to Debtor 1 or Debtor 2

Dependent's age

Does dependent live with you?

☐ No  
☐ Yes

☐ No  
☐ Yes

☐ No  
☐ Yes

☐ No  
☐ Yes

☐ No  
☐ Yes

## 3. Do your expenses include expenses of people other than yourself and your dependents?

☐ No  
☐ Yes
**Part 2: Estimate Your Ongoing Monthly Expenses**

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental *Schedule J*, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on *Schedule I: Your Income* (Official Form 106I.)

Your expenses

## 4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.

4. \$ \_\_\_\_\_

## If not included in line 4:

4a. Real estate taxes

4a. \$ \_\_\_\_\_

4b. Property, homeowner's, or renter's insurance

4b. \$ \_\_\_\_\_

4c. Home maintenance, repair, and upkeep expenses

4c. \$ \_\_\_\_\_

4d. Homeowner's association or condominium dues

4d. \$ \_\_\_\_\_

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name Middle Name Last Name

Case number (if known)

	Your expenses
5. <b>Additional mortgage payments for your residence</b> , such as home equity loans	5. \$ _____
6. <b>Utilities:</b>	
6a. Electricity, heat, natural gas	6a. \$ _____
6b. Water, sewer, garbage collection	6b. \$ _____
6c. Telephone, cell phone, Internet, satellite, and cable services	6c. \$ _____
6d. Other. Specify: _____	6d. \$ _____
7. <b>Food and housekeeping supplies</b>	7. \$ _____
8. <b>Childcare and children's education costs</b>	8. \$ _____
9. <b>Clothing, laundry, and dry cleaning</b>	9. \$ _____
10. <b>Personal care products and services</b>	10. \$ _____
11. <b>Medical and dental expenses</b>	11. \$ _____
12. <b>Transportation.</b> Include gas, maintenance, bus or train fare. Do not include car payments.	12. \$ _____
13. <b>Entertainment, clubs, recreation, newspapers, magazines, and books</b>	13. \$ _____
14. <b>Charitable contributions and religious donations</b>	14. \$ _____
15. <b>Insurance.</b> Do not include insurance deducted from your pay or included in lines 4 or 20.	
15a. Life insurance	15a. \$ _____
15b. Health insurance	15b. \$ _____
15c. Vehicle insurance	15c. \$ _____
15d. Other insurance. Specify: _____	15d. \$ _____
16. <b>Taxes.</b> Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: _____	16. \$ _____
17. <b>Installment or lease payments:</b>	
17a. Car payments for Vehicle 1	17a. \$ _____
17b. Car payments for Vehicle 2	17b. \$ _____
17c. Other. Specify: _____	17c. \$ _____
17d. Other. Specify: _____	17d. \$ _____
18. <b>Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).</b>	18. \$ _____
19. <b>Other payments you make to support others who do not live with you.</b> Specify: _____	19. \$ _____
20. <b>Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.</b>	
20a. Mortgages on other property	20a. \$ _____
20b. Real estate taxes	20b. \$ _____
20c. Property, homeowner's, or renter's insurance	20c. \$ _____
20d. Maintenance, repair, and upkeep expenses	20d. \$ _____
20e. Homeowner's association or condominium dues	20e. \$ _____

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name

Middle Name

Last Name

Case number (if known)

21. **Other.** Specify: \_\_\_\_\_

21. **+\$** \_\_\_\_\_

22. **Calculate your monthly expenses.**

22a. Add lines 4 through 21.

22a. **\$** \_\_\_\_\_

22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 106J-2

22b. **\$** \_\_\_\_\_

22c. Add line 22a and 22b. The result is your monthly expenses.

22c. **\$** \_\_\_\_\_

23. **Calculate your monthly net income.**

23a. Copy line 12 (*your combined monthly income*) from *Schedule I*.

23a. **\$** \_\_\_\_\_

23b. Copy your monthly expenses from line 22c above.

23b. **– \$** \_\_\_\_\_

23c. Subtract your monthly expenses from your monthly income.  
The result is your *monthly net income*.

23c. **\$** \_\_\_\_\_

24. **Do you expect an increase or decrease in your expenses within the year after you file this form?**

For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?

☐ No.

☐ Yes.

Explain here:

# AMERICAN BANKRUPTCY INSTITUTE

## Fill in this information to identify your case:

Debtor 1 \_\_\_\_\_  
 First Name Middle Name Last Name

Debtor 2 \_\_\_\_\_  
 (Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: \_\_\_\_\_ District of \_\_\_\_\_

Case number \_\_\_\_\_  
 (if known)

## Check as directed in lines 17 and 21:

According to the calculations required by this Statement:

- ☐ 1. Disposable income is not determined under 11 U.S.C. § 1325(b)(3).
- ☐ 2. Disposable income is determined under 11 U.S.C. § 1325(b)(3).
- 
- ☐ 3. The commitment period is 3 years.
- ☐ 4. The commitment period is 5 years.

☐ Check if this is an amended filing

Official Form 122C-1

## Chapter 13 Statement of Your Current Monthly Income and Calculation of Commitment Period

10/19

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for being accurate. If more space is needed, attach a separate sheet to this form. Include the line number to which the additional information applies. On the top of any additional pages, write your name and case number (if known).

### Part 1: Calculate Your Average Monthly Income

1. What is your marital and filing status? Check one only.

- ☐ Not married. Fill out Column A, lines 2-11.
- ☐ Married. Fill out both Columns A and B, lines 2-11.

Fill in the average monthly income that you received from all sources, derived during the 6 full months before you file this bankruptcy case. 11 U.S.C. § 101(10A). For example, if you are filing on September 15, the 6-month period would be March 1 through August 31. If the amount of your monthly income varied during the 6 months, add the income for all 6 months and divide the total by 6. Fill in the result. Do not include any income amount more than once. For example, if both spouses own the same rental property, put the income from that property in one column only. If you have nothing to report for any line, write \$0 in the space.

	Column A Debtor 1	Column B Debtor 2 or non-filing spouse
2. Your gross wages, salary, tips, bonuses, overtime, and commissions (before all payroll deductions).	\$ _____	\$ _____
3. Alimony and maintenance payments. Do not include payments from a spouse.	\$ _____	\$ _____
4. All amounts from any source which are regularly paid for household expenses of you or your dependents, including child support. Include regular contributions from an unmarried partner, members of your household, your dependents, parents, and roommates. Do not include payments from a spouse. Do not include payments you listed on line 3.	\$ _____	\$ _____
5. Net income from operating a business, profession, or farm		
Gross receipts (before all deductions)	Debtor 1 \$ _____	Debtor 2 \$ _____
Ordinary and necessary operating expenses	- \$ _____	- \$ _____
Net monthly income from a business, profession, or farm	\$ _____	\$ _____
	Copy here →	\$ _____
6. Net income from rental and other real property		
Gross receipts (before all deductions)	Debtor 1 \$ _____	Debtor 2 \$ _____
Ordinary and necessary operating expenses	- \$ _____	- \$ _____
Net monthly income from rental or other real property	\$ _____	\$ _____
	Copy here →	\$ _____

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

	Column A Debtor 1	Column B Debtor 2 or non-filing spouse
7. <b>Interest, dividends, and royalties</b>	\$ _____	\$ _____
8. <b>Unemployment compensation</b> Do not enter the amount if you contend that the amount received was a benefit under the Social Security Act. Instead, list it here: ..... ↓ For you ..... \$ _____ For your spouse ..... \$ _____	\$ _____	\$ _____
9. <b>Pension or retirement income.</b> Do not include any amount received that was a benefit under the Social Security Act. Also, except as stated in the next sentence, do not include any compensation, pension, pay, annuity, or allowance paid by the United States Government in connection with a disability, combat-related injury or disability, or death of a member of the uniformed services. If you received any retired pay paid under chapter 61 of title 10, then include that pay only to the extent that it does not exceed the amount of retired pay to which you would otherwise be entitled if retired under any provision of title 10 other than chapter 61 of that title.	\$ _____	\$ _____
10. <b>Income from all other sources not listed above.</b> Specify the source and amount. Do not include any benefits received under the Social Security Act; payments received as a victim of a war crime, a crime against humanity, or international or domestic terrorism; or compensation, pension, pay, annuity, or allowance paid by the United States Government in connection with a disability, combat-related injury or disability, or death of a member of the uniformed services. If necessary, list other sources on a separate page and put the total below. _____ _____ Total amounts from separate pages, if any.	\$ _____ \$ _____ + \$ _____	\$ _____ \$ _____ + \$ _____
11. <b>Calculate your total average monthly income.</b> Add lines 2 through 10 for each column. Then add the total for Column A to the total for Column B.	\$ _____	\$ _____
	+	=
	\$ _____	\$ _____
	Total average monthly income	

## Part 2: Determine How to Measure Your Deductions from Income

12. Copy your total average monthly income from line 11. .... \$ \_\_\_\_\_

13. **Calculate the marital adjustment.** Check one:

☐ You are not married. Fill in 0 below.

