

Thorny Ethical Issues for Consumer Attorneys

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AVOIDING CONFLICTS OF INTEREST IN FAILING CASES

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I. When Conversion Or Dismissal Of A Failing Chapter 13 Case May Create A Conflict of Interest Between the Debtor And Counsel

In Harris v. Viegelahn, the Supreme Court resolved a circuit split on the question of whether a debtor's postpetition wages held by a Chapter 13 Trustee at the time of conversion of a case to one under chapter 7 should be returned to the debtor or paid to creditors.

In Harris, the debtor converted his case to chapter 7 post-confirmation. The Trustee was holding \$5,519.22 that had not been distributed in accordance with the plan. The notice of conversion was accompanied by an assignment to his counsel of \$1,200 for payment of attorneys' fees. The trustee paid counsel's fee and disbursed \$4,319.22 to creditors. The debtor obtained an Order from the Bankruptcy Court compelling the Trustee to return the \$4,319.22 paid to creditors to the debtor which the Trustee appealed. The Supreme Court ultimately decided the case and determined that the monies were to be returned to the debtor. The Supreme Court concluded that the issue before it was resolved by section 348 of the Bankruptcy Code. Under section 348(f), the postpetition wages of a debtor who converts to chapter 7 in good faith are not property of the chapter 7 estate. Under sec. 348(e), conversion to chapter 7 terminates the service of the chapter 13 Trustee. The Supreme Court determined that allowing a terminated chapter 13 Trustee to distribute the very same earnings to the very same creditors is incompatible with that statutory design.

After the decision in Harris, a debtor's counsel filed a Motion seeking payment of post-petition attorneys' fees in the sum of \$1,200 from the monies the trustee was holding at dismissal. In re Kirk, 537 B.R. 856 (Bankr.D.Ohio 2015). The court determined that the holding in Harris does not apply in a chapter 13 case that has been dismissed. Unlike conversion of a chapter 13 case, which is governed by sec. 348, dismissal of a chapter 13 case is governed by

sec. 349 and section 1326(a)(2). While courts are divided on whether sec. 349(b)(3) or sec. 1326(a)(2) governs disbursement of funds held by a chapter 13 trustee upon dismissal, this court finds that the specific directives in sec. 1326(a)(2) control over the general directive in sec. 349(b)(3). Section 349(b)(3) generally requires that property of the estate be returned to the party in whom the property was vested immediately before the commencement of the bankruptcy case. However, sec. 1326(a)(2) expressly dictates the manner in which a chapter 13 trustee should distribute plan payments if a chapter 13 plan is not confirmed prior to dismissal. Upon dismissal, the chapter 13 trustee is required to distribute undisbursed plan payments in accordance with sec. 1326(a)(2) to complete administration. The court authorized the payment to debtor's counsel determining that counsel was entitled to payment of attorneys' fees prior to disbursement of the undistributed plan payments to the debtor pursuant to sec. 1326(a)(2) because the fees constituted a sec. 503(b) administrative expense.

The court recognized, however, that such a ruling created a potential conflict debtor's counsel may face when counseling a debtor on whether to convert or dismiss a case.

This Court is aware that the Supreme Court's ruling in Harris and the statutory mandate in sec. 1326(a)(2) create the seemingly inequitable circumstance that allows debtor's counsel to receive payment for attorney fees from the funds held by the chapter 13 trustee upon dismissal prior to confirmation, but not upon conversion. However, despite this anomaly, no other result is permissible pursuant to the Bankruptcy Code. This creates the unfortunate circumstance where it could be in the best interest of debtor's counsel if a chapter 13 debtor dismissed the case and subsequently filed a chapter 7 case, rather than converted the case to chapter 7. Any counsel who advises a client to take such a course of action solely to collect attorney fees could potentially commit professional misconduct. This court is confident, however, that the practitioners who appear before it will continue to fulfill their ethical and professional obligations by considering the interests of their clients over their own.

In re Kirk, 537 B.R. 856, 862-863 (Bankr.D.Ohio 2015).

Model Rule of Professional Conduct 1.7 provides that a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of

interest exists if there is a significant risk that the representation will be materially limited by a personal interest of the lawyer. A concurrent conflict of interest may arise if conversion is in the best interest of the debtor but dismissal is in the attorney's best interest so that the attorney may collect fees. It would be inappropriate for an attorney to advise that the debtor dismiss the case instead of convert if the advice is motivated by personal interests over a client's interests.

II. Advising a Client To File Chapter 13 Over Chapter 7 May Create A Conflict Of Interest

A potential conflict of interest may also arise when an attorney counsels a client, who is otherwise eligible for chapter 7, to file a chapter 13 in order to pay attorneys' fees over time. For example, an attorney meets with a client who has limited income and assets and unmanageable unsecured debt. The client is eligible for chapter 7 but the attorney advises the client that the fee to file chapter 7 is approximately \$2,300 which needs to be paid in advance of filing for bankruptcy. The client advises the attorney he does not have the money to pay upfront. The attorney offers an alternative to the client to file chapter 13. However, the fees would total approximately \$4,100, instead of \$2,300, but the majority of the fee could be paid over time through the chapter 13 plan. The client opts for chapter 13 and pays \$500.00 up front. The chapter 13 plan provides for the debtor to pay \$100 per month for 36 months to the chapter 13 trustee. The Plan proposes to pay the attorney \$2,900 and \$300 to other creditors. The balance of the monies were the chapter 13 trustee's fees.

When faced with such a plan, the bankruptcy court in Massachusetts rejected it on the grounds that neither the debtor's petition nor the plan was submitted in good faith. The court concluded that the plan was not so much a remedy for the debtor as it was a fee enhancement and collection device for the attorney. See In re Puffer, 478 B.R. 101 (D.Mass. 2012). On appeal, the First Circuit Court of Appeals also expressed concern that fee only arrangements may be

vulnerable to abuse by attorneys seeking to advance their own interests without due regard for the interests of debtors; and such plans, by their very nature, create that appearance. In re Puffer, 674 F.3d 78, 82-83 (1st Cir. 2012). The First Circuit declined to adopt a blanket rule that fee only chapter 13 plans were per se submitted in bad faith. Instead, the court determined that there may be special circumstances in which this type of odd arrangement is justified. The attorney argued that special circumstances existed because the fee only plan was the only means of securing the attorney's services. The court determined, however, that there was no showing that the debtor had a pressing need for services, that he could not secure adequate representation that he could afford without resorting to a fee only plan, or that it was infeasible to proceed pro se. Further, the debtor asserted that he could have retained the attorney for representation in chapter 7 – a course usually more in line with the interests of the debtor, the creditors and the bankruptcy court – if he had waited three months longer; and the record contains no compelling reason why a three month wait would have been intolerable. Based upon the facts presented, the First Circuit could not determine whether or not special circumstances existed in the case before it and remanded it for further proceedings. See Puffer at 83.

In another decision involving the same attorney and clients with similar plans, the Bankruptcy Court observed that while the court did not intend to minimize the struggle of many chapter 7 debtors to retain counsel, the attorney fee only plans doubled the debtors' attorneys' fees while increasing the risk they would fail to receive a discharge. The court determined that the attorney had used chapter 13 not as a payment device but rather as a payment collection and enhancement device causing the court to wonder whether the line between client assistance and client exploitation had been blurred. In re Buck, 432 B.R. (Bankr.D.Mass. 2010).

III. What Action May Counsel Take To Avoid Conflicts Of Interest

These decisions highlight the importance of counsel to make sure there are sufficient independent factors which demonstrate that the advice given to a client is not motivated by self interest. For example, in the Puffer case, it appears that if the attorney could show an imminent need for immediate bankruptcy relief such as a pending wage garnishment, then there would be special circumstances demonstrating the need for the chapter 13 alternative which would have alleviated the court's concern that it was merely a fee enhancement and collection device. Model Rule of Professional Conduct 1.7(b) provides that a lawyer shall not represent a client if the representation of that client may be materially limited by the lawyer's own interests: unless: (1) the lawyer reasonably believes the representation will not be adversely affected; and (2) the client consents after consultation. Model Rule of Professional Conduct 1.7(b) (emphasis supplied). The comment section to the Rule provides that "when a disinterested lawyer would conclude that the client should not agree to the representation under the circumstances, the lawyer involved cannot properly ask for such agreement or provide representation on the basis of the client's consent." The comments further provide that the "lawyer's own interests should not be permitted to have an adverse effect on representation of a client." Therefore, if an attorney believes or if it may be perceived that the attorney's personal interests affect the ability to properly advise the client, then the attorney should seek to withdraw from the representation and advise the client to seek counsel from another attorney.

In Harris, the issue of whether attorney fees should be paid from funds held by the Chapter 13 Trustee at the time of conversion was never addressed because the debtor's notice of conversion voluntarily assigned a portion of the funds held by the chapter 13 trustee to debtor's counsel as payment for attorney fees and that disbursement was not challenged. Post Harris

some courts have recognized that an assignment for the payment of attorneys' fees may be a mechanism to provide for payment to counsel in the event of conversion or dismissal of a failing chapter 13 case.

The New Mexico Bankruptcy Court recognized that in Harris, the attorney obtained an assignment from the debtor of his right to the funds held by the chapter 13 trustee to secure payment of post-conversion attorneys' fees. When the Debtor filed a Motion to convert the case, the attorney attached the assignment to the notice of conversion. The court stated that the solution for chapter 13 debtor's counsel might be to include in their engagement letters an assignment of and security interest in the debtor's post-petition wages held by the standing trustee on the date of conversion, to pay allowed unpaid attorney's fees and costs incurred during the chapter 13 case. In re Beauregard, 533 B.R. 826 (Bankr.D.N.M. 2015). Similarly, the Maryland Bankruptcy court determined Harris does not preclude the court from directing chapter 13 Trustees to pay funds remaining in their possession to debtor's counsel up to the amount of the attorney's fee allowed in cases that are dismissed or converted prior to confirmation of a chapter 13 plan. The Court further stated that an assignment of funds in the retainer agreement under applicable non-bankruptcy law permits direct payment to the debtor's counsel by the chapter 13 Trustee. In re Brandon et al., 537 B.R. 231 (Bankr.D.MD. 2015). Such arrangements may help counsel avoid a potential of conflict of interest when advising a client of an appropriate course of action in a failing chapter 13 case.

The Ethics of “Unbundling” Legal Services in Bankruptcy Cases

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Introduction

As a general proposition, an attorney may ethically limit the scope of services provided to a client if such limitations are reasonable and the client consents.² This concept is known by various names, such as limited services representation, but is most commonly referred to in the bankruptcy context as “unbundling.” In theory, unbundling reduces the cost of legal services by taking a goal oriented approach, focusing on only those services that the client needs and can afford. As a result, unbundling increases access to legal services for those that might otherwise be priced out of the market. For this reason, unbundling has found support among bar associations, including the American Bankruptcy Institute (the “ABI”).³

Access to competent legal representation is a prime concern within the bankruptcy system. It is well documented that the cost of consumer bankruptcy representation has increased substantially since the enactment of Bankruptcy Abuse Prevention and Consumer Protection Act of 2005⁴ (“BAPCPA”).⁵ This has resulted in a corresponding rise in *pro se* filers that continues to burden the system.⁶ This burden, however, does not appear to yield much benefit as the ABI Consumer Bankruptcy Fee Study completed in 2012 determined that zero Chapter 13 cases filed

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² See Model Rules of Prof'l Conduct R. 1.2(c) (“A lawyer may limit the scope of the representation if the limitation is reasonable under the circumstances and the client gives informed consent.”).