☐ You are married and your spouse is filing with you. Fill in 0 below.

☐ You are married and your spouse is not filing with you.

Fill in the amount of the income listed in line 11, Column B, that was NOT regularly paid for the household expenses of you or your dependents, such as payment of the spouse's tax liability or the spouse's support of someone other than you or your dependents.

Below, specify the basis for excluding this income and the amount of income devoted to each purpose. If necessary, list additional adjustments on a separate page.

If this adjustment does not apply, enter 0 below.

_____	\$ _____	
_____	\$ _____	
_____	+ \$ _____	
Total .....	\$ _____	Copy here → _____

14. **Your current monthly income.** Subtract the total in line 13 from line 12.

\$ \_\_\_\_\_

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name Middle Name Last Name

Case number (if known)

**15. Calculate your current monthly income for the year.** Follow these steps:

- 15a. Copy line 14 here ➔ ..... \$ \_\_\_\_\_
- Multiply line 15a by 12 (the number of months in a year). **x 12**
- 15b. The result is your current monthly income for the year for this part of the form. .... \$ \_\_\_\_\_

**16. Calculate the median family income that applies to you.** Follow these steps:

- 16a. Fill in the state in which you live. \_\_\_\_\_
- 16b. Fill in the number of people in your household. \_\_\_\_\_
- 16c. Fill in the median family income for your state and size of household. .... \$ \_\_\_\_\_
- To find a list of applicable median income amounts, go online using the link specified in the separate instructions for this form. This list may also be available at the bankruptcy clerk's office.

**17. How do the lines compare?**

- 17a. ☐ Line 15b is less than or equal to line 16c. On the top of page 1 of this form, check box 1, *Disposable income is not determined under 11 U.S.C. § 1325(b)(3). Go to Part 3.* Do NOT fill out *Calculation of Your Disposable Income* (Official Form 122C-2).
- 17b. ☐ Line 15b is more than line 16c. On the top of page 1 of this form, check box 2, *Disposable income is determined under 11 U.S.C. § 1325(b)(3). Go to Part 3 and fill out Calculation of Your Disposable Income (Official Form 122C-2).* On line 39 of that form, copy your current monthly income from line 14 above.

**Part 3: Calculate Your Commitment Period Under 11 U.S.C. § 1325(b)(4)**

18. Copy your total average monthly income from line 11. .... \$ \_\_\_\_\_

**19. Deduct the marital adjustment if it applies.** If you are married, your spouse is not filing with you, and you contend that calculating the commitment period under 11 U.S.C. § 1325(b)(4) allows you to deduct part of your spouse's income, copy the amount from line 13.

- 19a. If the marital adjustment does not apply, fill in 0 on line 19a. .... - \$ \_\_\_\_\_
- 19b. Subtract line 19a from line 18. \$ \_\_\_\_\_

**20. Calculate your current monthly income for the year.** Follow these steps:

- 20a. Copy line 19b. .... \$ \_\_\_\_\_
- Multiply by 12 (the number of months in a year). **x 12**
- 20b. The result is your current monthly income for the year for this part of the form. \$ \_\_\_\_\_
- 20c. Copy the median family income for your state and size of household from line 16c. .... \$ \_\_\_\_\_

**21. How do the lines compare?**

- ☐ Line 20b is less than line 20c. Unless otherwise ordered by the court, on the top of page 1 of this form, check box 3, *The commitment period is 3 years.* Go to Part 4.
- ☐ Line 20b is more than or equal to line 20c. Unless otherwise ordered by the court, on the top of page 1 of this form, check box 4, *The commitment period is 5 years.* Go to Part 4.



## 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

### Part 4: Sign Below

By signing here, under penalty of perjury I declare that the information on this statement and in any attachments is true and correct.

X

Signature of Debtor 1

X

Signature of Debtor 2

Date  
MM / DD / YYYY

Date  
MM / DD / YYYY

If you checked 17a, do NOT fill out or file Form 122C-2.

If you checked 17b, fill out Form 122C-2 and file it with this form. On line 39 of that form, copy your current monthly income from line 14 above.

# AMERICAN BANKRUPTCY INSTITUTE

## Fill in this information to identify your case:

Debtor 1 \_\_\_\_\_  
First Name Middle Name Last Name

Debtor 2 \_\_\_\_\_  
(Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: \_\_\_\_\_ District of \_\_\_\_\_

Case number \_\_\_\_\_  
(if known)

☐ Check if this is an amended filing

## Official Form 122C-2

### Chapter 13 Calculation of Your Disposable Income

04/22

To fill out this form, you will need your completed copy of *Chapter 13 Statement of Your Current Monthly Income and Calculation of Commitment Period* (Official Form 122C-1).

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for being accurate. If more space is needed, attach a separate sheet to this form. Include the line number to which the additional information applies. On the top of any additional pages, write your name and case number (if known).

#### Part 1: Calculate Your Deductions from Your Income

The Internal Revenue Service (IRS) issues National and Local Standards for certain expense amounts. Use these amounts to answer the questions in lines 6-15. To find the IRS standards, go online using the link specified in the separate instructions for this form. This information may also be available at the bankruptcy clerk's office.

Deduct the expense amounts set out in lines 6-15 regardless of your actual expense. In later parts of the form, you will use some of your actual expenses if they are higher than the standards. Do not include any operating expenses that you subtracted from income in lines 5 and 6 of Form 122C-1, and do not deduct any amounts that you subtracted from your spouse's income in line 13 of Form 122C-1.

If your expenses differ from month to month, enter the average expense.

Note: Line numbers 1-4 are not used in this form. These numbers apply to information required by a similar form used in chapter 7 cases.

**5. The number of people used in determining your deductions from income**

Fill in the number of people who could be claimed as exemptions on your federal income tax return, plus the number of any additional dependents whom you support. This number may be different from the number of people in your household.

**National Standards**

You must use the IRS National Standards to answer the questions in lines 6-7.

6. **Food, clothing, and other items:** Using the number of people you entered in line 5 and the IRS National Standards, fill in the dollar amount for food, clothing, and other items.

\$ \_\_\_\_\_

7. **Out-of-pocket health care allowance:** Using the number of people you entered in line 5 and the IRS National Standards, fill in the dollar amount for out-of-pocket health care. The number of people is split into two categories—people who are under 65 and people who are 65 or older—because older people have a higher IRS allowance for health care costs. If your actual expenses are higher than this IRS amount, you may deduct the additional amount on line 22.

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

## People who are under 65 years of age

7a. Out-of-pocket health care allowance per person \$

7b. Number of people who are under 65 X

7c. Subtotal. Multiply line 7a by line 7b.

\$

Copy here →

\$

## People who are 65 years of age or older

7d. Out-of-pocket health care allowance per person \$

7e. Number of people who are 65 or older X

7f. Subtotal. Multiply line 7d by line 7e.

\$

Copy here →

+ \$

7g. Total. Add lines 7c and 7f.

\$

Copy here →

\$

## Local Standards

You must use the IRS Local Standards to answer the questions in lines 8-15.

Based on information from the IRS, the U.S. Trustee Program has divided the IRS Local Standard for housing for bankruptcy purposes into two parts:

- Housing and utilities – Insurance and operating expenses
- Housing and utilities – Mortgage or rent expenses

To answer the questions in lines 8-9, use the U.S. Trustee Program chart. To find the chart, go online using the link specified in the separate instructions for this form. This chart may also be available at the bankruptcy clerk's office.

8. **Housing and utilities – Insurance and operating expenses:** Using the number of people you entered in line 5, fill in the dollar amount listed for your county for insurance and operating expenses.

\$

9. **Housing and utilities – Mortgage or rent expenses:**

9a. Using the number of people you entered in line 5, fill in the dollar amount listed for your county for mortgage or rent expenses.

\$

9b. Total average monthly payment for all mortgages and other debts secured by your home.

To calculate the total average monthly payment, add all amounts that are contractually due to each secured creditor in the 60 months after you file for bankruptcy. Next divide by 60.

Name of the creditor	Average monthly payment
	\$
	\$
	+ \$

9b. Total average monthly payment

\$

Copy here →

– \$ Repeat this amount on line 33a.