³ See Lois R. Lupica & Nancy B. Rapoport, *Am. Bankr. Inst., Final Report of the ABI National Ethics Task Force* (2013) (“Final Report”).

⁴ Pub. L. No. 109-8, 119 Stat. 23, 11 U.S.C. § 101, *et seq.*

⁵ Lois R. Lupica, *The Consumer Bankruptcy Fee Study: Final Report*, 20 Am. Bankr. Inst. L. Rev. 17, 30 (2012).

⁶ *Id.* at 102.

pro se ended with the debtor receiving a discharge and all *pro se* cases were considerably more likely to be dismissed for failure to comply with requirements imposed by the Bankruptcy Code and Rules.⁷ Thus, unbundled services could potentially shepherd many debtors who would otherwise have filed *pro se* to a discharge. This has prompted the ABI National Ethics Task Force (the “Task Force”) to recommend a framework to promote best practices for unbundling services in Chapter 7 cases.⁸

Unbundling is also attractive to consumer bankruptcy practitioners. Given their clientele, sustainable consumer bankruptcy practices are necessarily built around volume and efficiency. Unbundling serves both those interests by attracting more clients whose needs are, in theory, less time consuming.

Nevertheless, bankruptcy courts have been less receptive to the practice. Indeed, the usage of the term “unbundling” in the case law, as opposed to limited services representation or the like, exemplifies the bankruptcy courts’ perception that the practice strips away services that the average consumer debtor needs to successfully complete a bankruptcy case. As colorfully explained by one court:

The image that has come to my mind most insistently while working on this opinion is this: A professional swim instructor takes on a new student with this understanding: You have paid me my initial fee. For that money I will lead you to the swimming pool, show you how to enter the water, and explain the basic elements of swimming. If, however, you should begin to drown, or if some other serious problem arises, I will leave you to your own resources unless you pay me more money.

Even if this message is clearly conveyed to the student, if the desire to learn to swim is strong enough (just as if the need for the bankruptcy remedy is strong enough for the debtor *in extremis*) the student will accept the terms. It looks like

⁷ *Id.* at 30, 102-103.

⁸ Final Report at 51.

and sounds like a contract of adhesion, with all of the unlovely baggage that phrase carries. It is contrary to my view of the higher obligation of an attorney.⁹

Dramatic metaphors aside, bankruptcy courts are understandably skeptical of unbundling bankruptcy services due to the complexity of the Bankruptcy Code and Rules. As one learned commentator noted, “bankruptcy courts have zero interest in becoming complicit in an attorney’s failure to meet all requirements of applicable law.”¹⁰

Ultimately, whether a bankruptcy practitioner may unbundle legal services depends on whether it is reasonable under the circumstances and the debtor gives informed consent. As will be discussed below, these issues, as applied in bankruptcy, raise numerous ethical concerns that, as a practical matter, severely limit an attorney’s ability to unbundle legal services.

Reasonable Under the Circumstances

Pursuant to the American Bar Association’s Model Rule of Professional Conduct (“Model Rule”) 1.2(c), the scope of representation may only be limited to the extent that it is reasonable under the circumstances. The Model Rules define “reasonable” as “the conduct of a reasonably prudent and competent lawyer.”¹¹ Competent representation takes into account the legal knowledge, skill, thoroughness, and preparation reasonably necessary for the representation.¹² Therefore, “a consumer bankruptcy attorney fulfills the duty of competence by providing the bundle of services reasonably necessary to achieve the client’s reasonably

⁹ *In re Cuddy*, 322 B.R. 12, 17-18 (Bankr. D. Mass. 2005). See also *In re Bulen*, 375 B.R. 858, 866 (Bankr. D. Minn. 2007) (“[U]nbundled services are not comprehensive,’ and constitute ‘putting a Band-Aid on a gun shot.’”).

¹⁰ Hon. Thomas F. Waldon, *Undulations in Unbundling—Is a Ripple Running Through the Rocks of Resistance in Bankruptcy Courts?*, 2013 No. 6 Norton Bankr. L. Adviser NL 1, 2 (2013).

¹¹ Model Rules of Prof’l Conduct R. 1.0(h).

¹² Model Rules of Prof’l Conduct R. 1.1.

anticipated result.”¹³ Conversely, unbundling is unreasonable if it would violate an ethics rule or a provision of substantive law.¹⁴

The goal of any consumer bankruptcy case is, at minimum, obtaining a discharge. With that in mind, courts have recognized that certain core services are so fundamental to the bankruptcy process that they cannot be unbundled ethically. The case law reveals that courts define these core services expansively so as to include: (1) filing all required schedules, statements and disclosures, as well as preparing and filing necessary amendments; (2) attending the meeting of creditors held pursuant to section 341 of the Bankruptcy Code; (3) turning over of assets to the trustee; (4) assisting the debtor in performing the duties imposed by section 521 of the Bankruptcy Code; (5) filing lien avoidance motions; and (6) defending against stay relief motions and objections to exemptions.¹⁵

As a practical matter, however, whether the service in question is generally viewed as fundamental is irrelevant if the service is nonetheless critical to obtaining the relief the debtor sought by filing. For example, in *In re Seare*, the bankruptcy court concluded that unbundling representation in adversary proceedings violated counsel’s duty of competence where the filing of a nondischargeability action against the debtors was a near certainty at the time he was retained, and the filing of an adversary was the only way to achieve the debtors’ primary goal of

¹³ *Dignity Health v. Seare (In re Seare)*, 493 B.R. 158, 190 (Bankr. D. Nev. 2013), *aff’d*, 515 B.R. 599 (B.A.P. 9th Cir. 2014).

¹⁴ *Id.* at 192.

¹⁵ See *Hale v. United States Trustee*, 509 F.3d 1139, 1148 (9th Cir. 2007) (counsel may not exclude from representation of the debtor “critical and necessary services” such as attending the meeting of creditors); *In re Burton*, 442 B.R. 421, 452-53 (Bankr. W.D. N.C. 2009) (disapproving of an attempt to limit representation to file lien avoidances or defend against stay relief motions on the basis that these constitute “key services” to the bankruptcy case); *In re DeSantis*, 395 B.R. 162, 169 (Bankr. M.D. Fla. 2008) (counsel could not unbundle the negotiation of a reaffirmation agreement); *In re Carvajal*, 365 B.R. 631, 632 (Bankr. E.D. Va. 2007) (by accepting a chapter 7 case, counsel accepts all aspects of the case including representing debtors with respect to reaffirmation agreements”); *In re Johnson*, 291 B.R. 462, 469 (Bankr. D. Minn. 2003) (counsel may not “unbundle the core package of ordinary legal representation reasonably anticipated in every case”); *In re Castorena*, 270 B.R. 504, 530 (Bankr. D. Idaho 2001) (identifying a nonexhaustive list of service which cannot be excluded and noting that “the closer to the heart of the matter . . . the less likely exclusion is appropriate.”).

stopping a wage garnishment.¹⁶ It is unethical to unbundle services the debtor will foreseeably need because it diminishes their relative bargaining power once the services become necessary.¹⁷

Given the complexity and length of a Chapter 13 case, most unbundling is likely to be found inappropriate. Indeed, the Task Force excepted Chapter 13 from their recommended framework for limited service representation in light of “the difficulty of distinguishing between the ‘basic’ and ‘full service’ elements of representation of a Chapter 13 debtor.”¹⁸ The Task Force further noted that a Chapter 13 debtor’s ability to pay legal fees through a plan meant that limited service representation would not be motivated by the same concerns as a Chapter 7 case.¹⁹

As a final issue, “ghostwriting,” the practice by which an attorney prepares pleadings for a *pro se* litigant without signing the documents, is either a form of unbundling or a closely related issue, depending on how one characterizes it. The practice engenders universal disapproval because the attorney is both violating the duty of candor and avoiding the obligations imposed under Fed. R. Civ. P. 11 or Fed. Bankr. P. 9011.²⁰

¹⁶ *In re Seare*, 493 B.R. at 192. See also *In re Egwim*, 291 B.R. 559, 575 (Bankr. N.D. Ga. 2003) (unbundling of adversary proceeding representation appeared to violate the duty of competence where the nondischargeability proceeding in went to the essential purposes of debtors in filing the bankruptcy case).

¹⁷ Model Rules of Prof’l Conduct R. 1.5 cmt. 5.

¹⁸ Final Report at 51.

¹⁹ *Id.*

²⁰ See, e.g., *Ellis v. State of Me.*, 448 F.2d 1325, 1328 (1st Cir. 1971); *In re Dreamplay, Inc.*, 534 B.R. 106 (Bankr. D. Md. 2015); *In re Ruiz*, 515 B.R. 362, 367 (Bankr. M.D. Fla. 2014); *In re W.A.R. LLP*, No. 11-00044, 2012 WL 1576002, at *1 (Bankr. D.D.C. May 4, 2012) *on reconsideration in part*, No. 11-00044, 2012 WL 4482664 (Bankr. D.D.C. Sept. 26, 2012) *aff’d in part*, 535 B.R. 1 (D.D.C. 2015); *In re Merriam*, 250 B.R. 724, 733 (Bankr. D. Colo. 2000).

Informed Consent

As a precondition for limiting the scope of representation, Model Rule 1.2(c) requires an attorney to obtain “informed consent” from the client.²¹ “Informed consent” is defined as “the agreement by a person to a proposed course of conduct after the lawyer has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct.”²² In any context, informed consent is a difficult issue because the implication is that the one who must give it will not easily understand the consequences. With respect to unbundling services in bankruptcy, the difficulties multiply exponentially. Indeed, “[t]he ability to adequately explain the lay of the bankruptcy landscape, including all its variations, contingencies and permutations, in order to obtain a truly informed consent is suspect.”²³

At bare minimum, informed consent requires that the limited scope of the representation be fully disclosed and clearly understood by the debtor before the engagement begins. As one court put it: “[u]nless debtors truly understand what they bargain away, the bargain is a sham.”²⁴ To be sure, this means the attorney must not only describe the services to be rendered, but also explain those services to be omitted, emphasizing their materiality and the potential consequences of their omission.²⁵ In *In re Seare*, the bankruptcy court explained this requirement at length:

²¹ Model Rules of Prof’l Conduct R. 1.2(c).

²² Model Rules of Prof’l Conduct R. 1.0(e).

²³ *In re Castorena*, 270 B.R. at 529.

²⁴ *Id.*

²⁵ See *In re Bancroft*, 204 B.R. 548, 552 (Bankr. C.D. Ill. 1997) (“Disclosure involves the attorney explaining to a debtor the nature of the bankruptcy process, what problems could or will be encountered, how those problems should be addressed, and the risks or hazards, if any, associated with those problems. Consent involves a clear understanding on the part of the debtor as to these factors and the possible results of a debtor proceeding without an attorney being present.”).