9c. Net mortgage or rent expense.

Subtract line 9b (total average monthly payment) from line 9a (mortgage or rent expense). If this number is less than \$0, enter \$0.

\$

Copy here →

\$

10. If you claim that the U.S. Trustee Program's division of the IRS Local Standard for housing is incorrect and affects the calculation of your monthly expenses, fill in any additional amount you claim.

\$

Explain why:

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name Middle Name Last Name

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11. **Local transportation expenses:** Check the number of vehicles for which you claim an ownership or operating expense.

- ☐ 0. Go to line 14.  
☐ 1. Go to line 12.  
☐ 2 or more. Go to line 12.

12. **Vehicle operation expense:** Using the IRS Local Standards and the number of vehicles for which you claim the operating expenses, fill in the *Operating Costs* that apply for your Census region or metropolitan statistical area.

\$ \_\_\_\_\_

13. **Vehicle ownership or lease expense:** Using the IRS Local Standards, calculate the net ownership or lease expense for each vehicle below. You may not claim the expense if you do not make any loan or lease payments on the vehicle. In addition, you may not claim the expense for more than two vehicles.

**Vehicle 1** Describe Vehicle 1: \_\_\_\_\_  
 \_\_\_\_\_

13a. Ownership or leasing costs using IRS Local Standard ..... \$ \_\_\_\_\_

13b. Average monthly payment for all debts secured by Vehicle 1.

Do not include costs for leased vehicles.

To calculate the average monthly payment here and on line 13e, add all amounts that are contractually due to each secured creditor in the 60 months after you file for bankruptcy. Then divide by 60.

Name of each creditor for Vehicle 1	Average monthly payment
-------------------------------------	-------------------------

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ + \$ \_\_\_\_\_

Total average monthly payment

\$ \_\_\_\_\_

Copy here →

— \$ \_\_\_\_\_ Repeat this amount on line 33b.

13c. Net Vehicle 1 ownership or lease expense

Subtract line 13b from line 13a. If this number is less than \$0, enter \$0. ....

\$ \_\_\_\_\_

Copy net Vehicle 1 expense here →

\$ \_\_\_\_\_

**Vehicle 2** Describe Vehicle 2: \_\_\_\_\_  
 \_\_\_\_\_

13d. Ownership or leasing costs using IRS Local Standard ..... \$ \_\_\_\_\_

13e. Average monthly payment for all debts secured by Vehicle 2.

Do not include costs for leased vehicles.

Name of each creditor for Vehicle 2	Average monthly payment
-------------------------------------	-------------------------

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ + \$ \_\_\_\_\_

Total average monthly payment

\$ \_\_\_\_\_

Copy here →

— \$ \_\_\_\_\_ Repeat this amount on line 33c.

13f. Net Vehicle 2 ownership or lease expense

Subtract line 13e from 13d. If this number is less than \$0, enter \$0.....

\$ \_\_\_\_\_

Copy net Vehicle 2 expense here →

\$ \_\_\_\_\_

14. **Public transportation expense:** If you claimed 0 vehicles in line 11, using the IRS Local Standards, fill in the *Public Transportation* expense allowance regardless of whether you use public transportation.

\$ \_\_\_\_\_

15. **Additional public transportation expense:** If you claimed 1 or more vehicles in line 11 and if you claim that you may also deduct a public transportation expense, you may fill in what you believe is the appropriate expense, but you may not claim more than the IRS Local Standard for *Public Transportation*.

\$ \_\_\_\_\_

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

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## Other Necessary Expenses

In addition to the expense deductions listed above, you are allowed your monthly expenses for the following IRS categories.

16. **Taxes:** The total monthly amount that you actually pay for federal, state and local taxes, such as income taxes, self-employment taxes, social security taxes, and Medicare taxes. You may include the monthly amount withheld from your pay for these taxes. However, if you expect to receive a tax refund, you must divide the expected refund by 12 and subtract that number from the total monthly amount that is withheld to pay for taxes.  
Do not include real estate, sales, or use taxes. \$ \_\_\_\_\_
17. **Involuntary deductions:** The total monthly payroll deductions that your job requires, such as retirement contributions, union dues, and uniform costs.  
Do not include amounts that are not required by your job, such as voluntary 401(k) contributions or payroll savings. \$ \_\_\_\_\_
18. **Life insurance:** The total monthly premiums that you pay for your own term life insurance. If two married people are filing together, include payments that you make for your spouse's term life insurance.  
Do not include premiums for life insurance on your dependents, for a non-filing spouse's life insurance, or for any form of life insurance other than term. \$ \_\_\_\_\_
19. **Court-ordered payments:** The total monthly amount that you pay as required by the order of a court or administrative agency, such as spousal or child support payments.  
Do not include payments on past due obligations for spousal or child support. You will list these obligations in line 35. \$ \_\_\_\_\_
20. **Education:** The total monthly amount that you pay for education that is either required:  
  - as a condition for your job, or
  - for your physically or mentally challenged dependent child if no public education is available for similar services.\$ \_\_\_\_\_
21. **Childcare:** The total monthly amount that you pay for childcare, such as babysitting, daycare, nursery, and preschool.  
Do not include payments for any elementary or secondary school education. \$ \_\_\_\_\_
22. **Additional health care expenses, excluding insurance costs:** The monthly amount that you pay for health care that is required for the health and welfare of you or your dependents and that is not reimbursed by insurance or paid by a health savings account. Include only the amount that is more than the total entered in line 7.  
Payments for health insurance or health savings accounts should be listed only in line 25. \$ \_\_\_\_\_
23. **Optional telephones and telephone services:** The total monthly amount that you pay for telecommunication services for you and your dependents, such as pagers, call waiting, caller identification, special long distance, or business cell phone service, to the extent necessary for your health and welfare or that of your dependents or for the production of income, if it is not reimbursed by your employer.  
Do not include payments for basic home telephone, internet or cell phone service. Do not include self-employment expenses, such as those reported on line 5 of Form 122C-1, or any amount you previously deducted. + \$ \_\_\_\_\_
24. **Add all of the expenses allowed under the IRS expense allowances.** \$ \_\_\_\_\_  
Add lines 6 through 23.

## Additional Expense Deductions

These are additional deductions allowed by the Means Test.  
Note: Do not include any expense allowances listed in lines 6-24.

25. **Health insurance, disability insurance, and health savings account expenses.** The monthly expenses for health insurance, disability insurance, and health savings accounts that are reasonably necessary for yourself, your spouse, or your dependents.
 

Health insurance	\$		
Disability insurance	\$		
Health savings account	+ \$		
<b>Total</b>	<b>\$</b>		

Do you actually spend this total amount?
Copy total here ➔  \$ \_\_\_\_\_

☐ No. How much do you actually spend?
 

\$ \_\_\_\_\_

☐ Yes
 

\$ \_\_\_\_\_
26. **Continuing contributions to the care of household or family members.** The actual monthly expenses that you will continue to pay for the reasonable and necessary care and support of an elderly, chronically ill, or disabled member of your household or member of your immediate family who is unable to pay for such expenses. These expenses may include contributions to an account of a qualified ABLE program. 26 U.S.C. § 529A(b). \$ \_\_\_\_\_
27. **Protection against family violence.** The reasonably necessary monthly expenses that you incur to maintain the safety of you and your family under the Family Violence Prevention and Services Act or other federal laws that apply.  
By law, the court must keep the nature of these expenses confidential. \$ \_\_\_\_\_

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Debtor 1

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**28. Additional home energy costs.** Your home energy costs are included in your insurance and operating expenses on line 8.

If you believe that you have home energy costs that are more than the home energy costs included in expenses on line 8, then fill in the excess amount of home energy costs.

\$ \_\_\_\_\_

You must give your case trustee documentation of your actual expenses, and you must show that the additional amount claimed is reasonable and necessary.

**29. Education expenses for dependent children who are younger than 18.** The monthly expenses (not more than \$189.58\* per child) that you pay for your dependent children who are younger than 18 years old to attend a private or public elementary or secondary school.

\$ \_\_\_\_\_

You must give your case trustee documentation of your actual expenses, and you must explain why the amount claimed is reasonable and necessary and not already accounted for in lines 6-23.

\* Subject to adjustment on 4/01/25, and every 3 years after that for cases begun on or after the date of adjustment.

**30. Additional food and clothing expense.** The monthly amount by which your actual food and clothing expenses are higher than the combined food and clothing allowances in the IRS National Standards. That amount cannot be more than 5% of the food and clothing allowances in the IRS National Standards.