The lawyer must explain the advantages and disadvantages of having counsel's assistance during the pendency of the case. The average layperson has little understanding of the substance and procedure of bankruptcy and is unlikely to be able to meaningfully weigh the benefits of reduced-cost representation with the risks of unbundled services—both the inherent and situation-specific risks.

* * *

The lawyer must start with the big picture—explaining what unbundling is—and then go into more detail about the risks of limited representation and the responsibilities of the lawyer and the client.

The explanation must also clearly indicate that the client has responsibilities under a limited scope retainer agreement. A layperson may not understand that he is responsible for any unbundled services. This is especially true if the lawyer does not explain the likelihood of a service being needed. A client may reasonably assume that a service is excluded because it is unlikely to be necessary, or that it could be included later (usually for an additional fee). . . .

The explanation must convey that not all of the risks of limited representation may be apparent from the outset; consequently, “the lawyer should counsel the client about those risks and problems which are typical in cases of the type presented by the client.” A lawyer must advise about the general if the specific is uncertain. A lawyer cannot use the uncertainty of future legal proceedings to shield himself from explaining the risks that may arise, as best known when representation commences.

The primary goal of the information disclosure is to communicate the risks of limited representation. Only when the risks are properly communicated, in language comprehensible by the client, is the client capable of valid consent.²⁶

While an attorney must explain the bankruptcy process, the disclosure required to satisfy informed consent cannot rely solely on generalities and abstractions. As observed by the bankruptcy court in *In re Seare*, “the average layperson is unlikely to be able to ‘connect the dots’ between generalized risks, the services he needs to achieve his goals, and whether any unbundled services put him at risk of not being able to fulfill those goals.”²⁷ Accordingly, an attorney must provide fact specific disclosure regarding the risks of unbundling services that is

²⁶ *In re Seare*, 493 B.R. at 197-199.

²⁷ *Id.* at 200.

informed by the client's own unique situation.²⁸ For example, the risk associated with unbundling representation in adversary proceeding depends on whether such an adversary proceeding likely to be filed, which itself depends on a number of fact sensitive considerations such as the nature of the client's debts.²⁹

The need to provide a disclosure tailored to the debtor's circumstances raises additional ethical concerns. Before an attorney can communicate the potential risks of proceeding with services unbundled, the attorney must understand those risks. A thorough client interview is necessary, but in some instances may be inadequate to properly frame the issues. Thus, an attorney's duty to provide competent representation may require an independent investigation into the debtor's circumstances.³⁰ This responsibility is consistent section 707(b)(4) of the Bankruptcy Code, which provides that an attorney's signature on the petition shall constitute a certification that: (1) "the attorney has . . . performed a reasonable investigation into the circumstances that gave rise to the petition" and determined that it is "well grounded in fact;" and (2) "that the attorney has no knowledge after an inquiry that the information in the schedules filed with such petition is incorrect."³¹ These sections also mirror the "reasonable inquiry" standard under Fed. R. Bankr. P. 9011. Thus, while the scope of the representation may ultimately be limited, an attorney's obligations at outset are unchanged.

In addition to disclosing the risks associated with proceeding with services unbundled, an attorney is ethically required to advise the debtor of reasonable alternatives that may exist, such as retaining a different attorney with a different fee structure.³² This does not require an attorney

²⁸ *Id.* at 198.

²⁹ *Id.* at 198-199.

³⁰ *Id.* at 199, 210. *See also* Model Rules of Prof'l Conduct R. 1.1, cmt. 5.

³¹ 11 U.S.C. §§ 707(b)(4)(C), (D).

³² *In re Seare*, 493 B.R. at 197.

to perform a rigorous investigation of the market on the debtor's behalf, but reflects an affirmative obligation at minimum to explain that not all attorneys unbundle services in the same way.³³ As one court observed: "[i]t is less than sincere to suggest that the attorney is offering a reasonably priced alternative to usual legal representation, when there is no showing the alternatives were explained by the attorney to the debtors and the debtors made a knowledgeable decision."³⁴

The Task Force recommends that informed consent be reduced to writing that expressly itemizes both those services to be provided and those omitted.³⁵ Nevertheless, attorneys should avoid reliance on boilerplate disclosures which are unlikely to impart any meaningful disclosure to the debtor or insulate the attorney in the event that the scope of the representation becomes an issue before the court.

Best Practices in Unbundling

In light of the various ethical problems raised by unbundling bankruptcy services, the Task Force offers the following list of best practices for limited services representation in Chapter 7 cases:

1. The initial client interview and counseling should make clear the expected scope of representation and the expected limited fee.
2. Attorneys counseling unsophisticated consumer debtors must be mindful, when gathering initial information to assess a case, to avoid the formation of the debtor's perception that a full-scale attorney-client relationship is being formed.

³³ *Id.*

³⁴ *In re Bancroft*, 204 B.R. at 552.

³⁵ Final Report at 54; *see also* Model Agreement and Consent to Limited Representation in Consumer Bankruptcy, *id.* at 60.

3. An engagement letter and informed consent should be prepared in plain language and carefully reviewed with the debtor. This letter must clearly and conspicuously set forth the services being provided, the services not being provided, and the potential consequences of the limited services arrangement.
4. The engagement letter must also clearly describe the fee arrangement, including a statement of how fees for additional services will be charged.
5. All documents and disclosures filed with the bankruptcy court should be done with full candor consistent with the attorney's duty of confidentiality, disclosing the exact nature of the representation and the calculation of fees for services being provided.
6. In the event that withdrawal from the unbundled representation becomes warranted, attorneys must be mindful of protecting their client's interests to the fullest extent practical when exiting the case.
7. As is the case with all legal representation, if the attorney becomes aware of a legal remedy, problem, or alternative outside of the scope of his or her representation, the client must be promptly informed. The attorney has the further obligation to provide his or her client with a thorough explanation of the potential benefits and harms implicated, in order for the client to make an informed decision as to how to proceed.³⁶

Conclusion

While unbundling is not prohibited in bankruptcy cases, the complexity of bankruptcy law renders most services so critical as to make any attempt to unbundle them unreasonable.

³⁶ Final Report at 55.

Informed consent is also presents unique difficulties in the bankruptcy context given the amount of disclosure that must be provided. The adoption of best practices may permit some unbundling in Chapter 7 cases so long as informed consent is documented and the arrangement is appropriately disclosed to the bankruptcy court.

BAPCPA 10 Years Later: the Cons

By: O. Max Gardner III

Dalton Camp proclaimed several years ago, “Having lost its value, money may no longer be the root of all evil: credit having taken its place.” (Dalton Camp, *Saturday Night Magazine*). This statement demonstrates the paradox of modern day Christianity and debt—should the Christian reaction be one of condemnation or one of compassion? Congress and the President clearly elected condemnation when the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) was signed into law by President Bush in April of 2005. The “new” law became effective on October 17, 2005 and hundreds of thousands of consumers, bankruptcy attorneys and judges have been dealing with what is commonly referred to as BARF (the Bankruptcy Abuse Reform Act) since the effective date.

BAPCPA was the product of more than ten years of legislative efforts by the consumer credit industry to reduce the number of consumer chapter 7 bankruptcy filings and to make the discharge of debts more difficult for consumers, especially those considered by the Internal Revenue Service to have above median annual incomes. The stated purpose of BAPCPA was to curb consumer abuse of the bankruptcy system.

Professor Todd J. Zywicki of the George Mason University School of Law, a vocal supporter of BAPCPA, expressed the pro-reform view in an article he drafted in support of the legislation entitled, “An Economic Analysis

of the Consumer Bankruptcy Crisis.” This paper can be downloaded without charge from the Social Science Research Network Electronic Paper Selection at: <http://ssrn.com/abstract-id=587901>. The primary support of the necessity for a new bankruptcy law to avoid the “crisis of massive consumer filings” was expressed as follows:

Since the inception of the first permanent American bankruptcy law in 1898, the intellectual and political understanding of consumer bankruptcy has been anchored in a model that views bankruptcies as resulting from household financial distress. For much of the Twentieth Century, this “traditional model” provided a plausible explanation of bankruptcy filing patterns and clear normative policy implications. Moreover, the widespread intellectual and social consensus on the traditional model was reflected in the enactment of the current Bankruptcy Code in 1978, which rests on the intellectual foundation of the traditional model. To this day, leading bankruptcy scholars adhere to the traditional model and its implications. Over the past twenty-five years, however, the traditional model has broken down. During a period of unprecedented prosperity and economic stability, personal bankruptcies have soared, raising fundamental questions about the validity of the traditional model.

At the time of its enactment, many bankruptcy lawyers, judges and others questioned whether such drastic changes in the law were necessary and expressed concern about the impact that BAPCPA would have on consumers with debt and on the entire bankruptcy system. Professor Zywicki, on the other hand, expressed the view on many different occasions that BAPCPA, as drafted and re-drafted over the period of more than a decade and as finally enacted was the perfect statute, and that if given the chance he would not “change one single word” in the law as signed by the President.

Ten years later, it appears that with or without any word or phrase changes the actual meaning of numerous provisions of BAPCPA are still at issue. In fact, if given the chance, many have suggested that rather than a “perfect” statute the law as drafted was never intended to reform anything but rather to dramatically reduce the number of consumer bankruptcy filings by the complexities, confusions, and the additional cost and legal fees related to and arising out of the new law.

Such things as means testing, current monthly income, projected monthly income, real or actual monthly deductions, the application or lack of application of the automatic stay, the law as applied to above median income and below median income debtors, the applicable commitment period, the impact of chapter 13 plan modifications, the extent of exemptions, property valuations, and avoidances are still matters that are not settled from one jurisdiction to the other or in many cases from one judge to the next. Also, ten years ago, the nature and extent of the student loan debt problem and the mortgage crisis that created the Great Recession of 2008 were issues beyond the scope of Professor Zywicki’s perfect vision.

The Bible makes it clear that people are generally expected to pay their debts (see Leviticus 25:39). No one in support of or in opposition to reforming the current version of BAPCPA, or even in the creation of BAPCPA, has advanced any argument against this general proposition. And, it is not the purpose of this article to advocate such a position. However, this moral

and legal obligation to pay just debts must be balanced by such considerations as the need for compassion and the call to cancel debts at periodic intervals. The Biblical basis for such considerations is based on the sabbatical and Jubilee years. The secular basis arises out of the Constitution of Congress to enact uniform laws allowing businesses and consumers to cancel and to restructure debt obligations. This Biblical support for the legal right to cancel debt is enforced by the even stronger Biblical doctrine that prohibited interest of any amount rather than just usury or excessive interest.

The objective of this short analysis is to focus to the major negative problems created for debt-ridden consumers and their shrinking number of bankruptcy attorneys during the past ten years.

From a personal and professional point of view, my biggest “problem” with BAPCPA arises out of the massive “uncertainty” of available relief created by the law. This “uncertainty” arises out of a very broad category the so-called “cons” described in this article that are directly related to the totally abysmal draftsmanship of the statute. My issues with BAPCPA go well beyond the intended restrictions on effective consumer debt relief incorporated into “reform” law.