\$ \_\_\_\_\_

To find a chart showing the maximum additional allowance, go online using the link specified in the separate instructions for this form. This chart may also be available at the bankruptcy clerk's office.

You must show that the additional amount claimed is reasonable and necessary.

**31. Continuing charitable contributions.** The amount that you will continue to contribute in the form of cash or financial instruments to a religious or charitable organization. 11 U.S.C. § 548(d)(3) and (4).

+ \$ \_\_\_\_\_

Do not include any amount more than 15% of your gross monthly income.

**32. Add all of the additional expense deductions.**

Add lines 25 through 31.

\$ \_\_\_\_\_

## Deductions for Debt Payment

**33. For debts that are secured by an interest in property that you own, including home mortgages, vehicle loans, and other secured debt, fill in lines 33a through 33e.**

To calculate the total average monthly payment, add all amounts that are contractually due to each secured creditor in the 60 months after you file for bankruptcy. Then divide by 60.

Average monthly  
payment

**Mortgages on your home**

33a. Copy line 9b here ..... ➔ \$ \_\_\_\_\_

**Loans on your first two vehicles**

33b. Copy line 13b here. .... ➔ \$ \_\_\_\_\_

33c. Copy line 13e here. .... ➔ \$ \_\_\_\_\_

33d. List other secured debts:

Name of each creditor for other secured debt	Identify property that secures the debt	Does payment include taxes or insurance?	
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	\$ _____
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	\$ _____
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	+ \$ _____

33e. Total average monthly payment. Add lines 33a through 33d. .... \$ \_\_\_\_\_

Copy total  
here ➔

\$ \_\_\_\_\_

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

**34. Are any debts that you listed in line 33 secured by your primary residence, a vehicle, or other property necessary for your support or the support of your dependents?**

☐ No. Go to line 35.

☐ Yes. State any amount that you must pay to a creditor, in addition to the payments listed in line 33, to keep possession of your property (called the *cure amount*). Next, divide by 60 and fill in the information below.

Name of the creditor	Identify property that secures the debt	Total cure amount	Monthly cure amount
		\$ _____ ÷ 60 =	\$ _____
		\$ _____ ÷ 60 =	\$ _____
		\$ _____ ÷ 60 = + \$ _____	
		Total	\$ _____

Copy total here →

\$ \_\_\_\_\_

**35. Do you owe any priority claims—such as a priority tax, child support, or alimony—that are past due as of the filing date of your bankruptcy case? 11 U.S.C. § 507.**

☐ No. Go to line 36.

☐ Yes. Fill in the total amount of all of these priority claims. Do not include current or ongoing priority claims, such as those you listed in line 19.

Total amount of all past-due priority claims. .... \$ \_\_\_\_\_ ÷ 60 \$ \_\_\_\_\_

**36. Projected monthly Chapter 13 plan payment**

\$ \_\_\_\_\_

Current multiplier for your district as stated on the list issued by the Administrative Office of the United States Courts (for districts in Alabama and North Carolina) or by the Executive Office for United States Trustees (for all other districts).

X \_\_\_\_\_

To find a list of district multipliers that includes your district, go online using the link specified in the separate instructions for this form. This list may also be available at the bankruptcy clerk's office.

Average monthly administrative expense

\$ \_\_\_\_\_

Copy total here →

\$ \_\_\_\_\_

**37. Add all of the deductions for debt payment. Add lines 33e through 36.**

\$ \_\_\_\_\_

**Total Deductions from Income**

**38. Add all of the allowed deductions.**

Copy line 24, All of the expenses allowed under IRS expense allowances ..... \$ \_\_\_\_\_

Copy line 32, All of the additional expense deductions ..... \$ \_\_\_\_\_

Copy line 37, All of the deductions for debt payment ..... + \$ \_\_\_\_\_

Total deductions ..... \$ \_\_\_\_\_

Copy total here →

\$ \_\_\_\_\_

# AMERICAN BANKRUPTCY INSTITUTE

Debtor 1

First Name Middle Name Last Name

Case number (if known)

## Part 2: Determine Your Disposable Income Under 11 U.S.C. § 1325(b)(2)

39. Copy your total current monthly income from line 14 of Form 122C-1, Chapter 13 Statement of Your Current Monthly Income and Calculation of Commitment Period. \$

40. Fill in any reasonably necessary income you receive for support for dependent children. The monthly average of any child support payments, foster care payments, or disability payments for a dependent child, reported in Part I of Form 122C-1, that you received in accordance with applicable nonbankruptcy law to the extent reasonably necessary to be expended for such child. \$

41. Fill in all qualified retirement deductions. The monthly total of all amounts that your employer withheld from wages as contributions for qualified retirement plans, as specified in 11 U.S.C. § 541(b)(7) plus all required repayments of loans from retirement plans, as specified in 11 U.S.C. § 362(b)(19). \$

42. Total of all deductions allowed under 11 U.S.C. § 707(b)(2)(A). Copy line 38 here ➔ \$

43. Deduction for special circumstances. If special circumstances justify additional expenses and you have no reasonable alternative, describe the special circumstances and their expenses. You must give your case trustee a detailed explanation of the special circumstances and documentation for the expenses.

Describe the special circumstances	Amount of expense
	\$
	\$
	+ \$
Total	\$ ➔ Copy here + \$

44. Total adjustments. Add lines 40 through 43. \$ ➔ Copy here ➔ - \$

45. Calculate your monthly disposable income under § 1325(b)(2). Subtract line 44 from line 39. \$

## Part 3: Change in Income or Expenses

46. Change in income or expenses. If the income in Form 122C-1 or the expenses you reported in this form have changed or are virtually certain to change after the date you filed your bankruptcy petition and during the time your case will be open, fill in the information below. For example, if the wages reported increased after you filed your petition, check 122C-1 in the first column, enter line 2 in the second column, explain why the wages increased, fill in when the increase occurred, and fill in the amount of the increase.

Form	Line	Reason for change	Date of change	Increase or decrease?	Amount of change
<input type="checkbox"/> 122C-1				<input type="checkbox"/> Increase	\$
<input type="checkbox"/> 122C-2				<input type="checkbox"/> Decrease	\$
<input type="checkbox"/> 122C-1				<input type="checkbox"/> Increase	\$
<input type="checkbox"/> 122C-2				<input type="checkbox"/> Decrease	\$
<input type="checkbox"/> 122C-1				<input type="checkbox"/> Increase	\$
<input type="checkbox"/> 122C-2				<input type="checkbox"/> Decrease	\$
<input type="checkbox"/> 122C-1				<input type="checkbox"/> Increase	\$
<input type="checkbox"/> 122C-2				<input type="checkbox"/> Decrease	\$



# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor 1

First Name Middle Name Last Name

Case number (if known)

## Part 4:

### Sign Below

By signing here, under penalty of perjury you declare that the information on this statement and in any attachments is true and correct.

X

Signature of Debtor 1

Date

MM / DD / YYYY

X

Signature of Debtor 2

Date

MM / DD / YYYY

# AMERICAN BANKRUPTCY INSTITUTE

## Fill in this information to identify your case:

Debtor 1	_____	_____	_____
	First Name	Middle Name	Last Name
Debtor 2	_____	_____	_____
(Spouse, if filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	_____		District of _____
			(State)
Case number	_____		
(if known)			

☐ Check if this is an amended plan, and list below the sections of the plan that have been changed.

\_\_\_\_\_

\_\_\_\_\_

## Official Form 113 Chapter 13 Plan

12/17

### Part 1: Notices

**To Debtors:** This form sets out options that may be appropriate in some cases, but the presence of an option on the form does not indicate that the option is appropriate in your circumstances or that it is permissible in your judicial district. Plans that do not comply with local rules and judicial rulings may not be confirmable.

*In the following notice to creditors, you must check each box that applies.*

**To Creditors:** Your rights may be affected by this plan. Your claim may be reduced, modified, or eliminated.

You should read this plan carefully and discuss it with your attorney if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

If you oppose the plan's treatment of your claim or any provision of this plan, you or your attorney must file an objection to confirmation at least 7 days before the date set for the hearing on confirmation, unless otherwise ordered by the Bankruptcy Court. The Bankruptcy Court may confirm this plan without further notice if no objection to confirmation is filed. See Bankruptcy Rule 3015. In addition, you may need to file a timely proof of claim in order to be paid under any plan.