The fact of the matter is that the filing of a consumer bankruptcy case is a very difficult decision for the vast majority of consumer debtors. When they finally make the decision to discuss bankruptcy with a qualified lawyer,

what they really want to know more than anything else is a clear understanding of their available bankruptcy options. For example, they want to immediately know such things as: Do I qualify for a chapter 7 case? How much will my plan payment be in a chapter 13 case? Will my 5 year old tax debt be canceled in bankruptcy? What will happen if you find out that I did not file all of my taxes on time? How long will I be in a chapter 13 plan? Can I ever reduce the chapter 13 plan below 60 months? Can I pay off the Chapter 13 case early? Should I file this month or wait several months? What if my brother and his family live with me, does that count for or against me? Can I reduce my monthly car debt or car payments?

Ten years after the effective date of BAPCPA, I find myself telling most consumers that I do not have enough information to answer these questions at that first meeting. I also find myself trying to explain to these “potential” bankruptcy clients why I must give them almost 10 pages of printed documents required by Section 527(a) of the Code; get them to sign a document before my notary to acknowledge receipt of these documents: advise them that they can represent themselves in the bankruptcy case and really don’t need a bankruptcy attorney; and then explain to them that even though they don’t need an attorney they must sign a written “free consultation agreement” with my law firm (that also states what my typical fees will be for either a 7 or a 13 case) even though they are not even sure at this point that they will even file for bankruptcy relief. Section 528(a)(1).

A short but by no means complete listing of the “CONS” of BAPCPA that create the need for my “additional information” rather than providing accurate and reasonable answers to these “potential” consumer debtors are as follows:

1. In determining disposable income, does the debtor get a deduction for the cost of owning a car that has no car payment?
2. Is projected disposable income in a chapter 13 case determined on the 6-month means test period, or is it adjusted for changes in the debtor’s current financial circumstances as of the filing date?
3. Is a debtor allowed to take a deduction for a secured debt, secured by property he intends to sell during the chapter 13 plan?
4. Does the inclusion of the financing of “negative equity” in the financing of the purchase of a vehicle prevent the lender from holding a purchase money security interest, and therefore, negate the application of the 910-car loan provision, which prevents the stripping down of the value under Section 506?
5. Are the deductions and expenses available under the 707(b)(2) provisions in determining disposable income allowances, regardless of whether the debtor has an expense of that amount?
6. May a debtor deduct a mortgage payment in determining disposable income, if the payment is higher than the IRS allowance for housing expenses in the debtor’s zip code?

7. Is a late-filed state tax return a return as that term is used in determining the discharge of tax debts?

8. Is the “applicable commitment period” of 36 months or 60 months a temporal provision or a multiplier against which the debtor’s projected disposable income is factored to determine how much unsecured debt must be paid in a chapter 13 plan?

9. Does 707(b) apply to a case converted from chapter 13 to chapter 7?

10. Must the debtor obtain court approval of a reaffirmation agreement on a car loan to make sure that the car lender can’t repossess it, even though the debtor is current with the car payments?

This uncertainty has a chilling effect on the filing of bankruptcies by people who really need to secure such relief. The other major negative issue created by BAPCPA relates to the excessive cost and legal fees associated with the filing and plan confirmation in every chapter 13 case. When I first started filing consumer bankruptcy cases after the 1978 Act, which BAPCPA “reformed,” the court filing fee was \$30.00 and the standard Chapter 13 legal fee was \$300.00. That sum today would not be sufficient for the chapter 13 debtor to pay the court filing fee; the credit counseling fee; the credit check fee; the lien review and pending litigation fee; and the tax discharge review fee just to mention some of the more important and indeed mandatory attorney services.

Ten years later, I am sure that the financial services industry was much more clever than I gave them credit for when they finally convinced Congress to enact BAPCPA. A draconian bankruptcy law that was clear and concise and well drafted may have been better than what we got—a new law chocked full of uncertainty. However, this would not have eliminated the massive increase in charges, costs, and legal fees associated with a chapter 13 filing.

Related to this issue is the proclivity of the appellate courts in interpreting the law to deviate from the explicit language of the statute (on those occasions when it is explicit) and to construe the law in favor of the creditors in the vast majority of cases.

The following is accordingly my list of some of the major Cons with respect to BAPCPA:

1. The Means Test for AMI debtors;
2. The arbitrary use of the IRS expense standards for AMI debtors;
3. The Debt Relief Agency Provisions and the impossibility for a telephone consultation with any hope of compliance with these Rules;
4. The inability to modify and cram down to the current value of the property first mortgage loans on the primary residence;
5. The virtual inability to discharge student loans;
6. The pre-filing credit counseling rule;
7. The limitations on the automatic stay for re-filers;

8. The 910 auto claims and limitations on the cram down for the same;
9. The 1215 day homestead exemption rule;
10. The post-discharge credit counseling, which should be provided as a free public service by the trustees or by the courts;
11. The expansive definition of “insider;”
12. The rules regarding post petition HOAs and taxes and the non-dischargeability of the same;
13. The inability to transfer or vest real property under a chapter 13 plan in the owner of the note or its servicer as provided for by BAPCPA;
14. Chapter 13 debt limits for secured and unsecured debt;
15. The addition of avoided liens to Chapter 13 unsecured debt limits;
16. 1129(15)(B) and the 5 year disposable income rule;
17. The lack of any requirement to list non-exempt property;
18. The Section 342 notice requirements;
19. The inconsistency between application of 1329 in above-median cases and whether or not 1329 incorporated 1325 (i.e., means test and 60 month minimum for AMI debtors);
20. The six month look-back period for the calculation of Current Monthly Income (as many have said, this calculation creates a number that is neither current, monthly nor income);

21. The unclear and unfair applicability of the Absolute Priority Rule in individual Chapter 11 cases;

22. The more stringent rules in Small Business Chapter 11 cases;

23. The elimination of most of the Chapter 13 Super-Discharge Rules;

24. The literally thousands of wasted pages of judicial opinions trying to determine what the hell Congress intended with many of the BAPCPA provisions;

25. The basing of eligibility/payments for bankruptcy relief on household income, rather than individual income, making one spouse liable for the other spouse's debts without any legal liability for the same;

26. The unintended consequences of the Means Test such as rewarding those with high mortgage and motor vehicle payments while giving drastically different results to those who lived without those large homes and expensive vehicles; and

27. If you have a Below Medium Income Debtor and propose a 40 month Plan, many Trustees will object and seek to shorten the plan to 36 months, based on the argument that 1325(b)(4) only permits a 3 year plan for such debtors and for an Above Medium Income Debtor only a 5 year plan is permitted.

In closing, this article could go on and on and drift into the world of ambiguity, massive duplicity, incomprehensible rhetoric and the like, but if I

continued the end result would be a mini-image of BAPCPA and Todd Zywicki's perfect statute.

O. Max Gardner III

Shelby, North Carolina

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United States Bankruptcy Court
District of Connecticut

In re Curtis James Jackson, III

Debtor(s)

Case No. 15-21233

Chapter 11

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

1. Income from employment or operation of business

None
☐

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT
~~\$0.00~~

SOURCE
PLEASE SEE ATTACHED

2. Income other than from employment or operation of business

None
☐

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT
~~\$0.00~~

SOURCE
PLEASE SEE ATTACHED

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3. Payments to creditors

None
☐

Complete a. or b., as appropriate, and c.

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
PLEASE SEE ATTACHED		\$507,491.00	\$0.00

None
☒

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING

None
☒

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING

4. Suits and administrative proceedings, executions, garnishments and attachments

None
☐

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Vasti Ortiz v. G-Unit Film & Television, Inc. and Curtis Jackson; Case No. HHD-CV-11-6025556S	Personal Injuries	State of Connecticut, Superior Court of Hartford	Active
Sleek Audio, LLC, Mark Krywko, Michael Krywko, Jason Krywko and Gregory Wysocki v. Curtis J. Jackson, III; Case No. 502013CA012120XXXXMBAA	Misappropriation of trade secrets, Breach of Confidentiality, Civil Conspiracy and Unjust Enrichment	Circuit Court for the 15th Judicial Circuit in Palm Beach County, Florida	Arbitration Award/Appeal Pending
Dorothy DeJesus and Candace Scott, et al. v. Curtis James Jackson; Civil Action Nos. 07-445 and 07-0059	Personal Injury	Hampden County Superior Court, State of Maine	Active
Dee Denise Hallager v. Mark Broadnax, Chenax, Inc., Che Bar & Grill and Curtis James Jackson, III; Case No. 150202981	Personal Injury	Philadelphia Court of Common Pleas	Active

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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CAPTION OF SUIT
AND CASE NUMBER

**Lastonia Leviston v. Curtis James Jackson, III
a/k/a 50 Cent; Case No. 102449/10**

NATURE OF
PROCEEDING

**Intentional
infliction of
emotional
distress and
violation of New
York Civil Rights
Law**

COURT OR AGENCY
AND LOCATION

**Supreme Court of the State of New
York, County of New York**

STATUS OR
DISPOSITION

**Judgment/
Appeal
Pending**

None

☒ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE
BENEFIT PROPERTY WAS SEIZED

DATE OF SEIZURE

DESCRIPTION AND VALUE OF
PROPERTY

5. Repossessions, foreclosures and returns

None

☒ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF
CREDITOR OR SELLER

DATE OF REPOSSESSION,
FORECLOSURE SALE,
TRANSFER OR RETURN

DESCRIPTION AND VALUE OF
PROPERTY

6. Assignments and receiverships

None

☒ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE

DATE OF
ASSIGNMENT

TERMS OF ASSIGNMENT OR SETTLEMENT

None

☒ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS
OF CUSTODIAN

NAME AND LOCATION
OF COURT
CASE TITLE & NUMBER

DATE OF
ORDER

DESCRIPTION AND VALUE OF
PROPERTY

7. Gifts

None

☒ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF
PERSON OR ORGANIZATION

RELATIONSHIP TO
DEBTOR, IF ANY

DATE OF GIFT

DESCRIPTION AND
VALUE OF GIFT

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8. Losses

- None ☒ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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9. Payments related to debt counseling or bankruptcy

- None ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
Neligan Foley LLP 325 N. St. Paul, Suite 3600 Dallas, TX 75201	July 13, 2015	Counsel received a Retainer of \$150,000.00. \$7,995.00 has been applied to pre-petition fees and expenses.
Zeisler & Zeisler P.C. 10 Middle Street, 15th Floor Bridgeport, CT 06604	July 13, 2015	Counsel received a retainer of \$50,000.00. \$997.50 has been applied to pre-petition fees and expenses.
DebtorWise Foundation 1100 University Avenue, #211 Rochester, NY 14607	July 16, 2015	\$49.00

10. Other transfers

- None ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
None <input checked="" type="checkbox"/> b. List all property transferred by the debtor within ten years immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.		

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY

11. Closed financial accounts

- None ☐ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING

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17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

- None ☒ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

- None ☒ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

- None ☒ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
---------------------------------------	---------------	-----------------------

18. Nature, location and name of business

- None ☐ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
PLEASE SEE ATTACHED				

- None ☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

None ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS

GSO Business Management, LLC
15260 Ventura Blvd., Ste. 2100
Sherman Oaks, CA 91403

DATES SERVICES RENDERED

None ☐ b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

GSO Business Management, LLC

ADDRESS

15260 Ventura Blvd., Ste. 2100
Sherman Oaks, CA 91403

DATES SERVICES RENDERED

Prepared unaudited financial statements upon request.