The following matters may be of particular importance. **Debtors must check one box on each line to state whether or not the plan includes each of the following items. If an item is checked as "Not Included" or if both boxes are checked, the provision will be ineffective if set out later in the plan.**

1.1	A limit on the amount of a secured claim, set out in Section 3.2, which may result in a partial payment or no payment at all to the secured creditor	<input type="checkbox"/> Included	<input type="checkbox"/> Not included
1.2	Avoidance of a judicial lien or nonpossessory, nonpurchase-money security interest, set out in Section 3.4	<input type="checkbox"/> Included	<input type="checkbox"/> Not included
1.3	Nonstandard provisions, set out in Part 8	<input type="checkbox"/> Included	<input type="checkbox"/> Not included

### Part 2: Plan Payments and Length of Plan

**2.1 Debtor(s) will make regular payments to the trustee as follows:**

\$ \_\_\_\_\_ per \_\_\_\_\_ for \_\_\_\_\_ months  
[and \$ \_\_\_\_\_ per \_\_\_\_\_ for \_\_\_\_\_ months.] *Insert additional lines if needed.*

If fewer than 60 months of payments are specified, additional monthly payments will be made to the extent necessary to make the payments to creditors specified in this plan.

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor \_\_\_\_\_

Case number \_\_\_\_\_

## 2.2 Regular payments to the trustee will be made from future income in the following manner:

Check all that apply.

- ☐ Debtor(s) will make payments pursuant to a payroll deduction order.
- ☐ Debtor(s) will make payments directly to the trustee.
- ☐ Other (specify method of payment): \_\_\_\_\_.

## 2.3 Income tax refunds.

Check one.

- ☐ Debtor(s) will retain any income tax refunds received during the plan term.
- ☐ Debtor(s) will supply the trustee with a copy of each income tax return filed during the plan term within 14 days of filing the return and will turn over to the trustee all income tax refunds received during the plan term.
- ☐ Debtor(s) will treat income tax refunds as follows:

\_\_\_\_\_  
\_\_\_\_\_

## 2.4 Additional payments.

Check one.

- ☐ None. If "None" is checked, the rest of § 2.4 need not be completed or reproduced.
- ☐ Debtor(s) will make additional payment(s) to the trustee from other sources, as specified below. Describe the source, estimated amount, and date of each anticipated payment.

\_\_\_\_\_  
\_\_\_\_\_

2.5 The total amount of estimated payments to the trustee provided for in §§ 2.1 and 2.4 is \$ \_\_\_\_\_.

## Part 3: Treatment of Secured Claims

### 3.1 Maintenance of payments and cure of default, if any.

Check one.

- ☐ None. If "None" is checked, the rest of § 3.1 need not be completed or reproduced.
- ☐ The debtor(s) will maintain the current contractual installment payments on the secured claims listed below, with any changes required by the applicable contract and noticed in conformity with any applicable rules. These payments will be disbursed either by the trustee or directly by the debtor(s), as specified below. Any existing arrearage on a listed claim will be paid in full through disbursements by the trustee, with interest, if any, at the rate stated. Unless otherwise ordered by the court, the amounts listed on a proof of claim filed before the filing deadline under Bankruptcy Rule 3002(c) control over any contrary amounts listed below as to the current installment payment and arrearage. In the absence of a contrary timely filed proof of claim, the amounts stated below are controlling. If relief from the automatic stay is ordered as to any item of collateral listed in this paragraph, then, unless otherwise ordered by the court, all payments under this paragraph as to that collateral will cease, and all secured claims based on that collateral will no longer be treated by the plan. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

Name of creditor	Collateral	Current installment payment (including escrow )	Amount of arrearage (if any)	Interest rate on arrearage (if applicable)	Monthly plan payment on arrearage	Estimated total payments by trustee
_____	_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	_____%	\$ _____	\$ _____
_____	_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	_____%	\$ _____	\$ _____

Insert additional claims as needed.

# AMERICAN BANKRUPTCY INSTITUTE

Debtor \_\_\_\_\_

Case number \_\_\_\_\_

## 3.2 Request for valuation of security, payment of fully secured claims, and modification of undersecured claims. Check one.

☐ **None.** If "None" is checked, the rest of § 3.2 need not be completed or reproduced.

*The remainder of this paragraph will be effective only if the applicable box in Part 1 of this plan is checked.*

☐ The debtor(s) request that the court determine the value of the secured claims listed below. For each non-governmental secured claim listed below, the debtor(s) state that the value of the secured claim should be as set out in the column headed *Amount of secured claim*. For secured claims of governmental units, unless otherwise ordered by the court, the value of a secured claim listed in a proof of claim filed in accordance with the Bankruptcy Rules controls over any contrary amount listed below. For each listed claim, the value of the secured claim will be paid in full with interest at the rate stated below.

The portion of any allowed claim that exceeds the amount of the secured claim will be treated as an unsecured claim under Part 5 of this plan. If the amount of a creditor's secured claim is listed below as having no value, the creditor's allowed claim will be treated in its entirety as an unsecured claim under Part 5 of this plan. Unless otherwise ordered by the court, the amount of the creditor's total claim listed on the proof of claim controls over any contrary amounts listed in this paragraph.

The holder of any claim listed below as having value in the column headed *Amount of secured claim* will retain the lien on the property interest of the debtor(s) or the estate(s) until the earlier of:

- (a) payment of the underlying debt determined under nonbankruptcy law, or
- (b) discharge of the underlying debt under 11 U.S.C. § 1328, at which time the lien will terminate and be released by the creditor.

Name of creditor	Estimated amount of creditor's total claim	Collateral	Value of collateral	Amount of claims senior to creditor's claim	Amount of secured claim	Interest rate	Monthly payment to creditor	Estimated total of monthly payments
_____	\$ _____	_____	\$ _____	\$ _____	\$ _____	____%	\$ _____	\$ _____
_____	\$ _____	_____	\$ _____	\$ _____	\$ _____	____%	\$ _____	\$ _____

*Insert additional claims as needed.*

## 3.3 Secured claims excluded from 11 U.S.C. § 506.

Check one.

☐ **None.** If "None" is checked, the rest of § 3.3 need not be completed or reproduced.

☐ The claims listed below were either:

- (1) incurred within 910 days before the petition date and secured by a purchase money security interest in a motor vehicle acquired for the personal use of the debtor(s), or
- (2) incurred within 1 year of the petition date and secured by a purchase money security interest in any other thing of value.

These claims will be paid in full under the plan with interest at the rate stated below. These payments will be disbursed either by the trustee or directly by the debtor(s), as specified below. Unless otherwise ordered by the court, the claim amount stated on a proof of claim filed before the filing deadline under Bankruptcy Rule 3002(c) controls over any contrary amount listed below. In the absence of a contrary timely filed proof of claim, the amounts stated below are controlling. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

Name of creditor	Collateral	Amount of claim	Interest rate	Monthly plan payment	Estimated total payments by trustee
_____	_____	\$ _____	____%	\$ _____	\$ _____
				Disbursed by:	
				<input type="checkbox"/> Trustee	
				<input type="checkbox"/> Debtor(s)	
_____	_____	\$ _____	____%	\$ _____	\$ _____
				Disbursed by:	
				<input type="checkbox"/> Trustee	
				<input type="checkbox"/> Debtor(s)	

*Insert additional claims as needed.*

# 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor \_\_\_\_\_

Case number \_\_\_\_\_

## 3.4 Lien avoidance.

Check one.

☐ **None.** If "None" is checked, the rest of § 3.4 need not be completed or reproduced.

**The remainder of this paragraph will be effective only if the applicable box in Part 1 of this plan is checked.**

☐ The judicial liens or nonpossessory, nonpurchase money security interests securing the claims listed below impair exemptions to which the debtor(s) would have been entitled under 11 U.S.C. § 522(b). Unless otherwise ordered by the court, a judicial lien or security interest securing a claim listed below will be avoided to the extent that it impairs such exemptions upon entry of the order confirming the plan. The amount of the judicial lien or security interest that is avoided will be treated as an unsecured claim in Part 5 to the extent allowed. The amount, if any, of the judicial lien or security interest that is not avoided will be paid in full as a secured claim under the plan. See 11 U.S.C. § 522(f) and Bankruptcy Rule 4003(d). *If more than one lien is to be avoided, provide the information separately for each lien.*

Information regarding judicial lien or security interest	Calculation of lien avoidance	Treatment of remaining secured claim
<b>Name of creditor</b> _____	a. Amount of lien \$ _____	<b>Amount of secured claim after avoidance</b> (line a minus line f) \$ _____
	b. Amount of all other liens \$ _____	
<b>Collateral</b> _____	c. Value of claimed exemptions + \$ _____	<b>Interest rate</b> (if applicable) _____ %
	d. Total of adding lines a, b, and c \$ _____	
<b>Lien identification</b> (such as judgment date, date of lien recording, book and page number) _____ _____	e. Value of debtor(s)' interest in property - \$ _____	<b>Monthly payment on secured claim</b> \$ _____
	f. Subtract line e from line d. \$ _____	<b>Estimated total payments on secured claim</b> \$ _____
	Extent of exemption impairment (Check applicable box):	
	<input type="checkbox"/> <b>Line f is equal to or greater than line a.</b>	
	The entire lien is avoided. (Do not complete the next column.)	
	<input type="checkbox"/> <b>Line f is less than line a.</b>	
	A portion of the lien is avoided. (Complete the next column.)	