None ☐ c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

GSO Business Management, LLC

ADDRESS

15260 Ventura Blvd., Ste. 2100
Sherman Oaks, CA 91403

None ☒ d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

DATE ISSUED

20. Inventories

None ☒ a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

INVENTORY SUPERVISOR

DOLLAR AMOUNT OF INVENTORY
(Specify cost, market or other basis)

None ☒ b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY
RECORDS

21 . Current Partners, Officers, Directors and Shareholders

None ☒ a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

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- None ☐ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
------------------	-------	--

22. Former partners, officers, directors and shareholders

- None ☐ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
------	---------	--------------------

- None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
------------------	-------	---------------------

23. Withdrawals from a partnership or distributions by a corporation

- None ☐ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
---	--------------------------------	--

24. Tax Consolidation Group.

- None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)
----------------------------	--------------------------------------

25. Pension Funds.

- None ☐ If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER (EIN)
----------------------	--------------------------------------

* * * * *

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date August 3, 2015 Signature /s/ Curtis James Jackson, III
Curtis James Jackson, III
Debtor

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

CURTIS JAMES JACKSON, III
STATEMENT OF FINANCIAL
AFFAIRS
Nos. 1 and 2

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Curtis Jame Jackson, III
Statement of Financial Affairs

1. Income from employment or operation of business:

	<u>7/13/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
W-2 Income:	14,859.14	26,196.00	30,830.00
Business Income:			
A. Entertainer			
Royalties	180,390.14	604,963.82	1,182,436.11
Royalties Advance	250,000.00	-	872,331.89
Sale of Catalog	<u>2,887,855.16</u>	<u>-</u>	<u>2,200,000.00</u>
Gross Income:	3,318,245.30	604,963.82	4,254,768.00
Less Business expenses:	<u>(1,008,682.84)</u>	<u>(1,012,798.00)</u>	<u>(2,082,403.00)</u>
Net Business Income:	2,309,562.46	(407,834.18)	2,172,365.00
B. SMS Promotions			
Gross Income:	371,590.00	721,607.89	979,181.00
Less Business expenses:	<u>(338,374.47)</u>	<u>(1,094,689.00)</u>	<u>(2,038,624.00)</u>
Net Business Income:	33,215.53	(373,081.11)	(1,059,443.00)
Flow-Thru Income:			
50's Liquid Assets	(235,690.95)	-	-
G Note Records	496.81	(2,027.00)	(277,669.00)
G-Unit Adult Film	(51.19)	(279.00)	472.00
G-Unit Books	15,217.48	62,344.00	4,378.00
G-Unit Brands	(5,656.36)	(2,758,939.00)	(4,237,595.00)
G-Unit Film & TV	113,288.78	311,273.00	(94,925.00)
G-Unit Merchandising	(51.88)	(115.00)	(85.00)
G-Unit Records	(579,742.71)	(360,740.00)	(2,509,546.00)
G-Unit Touring	145,326.83	213,663.00	619,826.00
Rotten Apple Records	23,123.32	31,246.00	(8,607.00)
Tomorrow Today Ent.	<u>1,294,844.09</u>	<u>899.00</u>	<u>95,532.00</u>
	771,104.22	(2,502,675.00)	(6,408,219.00)

2. Income other than from employment or operations of business:

	<u>7/13/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
Divident Income	82,157.92	24,386.00	49,538.00
Interest Income	35,252.76	486,852.00	503,555.00
Capital Gain	7,241.17	899,827.00	358,937.00
Annuity liquidation	-	254,751.00	603,984.00
Passive Flow-thru	819.00	70,313.00	9,256.00
Unclaimed Property	418.00	-	-

CURTIS JAMES JACKSON, III
STATEMENT OF FINANCIAL
AFFAIRS
No. 3

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CURTIS J. JACKSON, III
Statement of Financial Affairs
#3. Payments to creditors April-July 2015

CREDITOR	DATE PAID	AMOUNT PAID
539 38TH STREET, LLC	4/28/2015	\$ 3,000
	5/28/2015	\$ 3,000
	6/25/2015	\$ 3,000
American Express	4/15/2015	\$ 60,000
	5/12/2015	\$ 65,000
	6/15/2015	\$ 134,830
	7/8/2015	\$ 72,914
Bemers	4/29/2015	\$ 6,499
	5/19/2015	\$ 1,053
	6/10/2015	\$ 84
Bentley Financial Services	4/28/2015	\$ 5,745
	5/28/2015	\$ 5,745
	6/25/2015	\$ 5,745
Erin McSherry	4/16/2015	\$ 3,377
	4/28/2015	\$ 1,102
	5/11/2015	\$ 5,310
	5/11/2015	\$ 7,024
	6/12/2015	\$ 12,555
	6/19/2015	\$ 344
	7/10/2015	\$ 22,649
Eversource	4/15/2015	\$ 7,282
	5/13/2015	\$ 4,203
	6/16/2015	\$ 4,609
Georgia Power	4/28/2015	\$ 88
	5/28/2015	\$ 58
	6/25/2015	\$ 100
Longo Carpet Cleaning	6/22/2015	\$ 1,561
Middleton Lawn Care Services	4/28/2015	\$ 1,861
	5/2/2015	\$ 4,387
	6/22/2015	\$ 6,487
Nutmeg Mechanical Service, Inc	6/22/2015	\$ 75
Premium Assignment Corp	4/28/2015	\$ 13,316

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	5/28/2015	\$	13,316
	6/25/2015	\$	13,316
PSE&G CO	4/15/2015	\$	127
	5/13/2015	\$	104
	6/17/2015	\$	141
SAG-AFTRA	5/4/2015	\$	4,038
Scarritt Spas & Hot Tubs, LLC	4/28/2015	\$	678
	5/28/2015	\$	1,891
	6/22/2015	\$	6,487
Stephen J. Savva	6/1/2015	\$	4,342
United Water NJ	4/2/2015	\$	17
	4/28/2015	\$	13
	5/28/2015	\$	9
	6/30/2015	\$	9

CURTIS JAMES JACKSON, III
STATEMENT OF FINANCIAL
AFFAIRS
No. 18

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Curtis James Jackson, III
Statement of Financial Affairs
Question 18

Entity Name	EIN	Address	Nature of Business	Beginning - End Dates
50's Liquid Asset	20-2182686	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Investments (Vitamin Water, Street King, Insurance)	8/19/04 - present
50 Cent Music LLC	20-5080552	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Publishing	8/18/05 - present
Animal Ambition Short Film, LLC	45-2837077	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Short Film	7/21/11 - present
Before I Self Destruct Short Film, LLC	26-2905609	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403		6/26/2008 - present
CT lights, LLC	27-4444889	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Personal holding/property (Acts as the blind trust)	12/22/10 - present
G Note Records, Inc.	27-1784679	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Record Label	10-30-09 - present
G-Unit Adult Films, Inc.	20-0667486	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Adult Film	12/15/03 - present
G-Unit Books, Inc.	20-3767326	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Book deals, publishing and royalties	11/8/05 - present
G-Unit Brands, Inc.	20-1486595	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Endorsement deals	6/14/04 - present
G-Unit Clothing, LLC		c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Currently inactive	7/14/2003 - present
G-Unit Film & Television, Inc.	20-2236492	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Film Company	1/26/2005 - present
G-Unit Merchandising, Inc.	20-1752465	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Merchandising	10/4/2004 - present
G-Unit Records, Inc.	05-0536946	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Record label, office, salaries	10/15/2002 - present
G-Unit Touring, Inc.	26-4730253	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Touring	3/23/2009 - present

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G-Unity Foundation, Inc.	90-0276685	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Charitable Foundation	12/19/13 - present
In the Passing Lane, LLC		c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Auto and transportation	11/14/2005 - present
Love Me Love Me Not Short Film, LLC	27-1753667	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403		1/25/10 - present
Rotten Apple Records, Inc.	52-2358175	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Side artists, royalties, publishing	11/16/2001 - present
Sire Spirits, LLC	47-2610480	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Beam deal	12/17/14 - present
SMS Audio, LLC	45-1765111	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Headphones	3/4/11 - present
SMS Kono Audio, LLC	45-2974025	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Headphones	8/10/11 - present
SMS Promotions, LLC	46-1126889	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Boxing promotion, Las Vegas gym	10/3/2012 - present
Things Fall Apart, LLC	80-0566987	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Film	3/19/10 - present
Tomorrow, Today Entertainment, Inc.	26-2783279	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Website (thisis50.com)	5/21/08 - present
Inactive entities:				
Broadway Boxing, LLC	46-1812673	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Inactive	1/7/13 - ???
Cheetah Vision, Inc.	26-3688265	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Inactive	10/6/08 - ???
CJJ Enterprises, LLC	46-2547144	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Inactive	3/19/13 - ???
Hollow Point, Inc.	11-3649217	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Inactive	8/19/02 - 12/31/13
TMT Promotions, LLC	45-5456746	c/o GSO 15260 Ventura Blvd Ste 2100 Sherman Oaks, CA 91403	Inactive	6/5/12 - ???

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B6A (Official Form 6A) (12/07)

In re Curtis James Jackson, III

Case No. 15-21233

Debtor

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
30 Poplar Hills Drive Farmington, CT 06032 Market Value based on appraisal by Calciano & Stern Appraisal Associates, Inc., dated February 25, 2015.	Homestead/Owner	-	8,250,000.00	1,021,622.10
8 Gale Drive Valley Stream, NY 11581 Market Value based on Zillow Valuation	Investment Property/Owner	-	572,000.00	0.00
3286 Northside Pkwy, Unit 302 Atlanta, GA 30327 Market Value based on Zillow Valuation	Investment Property/Owner	-	464,000.00	0.00

Sub-Total > **9,286,000.00** (Total of this page)

Total > **9,286,000.00**

(Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property

2016 ANNUAL SPRING MEETING

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B6B (Official Form 6B) (12/07)

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.	See Attached List		-	10,554,486.13
3. Security deposits with public utilities, telephone companies, landlords, and others.	Security deposit for apartment lease.		-	4,350.00
4. Household goods and furnishings, including audio, video, and computer equipment.	Market value will be determined by an appraisal and Schedule B will be amended to reflect appraised market value. Locations: 50 Poplar Hill Drive, Farmington CT 06032, 8 Gale Drive, Valley Stream, NY 11581 and 3286 Northside Pkwy, Unit 302, Atlanta, GA 30327		-	Unknown
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	Market value will be determined by an appraisal and Schedule B will be amended to reflect appraised market value. Location: 50 Poplar Hill Drive, Farmington CT 06032		-	Unknown
7. Furs and jewelry.	Market value will be determined by an appraisal and Schedule B will be amended to reflect appraised market value. Location: 50 Poplar Hill Drive, Farmington CT 06032		-	Unknown
8. Firearms and sports, photographic, and other hobby equipment.	X			

Sub-Total > **10,558,836.13**
(Total of this page)

3 continuation sheets attached to the Schedule of Personal Property

AMERICAN BANKRUPTCY INSTITUTE

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B6B (Official Form 6B) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.		See Attached List -- All entities listed are their book value 264 West 40th Street, 15th Floor, New York, NY 10018	-	4,412,712.24
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.	X			
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			

Sub-Total > **4,412,712.24**
(Total of this page)

Sheet 1 of 3 continuation sheets attached to the Schedule of Personal Property

2016 ANNUAL SPRING MEETING

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B6B (Official Form 6B) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE B - PERSONAL PROPERTY (Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.		1966 Chevrolet Coupe, 2015 Chevrolet Suburban, 2010 Rolls Royce Phantom Drophead, 2005 Chevrolet Suburban, 2008 Dodge Sprinter, 2003 Chevrolet Suburban, 2012 Suzuki Kizashi Sport Market Values based on insurance estimates. Location: 50 Poplar Hill Drive, Farmington CT 06032	-	500,618.00
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			

Sub-Total > **500,618.00**
(Total of this page)

Sheet 2 of 3 continuation sheets attached
to the Schedule of Personal Property

AMERICAN BANKRUPTCY INSTITUTE

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B6B (Official Form 6B) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.		Escrow Account held by Suntrust Mortgage, P.O. Box 79041, Baltimore, MD 21279 for insurance and taxes for 50 Poplar Hill Drive, Farmington, CT 06032	-	90,732.81

Sub-Total > **90,732.81**
(Total of this page)
Total > **15,562,899.18**

(Report also on Summary of Schedules)

Sheet **3** of **3** continuation sheets attached to the Schedule of Personal Property

Software Copyright (c) 1996-2014 - Best Case, LLC - www.bestcase.com

Best Case Bankruptcy

CURTIS JAMES JACKSON, III
SCHEDULE B
No. 2

AMERICAN BANKRUPTCY INSTITUTE

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2. Checking, savings, or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.

TYPE OF ACCOUNT	LOCATION OF ACCOUNT	CURRENT VALUE
Checking Account – 7145	City National Bank 400 N. Roxbury Drive Beverly Hills, CA 90210	\$2,725,545.49
Checking Account – 7667	City National Bank 1140 6 th Avenue New York, NY 10036	900.00
Check Account – 2049	Signature Bank 565 Fifth Avenue, 12 th Floor New York, NY 10017	2,749.44
Brokerage Account	Credit Suisse 300 Conshohocken State Road Conshohocken, PA 19428	1,393,073.56
Brokerage Account	Merrill Lynch 2 World Finance Center 35 th Floor New York, NY 10281	5,105,360.68
Brokerage Account	Goldman Sachs 25 British American Blvd. Latham, NY 12110	1,326,856.96
TOTAL		\$10,554,486.13

CURTIS JAMES JACKSON, III
SCHEDULE B
No. 13

AMERICAN BANKRUPTCY INSTITUTE

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13. Stocks and interests in incorporated and unincorporated businesses. Itemized.

BUSINESS NAME	VALUE
50's Liquid Assets, Inc.	0.00
G-Unit Adult Films, Inc.	6,938.95
G-Unit Books, Inc.	5,236.29
G-Unit Brands, Inc.	0.00
G-Unit Clothing, LLC	0.00
G-Unit Film & Television, Inc.	0.00
G-Unit Merchandising, Inc.	0.00
G-Unit Records, Inc.	2,700,000.00
G-Unit Touring, Inc.	0.00
G Note Records, Inc.	0.00
Rotten Apples Records, Inc.	0.00
Sire Spirits, LLC	0.00
Tomorrow, Today Entertainment, Inc.	1,500,000.00
Sleek Audio, LLC	0.00
As Seen On TV	11,250.00
Medl Mobile	51,000.00
Hang W/	0.00
Luxe Valet, Inc.	50,000.00
Street King, LLC ¹	0.00
SMS Audio, LLC ²	0.00
50 Cent Music LLC	8,231.00
CT Lights, LLC	21,737.00
In the Passing Lane, LLC	8,319.00
CJ Network, LLC	50,000.00
TOTAL	\$4,412,712.24

¹ Owned by 50's Liquid Assets, Inc., but listed for completeness purpose.

² Owned by G-Unit Brands, Inc., but listed for completeness purpose.

2016 ANNUAL SPRING MEETING

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B6C (Official Form 6C) (4/13)

In re **Curtis James Jackson, III**

Debtor

Case No. **15-21233**

SCHEDULE C - PROPERTY CLAIMED AS EXEMPT

Debtor claims the exemptions to which debtor is entitled under:
(Check one box)

- ☐ 11 U.S.C. §522(b)(2)
☒ 11 U.S.C. §522(b)(3)

☒ Check if debtor claims a homestead exemption that exceeds
\$155,675. (Amount subject to adjustment on 4/1/16, and every three years thereafter
with respect to cases commenced on or after the date of adjustment.)

Description of Property	Specify Law Providing Each Exemption	Value of Claimed Exemption	Current Value of Property Without Deducting Exemption
Other Exemptions			
30 Poplar Hill Drive, Farmington, CT 06032	Conn. Gen. Stat. § 52-352b(t)	75,000.00	8,250,000.00
Clothing, household goods and Furnishings	Conn. Gen. Stat. § 52-352b(a)	0.00	104,150.00
Security Deposit	Conn. Gen. Stat. § 52-352b(l)	0.00	4,350.00
Motor Vehicles	Conn. Gen. Stat. § 52-352b(j)	3,500.00	500,618.00

0 continuation sheets attached to Schedule of Property Claimed as Exempt

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Total: **78,500.00** **8,859,118.00**

Best Case Bankruptcy

AMERICAN BANKRUPTCY INSTITUTE

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B6D (Official Form 6D) (12/07)

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Code debtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Code debtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H U S B A N D W I F E J O I N T O R C O M M U N I T Y	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No. 133726968			Secured Promissory Note					
Suntrust Mortgage P.O. Box 79041 Baltimore, MD 21279			30 Poplar Hills Drive Farmington, CT 06032 Market Value based on appraisal by - Calciano & Stern Appraisal Associates, Inc., dated February 25, 2015.					
			Value \$ 8,250,000.00				1,021,622.10	0.00
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Subtotal (Total of this page)							1,021,622.10	0.00
Total (Report on Summary of Schedules)							1,021,622.10	0.00

0 continuation sheets attached

2016 ANNUAL SPRING MEETING

Case 15-21233 Doc 55 Filed 08/03/15 Entered 08/03/15 14:39:28 Desc Main Document Page 12 of 38

B6E (Official Form 6E) (4/13)

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

☒ Domestic support obligations

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ Extensions of credit in an involuntary case

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$12,475* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ Contributions to employee benefit plans

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

☐ Certain farmers and fishermen

Claims of certain farmers and fishermen, up to \$6,150* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ Deposits by individuals

Claims of individuals up to \$2,775* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☒ Taxes and certain other debts owed to governmental units

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ Commitments to maintain the capital of an insured depository institution

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

☐ Claims for death or personal injury while debtor was intoxicated

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

2 continuation sheets attached

AMERICAN BANKRUPTCY INSTITUTE

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B6E (Official Form 6E) (4/13) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Domestic Support Obligations

TYPE OF PRIORITY

CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E D E B T O R	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY AMOUNT ENTITLED TO PRIORITY
Account No. Daphne Narvaez 5421 Cartwright Avenue North Hollywood, CA 91601	-	Total Child Support payments until the child reaches age of 18 years.				832,600.00	0.00 832,600.00
Account No. New York Child Support Processing Unit P.O. Box 15363 Albany, NY 12212-5363	-	Total Child Support payments until the child reaches the age of 18 years.				22,491.00	0.00 22,491.00
Account No. 							
Account No. 							
Account No. 							
Subtotal						855,091.00	0.00 855,091.00

Sheet **1** of **2** continuation sheets attached to
Schedule of Creditors Holding Unsecured Priority Claims

(Total of this page)

2016 ANNUAL SPRING MEETING

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B6E (Official Form 6E) (4/13) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Taxes and Certain Other Debts Owed to Governmental Units

TYPE OF PRIORITY

CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E B O R	H U S B A N D W I F E J O I N T C O M M U N I T Y	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
								AMOUNT ENTITLED TO PRIORITY
Account No.			GA property taxes					
Fulton County Tax Assessor 141 Pryor Street SW Atlanta, GA 30303		-						Unknown
							Unknown	Unknown
Account No.			Property Taxes					
Valley Stream Receiver of Taxes 123 So. Central Avenue Valley Stream, NY 11580		-						Unknown
							Unknown	Unknown
Account No.								
Account No.								
Account No.								
Subtotal								0.00
(Total of this page)							0.00	0.00
Total								0.00
(Report on Summary of Schedules)							855,091.00	855,091.00

Sheet **2** of **2** continuation sheets attached to
Schedule of Creditors Holding Unsecured Priority Claims

AMERICAN BANKRUPTCY INSTITUTE

Case 15-21233 Doc 55 Filed 08/03/15 Entered 08/03/15 14:39:28 Desc Main Document Page 15 of 38

B6F (Official Form 6F) (12/07)

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D W I F E J O I N T O R	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			FOR NOTICE PURPOSE ONLY				
539 38th Street, LLC P.O. Box 685 Hackensack, NJ 07602		-					0.00
Account No.			Merchandise				
8X10 Boutique LLC 2700 N. Miami Avenue, #1001 Miami, FL 33127		-					400.00
Account No.			FOR NOTICE PURPOSE ONLY				
AFTRA Health Fund Premium P.O. Box 5034 New York, NY 10087-5034		-					0.00
Account No.			Publicists - FOR NOTICE PURPOSE ONLY				
AKR Public Relations c/o Amanda Ruisi 100 Skillman Street, #2A Fairfield, CT 06824		-					0.00
Subtotal (Total of this page)							400.00

14 continuation sheets attached

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. Account Ending 1-44000 American Express P.O. Box 1270 Newark, NJ 07101-1270		-	Credit Card				64,909.04
Account No. Bemers P.O. Box 93 Glastonbury, CT 06033-0093		-	Merchandise				41.48
Account No. 5400000171 Bentley Financial Services 75 Remittance Drive, Suite 738 Chicago, IL 60675		-	Automobile Lease - FOR NOTICE PURPOSE ONLY				0.00
Account No. Borghese Condominium Association, Inc. P.O. Box 65851 Phoenix, AZ 85082-5851		-	Atlanta, GA Homeowners' Association Dues - FOR NOTICE PURPOSE ONLY				0.00
Account No. Cablevision P.O. Box 371378 Pittsburgh, PA 15250-7378		-	Connecticut Residence Service - FOR NOTICE PURPOSE ONLY				0.00
Sheet no. 1 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							64,950.52