Insert additional claims as needed.

## 3.5 Surrender of collateral.

Check one.

☐ **None.** If "None" is checked, the rest of § 3.5 need not be completed or reproduced.

☐ The debtor(s) elect to surrender to each creditor listed below the collateral that secures the creditor's claim. The debtor(s) request that upon confirmation of this plan the stay under 11 U.S.C. § 362(a) be terminated as to the collateral only and that the stay under § 1301 be terminated in all respects. Any allowed unsecured claim resulting from the disposition of the collateral will be treated in Part 5 below.

Name of creditor	Collateral
_____	_____
_____	_____

Insert additional claims as needed.

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Debtor \_\_\_\_\_

Case number \_\_\_\_\_

## Part 4: Treatment of Fees and Priority Claims

### 4.1 General

Trustee's fees and all allowed priority claims, including domestic support obligations other than those treated in § 4.5, will be paid in full without postpetition interest.

### 4.2 Trustee's fees

Trustee's fees are governed by statute and may change during the course of the case but are estimated to be \_\_\_\_\_% of plan payments; and during the plan term, they are estimated to total \$\_\_\_\_\_.

### 4.3 Attorney's fees

The balance of the fees owed to the attorney for the debtor(s) is estimated to be \$\_\_\_\_\_.

### 4.4 Priority claims other than attorney's fees and those treated in § 4.5.

Check one.

☐ **None.** If "None" is checked, the rest of § 4.4 need not be completed or reproduced.

☐ The debtor(s) estimate the total amount of other priority claims to be \_\_\_\_\_.

### 4.5 Domestic support obligations assigned or owed to a governmental unit and paid less than full amount.

Check one.

☐ **None.** If "None" is checked, the rest of § 4.5 need not be completed or reproduced.

☐ The allowed priority claims listed below are based on a domestic support obligation that has been assigned to or is owed to a governmental unit and will be paid less than the full amount of the claim under 11 U.S.C. § 1322(a)(4). *This plan provision requires that payments in § 2.1 be for a term of 60 months; see 11 U.S.C. § 1322(a)(4).*

Name of creditor	Amount of claim to be paid
_____	\$ _____
_____	\$ _____

Insert additional claims as needed.

## Part 5: Treatment of Nonpriority Unsecured Claims

### 5.1 Nonpriority unsecured claims not separately classified.

Allowed nonpriority unsecured claims that are not separately classified will be paid, pro rata. If more than one option is checked, the option providing the largest payment will be effective. *Check all that apply.*

☐ The sum of \$\_\_\_\_\_.

☐ \_\_\_\_\_% of the total amount of these claims, an estimated payment of \$\_\_\_\_\_.

☐ The funds remaining after disbursements have been made to all other creditors provided for in this plan.

If the estate of the debtor(s) were liquidated under chapter 7, nonpriority unsecured claims would be paid approximately \$\_\_\_\_\_. Regardless of the options checked above, payments on allowed nonpriority unsecured claims will be made in at least this amount.

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Debtor \_\_\_\_\_

Case number \_\_\_\_\_

### 5.2 Maintenance of payments and cure of any default on nonpriority unsecured claims. Check one.

- ☐ **None.** If "None" is checked, the rest of § 5.2 need not be completed or reproduced.
- ☐ The debtor(s) will maintain the contractual installment payments and cure any default in payments on the unsecured claims listed below on which the last payment is due after the final plan payment. These payments will be disbursed either by the trustee or directly by the debtor(s), as specified below. The claim for the arrearage amount will be paid in full as specified below and disbursed by the trustee. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

Name of creditor	Current installment payment	Amount of arrearage to be paid	Estimated total payments by trustee
_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	\$ _____
_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	\$ _____

Insert additional claims as needed.

### 5.3 Other separately classified nonpriority unsecured claims. Check one.

- ☐ **None.** If "None" is checked, the rest of § 5.3 need not be completed or reproduced.
- ☐ The nonpriority unsecured allowed claims listed below are separately classified and will be treated as follows

Name of creditor	Basis for separate classification and treatment	Amount to be paid on the claim	Interest rate (if applicable)	Estimated total amount of payments
_____	_____	\$ _____	_____%	\$ _____
_____	_____	\$ _____	_____%	\$ _____

Insert additional claims as needed.

## Part 6: Executory Contracts and Unexpired Leases

### 6.1 The executory contracts and unexpired leases listed below are assumed and will be treated as specified. All other executory contracts and unexpired leases are rejected. Check one.

- ☐ **None.** If "None" is checked, the rest of § 6.1 need not be completed or reproduced.
- ☐ **Assumed items.** Current installment payments will be disbursed either by the trustee or directly by the debtor(s), as specified below, subject to any contrary court order or rule. Arrearage payments will be disbursed by the trustee. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

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Debtor \_\_\_\_\_

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Name of creditor	Description of leased property or executory contract	Current installment payment	Amount of arrearage to be paid	Treatment of arrearage (Refer to other plan section if applicable)	Estimated total payments by trustee
_____	_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	_____	\$ _____
_____	_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	_____	\$ _____

*Insert additional contracts or leases as needed.*

## Part 7: Vesting of Property of the Estate

### 7.1 Property of the estate will vest in the debtor(s) upon

*Check the applicable box:*

- ☐ plan confirmation.
- ☐ entry of discharge.
- ☐ other: \_\_\_\_\_

## Part 8: Nonstandard Plan Provisions

### 8.1 Check "None" or List Nonstandard Plan Provisions

- ☐ **None.** *If "None" is checked, the rest of Part 8 need not be completed or reproduced.*

*Under Bankruptcy Rule 3015(c), nonstandard provisions must be set forth below. A nonstandard provision is a provision not otherwise included in the Official Form or deviating from it. Nonstandard provisions set out elsewhere in this plan are ineffective.*

**The following plan provisions will be effective only if there is a check in the box "Included" in § 1.3.**

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## 2023 NORTHEAST BANKRUPTCY CONFERENCE AND CONSUMER FORUM

Debtor \_\_\_\_\_

Case number \_\_\_\_\_

### **Part 9: Signature(s):**

#### **9.1 Signatures of Debtor(s) and Debtor(s)' Attorney**

*If the Debtor(s) do not have an attorney, the Debtor(s) must sign below; otherwise the Debtor(s) signatures are optional. The attorney for the Debtor(s), if any, must sign below.*

**X**

\_\_\_\_\_  
Signature of Debtor 1

Executed on \_\_\_\_\_  
MM / DD / YYYY

**X**

\_\_\_\_\_  
Signature of Debtor 2

Executed on \_\_\_\_\_  
MM / DD / YYYY

**X**

\_\_\_\_\_  
Signature of Attorney for Debtor(s)

Date

\_\_\_\_\_  
MM / DD / YYYY

**By filing this document, the Debtor(s), if not represented by an attorney, or the Attorney for Debtor(s) also certify(ies) that the wording and order of the provisions in this Chapter 13 plan are identical to those contained in Official Form 113, other than any nonstandard provisions included in Part 8.**

**Exhibit: Total Amount of Estimated Trustee Payments**

The following are the estimated payments that the plan requires the trustee to disburse. If there is any difference between the amounts set out below and the actual plan terms, the plan terms control.

- |  |            |
|--|------------|
| a. Maintenance and cure payments on secured claims <i>(Part 3, Section 3.1 total)</i>              | \$ _____   |
| b. Modified secured claims <i>(Part 3, Section 3.2 total)</i>                                      | \$ _____   |
| c. Secured claims excluded from 11 U.S.C. § 506 <i>(Part 3, Section 3.3 total)</i>                 | \$ _____   |
| d. Judicial liens or security interests partially avoided <i>(Part 3, Section 3.4 total)</i>       | \$ _____   |
| e. Fees and priority claims <i>(Part 4 total)</i>  | \$ _____   |
| f. Nonpriority unsecured claims <i>(Part 5, Section 5.1, highest stated amount)</i>                | \$ _____   |
| g. Maintenance and cure payments on unsecured claims <i>(Part 5, Section 5.2 total)</i>            | \$ _____   |
| h. Separately classified unsecured claims <i>(Part 5, Section 5.3 total)</i>                       | \$ _____   |
| i. Trustee payments on executory contracts and unexpired leases <i>(Part 6, Section 6.1 total)</i> | \$ _____   |
| j. Nonstandard payments <i>(Part 8, total)</i>   | + \$ _____ |

Total of lines a through j

\$ _____
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**INSIDE THE DEBTOR'S FINANCES**

2023 ABI Northeast Bankruptcy Conference

Duane A. D'Agnese, CPA, CIRA

Duane A. D'Agnese & Company, P.A.

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Loudon, NH 03307

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All debtors have their own unique ways of financing their companies. The debtor's financing is usually a result of financing something when it is needed. The interest rates charged and the term of the financing instruments generally vary in amount and length. For much or all of the financing the debtor did not need to submit any sort of financial information. If a debtor has good credit they get financing for something that they want to purchase. One will find that debtors generally do not have a financial education or background that gives them the tools that they need to financially manage their company. Whenever the economy around a debtor changes materially they get lost quickly and their company falters.

The debtor's answers to a few well structured questions at the beginning of an investigation will help the accountant and others determine how feasible a proposed plan may be.

Some questions may be:

1. What does top-down and bottom-up mean to you?
2. Do you do budgeting?
3. If so, do you compare budget to actual?
4. How do you price your product(s) or service(s)?

## AMERICAN BANKRUPTCY INSTITUTE

5. What do you do to determine if your costs are changing?
6. What are the names of all family members and related company names that have had anything to do with you or the company? (Clarification may be needed to get a complete answer to this question.)

Pricing Components:

- DIRECT COSTS
- LABOR
- OVERHEAD
- CONTINGCY
- PROFIT

The debtor's knowledge and employment of these pricing components will be important in the attempt to accept or reject the cash flows that are presented to the Court in the process of a bankruptcy.

**CERTAIN SCHEDULES AND STATEMENTS**

Bankruptcy schedules are the documents submitted to the Court that include all relevant personal and financial information of the person or company filing. They are included with the bankruptcy petition and must be completed properly to ensure the case is not dismissed.

**Schedule A:** A list of real property, including houses, land, and buildings owned by the filer. It also includes the address of the property, the value, and any liens against the property, including mortgage.

**Schedule B:** A list of personal property, which is everything owned that is not listed as real property in Schedule A. This includes items such as jewelry, collectables, stocks, retirement savings, and household goods. Essentially, everything the filer owns is included in this list so that the Court is aware of it. The value of each item on this must also be listed.

**Schedule I:** The filer's income (Official Form 106I), the details about their employment and monthly income as of the date they filed this form will be given. If you are married and your spouse is living with you, include information about your spouse even if your spouse is not filing with you. If you are separated and your spouse is not filing with you, do not include information about your spouse.

**Schedule J:** The filer's expenses (Official Form 106J), provides an estimate of the monthly expenses, as of the date the petition was filed, for filer, the filer's dependents, and other people in the filer's household whose income is included on Schedule I. If you are married and filing an income tax return as an individual, include your non-filing spouse's expenses unless you are separated. If you are filing jointly and both keep separate households the non-filing spouse must prepare Schedule J-2 "Expenses for Separate Household of Non-Filer" (106J-2).

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The Schedule J information is generally compared to the current list of “Allowable Living Expenses National Standards”.

The National Standards for 2023 are:

EXPENSE	NUMBER IN HOUSEHOLD				
	ONE	TWO	THREE	FOUR	> FOUR
Food	\$466	\$777	\$936	\$1123	
Housekeeping Supplies	\$47	\$80	\$85	\$90	For each additional person add \$356
Apparel & Services	\$96	\$145	\$207	\$252	
Personal Care Products & Services	\$43	\$78	\$91	\$97	
Miscellaneous	\$189	\$309	\$389	\$431	
<b>TOTALS</b>	<b>\$841</b>	<b>\$1389</b>	<b>\$1708</b>	<b>\$1993</b>	

## **AUDIT REPORTS**

### NATURE OF AUDIT

Reporting on insolvent companies requires an application of audit procedures that vary somewhat from those utilized under normal conditions. Much more emphasis is placed on the balance sheet. The audit of a company in financial difficulty is very similar in many respects to the audit of a company that is in the process of being acquired by another. Emphasis is placed on selected accounts, and others are completely ignored. In a normal audit, the accountant searches for unrecorded liabilities and uses great care to see that the assets are not overstated; in a bankruptcy, however, the accountant must ascertain that there are no unrecorded assets.

The accountant must be on the alert for indications that occurrences out of the ordinary have taken place. Any transaction that could possibly result in the dissipation of the debtor's assets in a manner other than by loss in the ordinary course of business should be examined closely. These include, for instance:

- irregular transfers
- transactions with related parties
- concealment of assets
- false entries and statements
- financing irregularities
- preferential payments

In the course of an investigation, the accountant may discover a more serious type of irregularity that constitutes fraud. A comparison of the statements filed by the debtor with the company's records may reveal deliberate discrepancies, or missing books or records, or erasures and alterations, or the age of the records that may indicate that fraud exists.

The purpose of the financial information during an investigation of most bankruptcy and insolvency cases is to assist interested parties in determining what should be done with the financially troubled debtor. Should the debtor reorganize and continue operations, or liquidate? Where this is the key issue, the accountant may do a limited investigation of the major aspects of the operations to ascertain whether the debtor can operate profitably again.

An audit Report has many costs associated with it. One does not see audit report issued by a bankruptcy often.



## OTHER REPORTS

### SPECIAL-PURPOSE REPORTS vs. GENERAL-PURPOSE REPORTS

A special-purpose Report (special purpose framework) is a non-GAAP financial reporting framework that employs either a cash, tax, regulatory, contractual, or other basis of accounting. For example, a tax basis of accounting is used to file an organization's tax return for the period covered by its financial statements. Or, a regulatory basis of accounting is intended to force the reporting entity to comply with the requirements of a specific regulatory agency. These frameworks are designed for a more specialized audience than one of the general-purpose frameworks, such as generally accepted accounting principles (GAAP).

The nature of a special-purpose framework can alter the content and format of an entity's financial statements and accompanying disclosures. The type of special-purpose framework should be stated in the compilation, review, or audit report that an accountant issues; additional disclosures may be necessary to explain the reason a special-purpose framework is being done.

When many consider financial statements, the default assumption is that they are prepared in accordance with U.S. generally accepted accounting principles (GAAP). While true for many sets of financial statements, there are other widely used alternatives to U.S. GAAP which are collectively referred to in the authoritative literature as special-purpose frameworks. There are other frameworks that also are referred to as other comprehensive basis of accounting (OCBBOA) which include:

1. **Cash Basis:** A basis of accounting that the entity uses to record cash receipts and disbursements and modifications of the cash basis having substantial support.
2. **Tax Basis:** A basis of accounting that the entity uses to file its tax return for the period covered by the financial statements.

3. **Regulatory Basis:** A basis of accounting that the entity uses to comply with the requirements of financial reporting provisions of a regulatory agency to which jurisdiction the entity is subject.
4. **Contractual Basis:** A basis of accounting that the entity uses to comply with an agreement between the entity and one or more third parties other than the accountant.
5. **Other Basis:** A basis of accounting that uses a definite set of logical, reasonable criteria that is applied to all material items appearing in financial statements.

Note: International Financial Reporting Standards (IFRC) are not considered a special-purpose framework. This is due to the AICPA designating the Accounting Standards Board (IASB) as the body to establish professional standards with respect to international financial accounting and reporting principles. This results in IFRS, as well as IFRS for small and medium-sized entities. This is considered generally accepted accounting principles.

## THE PLAN

### LIQUIDATION ANALYSIS

The method of approximating a valuation range of a debtor in order to measure the estimated recoveries of all claims. The recoveries of claims under a liquidation are compared to the recoveries of claims after a reorganization to confirm that the reorganization are in excess of the liquidation value.

For a liquidation analysis, the output on the dollar value of assets belonging to the debtor and rate assumptions of those assets as a percentage of their book value. On the other hand, a going-concern valuation is a function of the projected enterprise value of the post-reorganization debtor.

Chapter 11 restructuring is usually the preferred option by both the debtor and creditors because of the track record of higher recoveries.