AMERICAN BANKRUPTCY INSTITUTE

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			Judgment/Appeal Pending				
Candace Scott c/o Michael Malkovich Xanthakos & Malkovich 43 Center Street, Suite 101 Northampton, MA 01060		-			X		25,000.00
Account No.			Connecticut Residence Service - FOR NOTICE PURPOSE ONLY				
Comcast P.O. Box 1577 Newark, NJ 07101-1577		-					0.00
Account No.			FOR NOTICE PURPOSE ONLY				
Corporate Services Company 2711 Centerville Road Wilmington, DE 19808		-					0.00
Account No.			Legal Fees				
Correll Law Group Attn: P. Kent Correll 250 Park Avenue, 7th Floor New York, NY 10177		-					90,817.00
Account No.			Connecticut Residence Expense Reimbursement				
Curtis J. Jackson, Sr. 6 West Circle Drive Valley Stream, NY 11581-1517		-					1,737.33
Sheet no. 2 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							117,554.33

2016 ANNUAL SPRING MEETING

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No.			Counsel For Lastonia Leviston - FOR NOTICE PURPOSE ONLY				0.00
Darren M. Gelbert Wilentz, Goldman & Spitzer PA 90 Woodbridge Center Drive P.O. Box 10 Woodbridge, NJ 07095		-					
Account No.			May 2, 2015 Litigation in the Philadelphia Court of Common Pleas			X	Unknown
Dee Denise Hallager P.O. Box 12236 Philadelphia, PA 19144		-					
Account No.			Judgment/Appeal Pending			X	25,000.00
Dorothy DeJesus c/o Michael Malkovich Xanthakos & Malkovich 43 Center Street, Suite 101 Northampton, MA 01060		-					
Account No.			Counsel for Lastonia Leviston - FOR NOTICE PURPOSE ONLY				0.00
Elizabeth J. Austin Pullman & Comley LLC 850 Main Street P.O. Box 7006 Bridgeport, CT 06601-7006		-					
Account No.			Stylist				5,245.66
Erin McSherry 295 Park Avenue S #2G New York, NY 10010		-					
Sheet no. 3 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							30,245.66
Subtotal (Total of this page)							30,245.66

AMERICAN BANKRUPTCY INSTITUTE

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. Eversource P.O. Box 650032 Dallas, TX 75265-0032	-		Connecticut Residence Utility				5,649.72
Account No. Executive Services, LLC c/o Barja Walter 304A Lexington Avenue Brooklyn, NY 11216	-		FOR NOTICE PURPOSE ONLY				0.00
Account No. Feldman and Hickey, LLC Waterside Office Park 10 Waterside Drive, Suite 303 Farmington, CT 06032	-		Legal Fees				2,116.50
Account No. Freidin & Dobrinsky, PA 2 South Biscayne Blvd. Miami, FL 33131	-		Counsel for Lastonia Leviston - FOR NOTICE PURPOSE ONLY				0.00
Account No. Frontier P.O. Box 20550 Rochester, NY 14602-0550	-		New Jersey Residence Utility - FOR NOTICE PURPOSE ONLY				0.00
Sheet no. 4 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							7,766.22

2016 ANNUAL SPRING MEETING

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			Accounting Services				
G. Collins & Company LLC 1410 Broadway, Suite 1905 New York, NY 10018		-					50,600.00
Account No. 50422			Legal Services				
Garvey Schubert Barer 100 Wall Street, 20th Floor New York, NY 10005		-			X		143,294.00
Account No.			Barber - FOR NOTICE PURPOSE ONLY				
Gelpy Joel Peralta 41-18 Vernon Blvd., Apt. 4B Queens, NY 11101		-					0.00
Account No.			Georgia Residence Utility				
Georgia Power 96 Annex Atlanta, GA 30396-0001		-					125.65
Account No.			August 16, 2011 Counsel for Vasti Ortiz - FOR NOTICE PURPOSE ONLY				
Gerald M. Beaudoin Law Offices of Gerald M. Beaudoin P.O. Box 358 Hartford, CT 06141		-					Unknown
Sheet no. 5 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							194,019.65

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community	D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	A M O U N T O F C L A I M
Account No.								
Geraldine Francis 77 Dartmouth Street Valley Stream, NY 11581		-		Party Rental - FOR NOTICE PURPOSE ONLY				0.00
Account No.								
Girl Friday Kellee Hunter 2604 Palisade Avenue, #1 Weehawken, NJ 07086		-		FOR NOTICE PURPOSE ONLY				0.00
Account No.								
Home Entertaining Design 417 West 126th Street New York, NY 10027		-		Connecticut Residence Maintenance - FOR NOTICE PURPOSE ONLY				0.00
Account No.								
Ilene Zwirn, M.D. 151 East 90th Street, #1C New York, NY 10128		-		Services related to Leviston Matter - FOR NOTICE PURPOSE ONLY				0.00
Account No.								
Infinity Real Estate Services and/or Robert Cata 5671 Kanan Road Agoura Hills, CA 91301		-		Rent for Daphne Narvaez as part of child support - FOR NOTICE PURPOSE ONLY				0.00
Sheet no. 6 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims								0.00
Subtotal (Total of this page)								0.00

2016 ANNUAL SPRING MEETING

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			Fitness Trainer - FOR NOTICE PURPOSE ONLY				
Jay Cardiello 111 Kent Avenue, Suite 2T Brooklyn, NY 11249		-					0.00
Account No.			Counsel for Lastonia Leviston - FOR NOTICE PURPOSE ONLY				
Jessica Grossarth Pullman & Comley LLC 850 Main Street P.O. Box 7006 Bridgeport, CT 06601-7006		-					0.00
Account No.			Connecticut Residence Maintenance - FOR NOTICE PURPOSE ONLY				
Kaz Hejnar 240 East Robbins Avenue Newington, CT 06111		-					0.00
Account No.			Connecticut Residence Maintenance - FOR NOTICE PURPOSE ONLY				
Kinsley Power Systems 14 Connecticut South Drive East Granby, CT 06026		-					0.00
Account No.			Videographer - FOR NOTICE PURPOSE ONLY				
Kourous Ghasaban 18141 Delano Street Tarzana, CA 91335		-					0.00
Sheet no. 7 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							0.00

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	A M O U N T O F C L A I M
Account No.			Unsecured Claim				
Lastonia Leviston c/o Darren M. Gelber Wilentz, Goldman & Spitzer 110 William Street, 26th Floor New York, NY 10038	-					X	7,000,000.00
Account No.			Personal Services - Hair & Makeup - FOR NOTICE PURPOSE ONLY				
Leonardi Design, Inc. 131 E. 23rd Street, #12B New York, NY 10010	-						0.00
Account No.			Groomer - FOR NOTICE PURPOSE ONLY				
Lionel Jones 111-04 179th Street Jamaica, NY 11433	-						0.00
Account No.			New Jersey Residence Maintenance - FOR NOTICE PURPOSE ONLY				
Liquid Dreams Design 344 Avenue Y Brooklyn, NY 11223	-						0.00
Account No.			Connecticut Residence Maintenance				
Longo Carpet Cleaning & Restoration 80 Ramah Circle South Agawam, MA 01001	-						1,561.22
Sheet no. 8 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							7,001,561.22

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			Connecticut Residence Maintenance				
Middleton Lawn Care Services P.O. Box 331054 West Hartford, CT 06133-1054		-					7,019.10
Account No. E-3979.001			Legal Services				
Moritt Hock & Hamroff 400 Garden City Plaza Garden City, NY 11530		-					3,500.00
Account No.			Counsel for Lastonia Leviston - FOR NOTICE PURPOSE ONLY				
Napoli Bern Ripka Shkolnik LLP 350 Fifth Avenue, Suite 7413 New York, NY 10118		-					0.00
Account No.			Connecticut Residence Maintenance				
Nutmeg Mechanical Service Inc. 130-3 Utopia Road Manchester, CT 06042		-					2,053.62
Account No. 951268			Unsecured Claim				
Premium Assignment Corp. P.O. Box 800 Tallahassee, FL 32314		-					26,632.00
Sheet no. 9 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							39,204.72

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			Auto Insurance - FOR NOTICE PURPOSE ONLY				
Progressive P.O. Box 105428 Atlanta, GA 30348-5428		-					0.00
Account No.			New Jersey Residence				
PSE&G Co. P.O. Box 14444 New Brunswick, NJ 08906-4444		-					189.33
Account No.			Driver - FOR NOTICE PURPOSE ONLY				
Randall Bordenave 4201 Twilight Street Las Vegas, NV 89122		-					0.00
Account No.			FOR NOTICE PURPOSE ONLY				
Rashawn Casey 37 Powderhorn Drive Kinnelon, NJ 07405		-					0.00
Account No. 358762			Legal Services				
Reed Smith 1901 Avenue of the Stars Suite 700 Los Angeles, CA 90067		-				X	568,304.00
<div style="display: flex; justify-content: space-between;"> Sheet no. 10 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims Subtotal (Total of this page) </div>							568,493.33

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. 110216 Robins Kaplan LLP 800 LaSalle Avenue Minneapolis, MN 55402		-	Legal Services				172,178.50
Account No. SAG-AFTRA P.O. Box 60513 City of Industry, CA 91716		-	Union Dues				336.54
Account No. Scarritt Spas & Hot Tubs, LLC 311 Broad Street Bristol, CT 06010		-	Connecticut Residence Maintenance				663.79
Account No. Shareif Ziyadat Productions Inc. 126 Hollis Terrace North Yonkers, NY 10701		-	FOR NOTICE PURPOSE ONLY				0.00
Account No. Shepherd Duke Investments 8414 W. Farm Road, #180-259 Las Vegas, NV 89131		-	Driver				975.00
Sheet no. 11 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							174,153.83

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. Thomson Compumark P.O. Box 71892 Chicago, IL 60694-1892		-	Trademark Watch Services - FOR NOTICE PURPOSE ONLY				0.00
Account No. United Corporate Services Inc. Ten Bank Street, Suite 560 White Plains, NY 10606		-	Connecticut Residence Utility - FOR NOTICE PURPOSE ONLY				0.00
Account No. United Water New Jersey Payment Center P.O. Bosx 371804 Pittsburgh, PA 15250-7804		-	New Jersey Residence Utility				13.33
Account No. Vasti Ortiz 13 Vine Street, Apt. 302 New Britain, CT 06052		-	August 16, 2011 Plaintiff in lawsuit filed in Judicial District Court of Harford			X	Unknown
Account No. Vincenzo Ettore 19 Santo Court New Britain, CT 06053		-	Connecticut Residence Maintenance - FOR NOTICE PURPOSE ONLY				0.00
Sheet no. 13 of 14 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							
Subtotal (Total of this page)							13.33

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B6F (Official Form 6F) (12/07) - Cont.