Liquidation analysis represents the worst-case scenario and assumes the assets of the debtor are sold separately, as opposed to the debtor attempting to turn itself around through restructuring or being sold in its entity as a going-concern to a buyer.

ASSET TYPE	APPROXIMATE RECOVERY RATE
Cash and Cash Equivalents	95% – 100%
Accounts Receivable	65% – 85%
Inventories	40% – 60%
Property, Plant & Equipment	10% – 25%
Intangible Assets	0%

**FEASIBILITY ANALYSIS AND THE PLAN**

**FEASIBILITY ANALYSIS**

Pursuant to Chapter 11 of the U.S. Bankruptcy Code, a proposed plan of reorganization must be confirmed by the Bankruptcy Court in order for the debtor to successfully emerge from bankruptcy protection. Such approval may only be granted where the proposed plan meets certain statutory requirements, which are set forth in 11 U.S.C. § 1129. Among these requirements is the so called “feasibility” requirement, which holds that the court must determine that the debtor has a reasonable chance of surviving once the plan is confirmed and the debtor is out from under the protection of the court.

Accordingly, a feasible plan should allow the filer to emerge from bankruptcy as a viable operating entity. The burden for establishing the feasibility of the proposed plan lies with its proponent.

One way to satisfy the feasibility requirement is through the use of feasibility options. Such options are issued in connection with a proposed plan of reorganization and are generally developed with the assistance of a valuation analyst or an expert knowledgeable in turnaround management. These options should reflect the expected financial operations of the company, including future cash-flow, profitability and assumption of debt, should the plan of reorganization be granted and the company emerge from bankruptcy.

In order to be persuasive, forecasts must be established using creditable assumptions in an analysis of the company’s future. Among other things, a feasibility analysis should consider the current market regarding products and services the company provides as well as the products and services that the company needs to produce the products and services that the company provides.

Well prepared projections of future operations should take into consideration the changes expected as a result of the confirmation of the plan. Furthermore, in order to arrive at assumptions used to project anticipated future performance, the financial expert needs to understand what factors caused the company to fall into bankruptcy. For example, are the company's financial difficulties due to external matters—e.g., increased competition, product obsolescence, inadequate management, adverse regulatory actions, natural disasters, adverse general conditions, excessive debt, unprofitable product mix, or fraud.

Plans that contain unrealistic assumptions or projections will generally not meet with court approval. If the court finds that the underlying data used in the plan is unreliable or is an unrealistic gauge of the company's future operations, the court may not confirm the plan.

Courts do not need to determine that a plan's success will be a "sure thing" in order to make a feasibility finding, but courts also do not want to confirm a speculative plan just to find the company back in bankruptcy a second time. If an expert cannot provide a "feasible" financial plan to the court, a reorganization plan may not be approved and this failure can result in the liquidation of the company.

**TAX RETURNS**

Although there could be a lot said about tax accounting and the preparation income tax returns, it should be considered that tax accounting and tax return preparation are generally beyond the scope of most bankruptcy attorneys and trustees. It is better left to an income tax professional. All bankruptcy attorneys and trustees, however, should be very familiar with the Internal Revenue Service's Publication 908 (Bankruptcy Tax Guide).

# Faculty

**Hon. Heather Zubke Cooper** is the Chief U.S. Bankruptcy Judge for the District of Vermont in Rutland. Prior to her appointment on March 14, 2022, she began her legal career as a briefing attorney to Justice David L. Richards of the Texas Court of Appeals, Second District. She then entered private practice with the firm of Dunn, Kacal, Adams, Pappas & Law, P.C. in Houston, followed by the firm of Murphy & King, P.C. in Boston. In 2004, Judge Cooper moved to Vermont and clerked for former Bankruptcy Judge Collen A. Brown (her predecessor). In 2006, Judge Cooper joined the firm of Facey Goss & McPhee P.C., a Vermont-based law firm, as an associate and then as a partner. Judge Cooper's practice focused on litigation with extensive and diverse bankruptcy law experience, with more than 20 years of experience in the financial and restructuring industry, representing individual and corporate debtors and creditors in loan workouts and restructurings, liquidations, foreclosures, litigation seizures and receiverships. During her partnership at Facey Goss & McPhee P.C., Judge Cooper served as managing partner and became certified in Consumer Bankruptcy Law by the American Board of Certification. She also served as the Bankruptcy Law Section Chair of the Vermont Bar Association from 2014-18 and on various task forces for the U.S. Bankruptcy Court for the District of Vermont since 2011. Judge Cooper received her B.A. from the University of Houston in 1993 and her J.D. *magna cum laude* from South Texas College of Law in 1998.

**Duane A. D'Agnese, CIRA, CPA** is the founder of Duane A. D'Agnese & Co., PA, an accounting firm in Loudon, N.H. He has more than 25 years of experience in bankruptcy accounting and financial consulting as an accountant and financial consultant, examiner, examiner with expanded authority, chapter 11 trustee, and chapter 7 trustee. Mr. D'Agnese is a member of AICPA, the New Hampshire Society of CPAs, the Association of Insolvency & Restructuring Advisors, ABI and the Institute of Business Appraisers, Inc. He received his B.S. from California State University.

**Joseph M. DiOrio** is the founder of the Law Office of Joseph M. DiOrio, Inc. in Providence, R.I., which he launched in May 2005 after more than two decades of experience at large law firms. His practice also focuses on the related areas of business litigation, and banking and commercial lending. Over the course of his more-than-40-year career, Mr. DiOrio has handled a wide variety of legal matters, including commercial finance, bankruptcy, receiverships and creditors' rights, representing financial institutions, bankruptcy and receivership estates and other interested parties. He is frequently appointed as a state court receiver, examiner and special master in both Rhode Island and Massachusetts. In those capacities, he has operated and sold many businesses and sold many sizeable real estate properties. He was selected as a subchapter V pool trustee under the Small Business Reorganization Act of 2019. Mr. DiOrio was named a 2020 honoree in the Rhode Island Lawyers Weekly Excellence in the Law rankings and was recognized in its Hall of Fame category, where he received a special lifetime achievement award for senior leaders of the profession. In addition, he was selected as the sole Lawyer of the Year in the Providence Metro region by *The Best Lawyers in America* and *US News & World Report* several times for the practice areas of: Bankruptcy Litigation (2023, 2019, 2013), Banking and Finance Law (2023, 2020, 2017) and Bankruptcy & Creditors/Debtors Rights/Insolvency & Reorganization Law (2014). Mr. DiOrio is AV-rated by Martindale-Hubbell and has been consistently recognized in *Super Lawyers* for many years. He is a member of the Rhode Island, Massachusetts and Federal Bar Associations, and he is admitted in the U.S. District Court for

the Districts of Rhode Island and Massachusetts, as well as the First Circuit Court of Appeals. Mr. DiOrio is a member of ABI, the Commercial Law League of America, the Turnaround Management Association and the National Bankruptcy Trustee Association. He is a Fellow of the Rhode Island Bar Foundation and a Life Fellow of the American Bar Foundation. Mr. DiOrio received his B.S. *magna cum laude* from Boston College in 1978 and his J.D. *magna cum laude* from Syracuse University College of Law in 1981.

**Alex F. Mattera** is a partner with Pierce Atwood LLP in Boston and focuses his practice on all aspects of commercial bankruptcy, bankruptcy litigation, insolvency, business reorganization, and creditor and debtor rights. His representation includes secured creditors, with an emphasis on work-outs and collection of troubled and defaulted loans, as well as creditors' committees, trustees, debtors, and other parties-in-interest in bankruptcy and related proceedings. Mr. Mattera is a frequent panelist on behalf of ABI, the Boston Bar Association and Massachusetts Continuing Legal Education. Early in his career, Mr. Mattera clerked for Hon. James F. Queenan, Jr., former Chief Judge of the U.S. Bankruptcy Court for the District of Massachusetts. He is a member of ABI and served on the advisory board of its Northeast Bankruptcy Conference & Consumer Forum from 2020-23. He also is a member of the Boston Bar Association's Bankruptcy Section and Steering Committee. He also served on its Financial Literacy Committee from 2021-23, and was co-chair of its Education Committee from 2013-15, its Practice and Procedures Committee from 2011-13, and its Membership Committee from 2006-08. In addition, he is a member of the New Hampshire Bar Association and Turnaround Management Association. Mr. Mattera received his B.A. in political science and Russian studies with honors from the University of Rhode Island in 1994, his M.A. in international relations from Boston University in 1997, and his J.D. from Boston College Law School in 1998, during which time he interned with the Office of the U.S. Trustee.