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E	D E B T O R	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.			Connecticut Residence Maintenance - FOR NOTICE PURPOSE ONLY				0.00
Zdzislaw Kleczkowski 44 Little Brook Circle Farmington, CT 06032		-					
Account No.							
Account No.							
Account No.							
Account No.							
Account No.							
Subtotal (Total of this page)							0.00
Total (Report on Summary of Schedules)							30,632,836.81

Sheet no. **14** of **14** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

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B6G (Official Form 6G) (12/07)

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
539 38th Street, LLC P.O. Box 685 Hackensack, NJ 07602	Lease Agreement for New Jersey apartment.
Bentley Financial Services P.O. Box 650500 Hunt Valley, MD 21065	Lease Agreement for 2012 Bentley Mulsanne

0

continuation sheets attached to Schedule of Executory Contracts and Unexpired Leases

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Best Case Bankruptcy

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B6H (Official Form 6H) (12/07)

In re **Curtis James Jackson, III**

Case No. **15-21233**

Debtor

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
SMS Audio, LLC 264 West 40th Street, 15th Fl. New York, NY 10018	Suntrust Bank P.O. Box 79079 Baltimore, MD 21279

0

continuation sheets attached to Schedule of Codebtors

2016 ANNUAL SPRING MEETING

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Fill in this information to identify your case:

Debtor 1 Curtis James Jackson, III

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: DISTRICT OF CONNECTICUT

Case number 15-21233
(If known)

Check if this is:

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

MM / DD / YYYY

Official Form B 6I

Schedule I: Your Income

12/13

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

	Debtor 1	Debtor 2 or non-filing spouse
1. Fill in your employment information.		
If you have more than one job, attach a separate page with information about additional employers.	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed	<input type="checkbox"/> Employed <input type="checkbox"/> Not employed
Include part-time, seasonal, or self-employed work.	Occupation <u>Entertainer</u>	
Occupation may include student or homemaker, if it applies.	Employer's name <u>G-Unit Records</u>	
	Employer's address <u>264 West 40th Street, 15th FL. New York, NY 10018</u>	
	How long employed there? <u>12 years</u>	

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. List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	\$ <u>2,166.66</u>	\$ <u>N/A</u>
3. Estimate and list monthly overtime pay.	+\$ <u>0.00</u>	+\$ <u>N/A</u>
4. Calculate gross income. Add line 2 + line 3.	\$ <u>2,166.66</u>	\$ <u>N/A</u>

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Debtor 1 **Curtis James Jackson, III**

Case number (if known) **15-21233**

		For Debtor 1	For Debtor 2 or non-filing spouse
Copy line 4 here	4.	\$ 2,166.66	\$ N/A
5. List all payroll deductions:			
5a. Tax, Medicare, and Social Security deductions	5a.	\$ 497.08	\$ N/A
5b. Mandatory contributions for retirement plans	5b.	\$ 0.00	\$ N/A
5c. Voluntary contributions for retirement plans	5c.	\$ 0.00	\$ N/A
5d. Required repayments of retirement fund loans	5d.	\$ 0.00	\$ N/A
5e. Insurance	5e.	\$ 0.00	\$ N/A
5f. Domestic support obligations	5f.	\$ 0.00	\$ N/A
5g. Union dues	5g.	\$ 0.00	\$ N/A
5h. Other deductions. Specify: _____	5h. +	\$ 0.00	\$ N/A
6. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h.	6.	\$ 497.08	\$ N/A
7. Calculate total monthly take-home pay. Subtract line 6 from line 4.	7.	\$ 1,669.58	\$ N/A
8. List all other income regularly received:			
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.	\$ 163,700.00	\$ N/A
8b. Interest and dividends	8b.	\$ 19,600.00	\$ N/A
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.	\$ 0.00	\$ N/A
8d. Unemployment compensation	8d.	\$ 0.00	\$ N/A
8e. Social Security	8e.	\$ 0.00	\$ N/A
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.	\$ 0.00	\$ N/A
8g. Pension or retirement income	8g.	\$ 0.00	\$ N/A
8h. Other monthly income. Specify: _____	8h. +	\$ 0.00	\$ N/A
9. Add all other income. Add lines 8a+8b+8c+8d+8e+8f+8g+8h.	9.	\$ 183,300.00	\$ N/A
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.	\$ 184,969.58	\$ N/A
11. State all other regular contributions to the expenses that you list in Schedule J. 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.	+\$ 0.00	
12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the <i>Summary of Schedules and Statistical Summary of Certain Liabilities and Related Data</i> , if it applies	12.	\$ 184,969.58	
Combined monthly income			
13. Do you expect an increase or decrease within the year after you file this form?			
<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes. Explain: _____			

2016 ANNUAL SPRING MEETING

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Curtis James Jackson, III
Sch I
Q. 8a

G-Unit Film & TV	G-Unit Records	G-Unit Touring	Rotten Apples Records	Tomorrow Today Ent	Total
36,000.00	137,000.00	49,200.00	4,800.00	256,000.00	483,000.00
(17,000.00)	(234,000.00)	(24,900.00)	(2,900.00)	(40,500.00)	(319,300.00)
19,000.00	(97,000.00)	24,300.00	1,900.00	215,500.00	163,700.00

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Fill in this information to identify your case:

Debtor 1 Curtis James Jackson, III

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: DISTRICT OF CONNECTICUT

Case number 15-21233
(If known)

Check if this is:

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

MM / DD / YYYY
- ☐ A separate filing for Debtor 2 because Debtor 2 maintains a separate household

Official Form B 6J

Schedule J: Your Expenses

12/13

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 a separate Schedule J.

2. Do you have dependents? ☐ No

Do not list Debtor 1 and Debtor 2.

☒ Yes. Fill out this information for each dependent.....

Do not state the dependents' names.

Dependent's relationship to Debtor 1 or Debtor 2

Dependent's age

Does dependent live with you?

PLEASE MONTHLY EXPENSES ATTACHED

☒ 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 6I.)

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. \$ 0.00

If not included in line 4:

4a. Real estate taxes

4a. \$ 0.00

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

4b. \$ 0.00

4c. Home maintenance, repair, and upkeep expenses

4c. \$ 0.00

4d. Homeowner's association or condominium dues

4d. \$ 0.00

5. Additional mortgage payments for your residence, such as home equity loans

5. \$ 0.00

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Debtor 1 **Curtis James Jackson, III**

Case number (if known) **15-21233**

6. Utilities:	
6a. Electricity, heat, natural gas	6a. \$ <u>0.00</u>
6b. Water, sewer, garbage collection	6b. \$ <u>0.00</u>
6c. Telephone, cell phone, Internet, satellite, and cable services	6c. \$ <u>0.00</u>
6d. Other. Specify: _____	6d. \$ <u>0.00</u>
7. Food and housekeeping supplies	7. \$ <u>0.00</u>
8. Childcare and children's education costs	8. \$ <u>0.00</u>
9. Clothing, laundry, and dry cleaning	9. \$ <u>0.00</u>
10. Personal care products and services	10. \$ <u>0.00</u>
11. Medical and dental expenses	11. \$ <u>0.00</u>
12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments.	12. \$ <u>0.00</u>
13. Entertainment, clubs, recreation, newspapers, magazines, and books	13. \$ <u>0.00</u>
14. Charitable contributions and religious donations	14. \$ <u>0.00</u>
15. Insurance. Do not include insurance deducted from your pay or included in lines 4 or 20.	
15a. Life insurance	15a. \$ <u>0.00</u>
15b. Health insurance	15b. \$ <u>0.00</u>
15c. Vehicle insurance	15c. \$ <u>0.00</u>
15d. Other insurance. Specify: _____	15d. \$ <u>0.00</u>
16. Taxes. Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: _____	16. \$ <u>0.00</u>
17. Installment or lease payments:	
17a. Car payments for Vehicle 1	17a. \$ <u>0.00</u>
17b. Car payments for Vehicle 2	17b. \$ <u>0.00</u>
17c. Other. Specify: _____	17c. \$ <u>0.00</u>
17d. Other. Specify: _____	17d. \$ <u>0.00</u>
18. 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 6I).	18. \$ <u>0.00</u>
19. Other payments you make to support others who do not live with you. Specify: _____	19. \$ <u>0.00</u>
20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.	
20a. Mortgages on other property	20a. \$ <u>0.00</u>
20b. Real estate taxes	20b. \$ <u>0.00</u>
20c. Property, homeowner's, or renter's insurance	20c. \$ <u>0.00</u>
20d. Maintenance, repair, and upkeep expenses	20d. \$ <u>0.00</u>
20e. Homeowner's association or condominium dues	20e. \$ <u>0.00</u>
21. Other: Specify: SEE MONTHLY EXPENSES ATTACHED	21. +\$ <u>108,000.00</u>
22. Your monthly expenses. Add lines 4 through 21. The result is your monthly expenses.	22. \$ <u>108,000.00</u>
23. Calculate your monthly net income.	
23a. Copy line 12 (<i>your combined monthly income</i>) from Schedule I.	23a. \$ <u>184,969.58</u>
23b. Copy your monthly expenses from line 22 above.	23b. -\$ <u>108,000.00</u>
23c. Subtract your monthly expenses from your monthly income. The result is your <i>monthly net income</i> .	23c. \$ <u>76,969.58</u>
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?	
<input checked="" type="checkbox"/> No.	
<input type="checkbox"/> Yes. Explain:	

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Curtis Jackson**Monthly Expenses**

		<u>MONTHLY</u>
HOUSEHOLD EXPENSES		
CT	Gardening	5,000
	Household supplies	1,500
	Insurance - Homeowners	13,300
	Mortgage (P, I & Property tax)	17,400
	Pool maintenance	1,500
	Repairs & Maintenance	4,500
	Security & Protection	9,000
	Telephone	600
	Utilities	14,200
		<u>67,000</u>
GA	HOA Dues (3286 Northside Pkwy)	1,100
	Property Taxes	400
	Utilities	200
		<u>1,700</u>
NJ	Rent	3,000
	Utilities	300
		<u>3,300</u>
TOTAL HOUSEHOLD EXPENSES		<u>\$ 72,000</u>
OTHER EXPENSES		
Support		
	Child #1	7,500
	Child #2	4,600
	Grandparent	2,500
	Total Support	<u>14,600</u>
Other		
	Auto Lease	5,800
	Auto Expenses	2,000
	Auto Insurance	1,400
	Meals & Entertainment	3,000
	Insurance - Accident	1,100
	Insurance - Medical	300
	Miscellaneous	1,800
	Personal Grooming	1,000
	Travel	2,000
	Wardrobe	3,000
	Total Other	<u>21,400</u>
TOTAL OTHER EXPENSES		<u>\$ 36,000</u>
TOTAL EXPENSES		<u>\$ 108,000</u>

2016 ANNUAL SPRING MEETING

Case 15-21233 Doc 55 Filed 08/03/15 Entered 08/03/15 14:39:28 Desc Main Document Page 38 of 38

B6 Declaration (Official Form 6 - Declaration). (12/07)

**United States Bankruptcy Court
District of Connecticut**

In re Curtis James Jackson, III

Debtor(s)

Case No. 15-21233

Chapter 11

DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 33 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date August 3, 2015

Signature /s/ Curtis James Jackson, III

Curtis James Jackson, III

Debtor

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

United States Bankruptcy Court for the Southern District of Florida

Local Rule 2090-1. Attorneys.

(A) Qualifications to Practice. Except as provided in subdivision (B) of this rule, to be qualified to practice in this court an attorney must:

- (1)** be a member of the Bar of the United States District Court for the Southern District of Florida under the Special Rules Governing the Admission and Practice of Attorneys in the District Court;
- (2)** read and remain familiar with these rules, administrative orders, the Federal Rules of Bankruptcy Procedure, the Federal Rules of Civil Procedure, the Federal Rules of Evidence, The Florida Bar's Rules of Professional Conduct, and the Bankruptcy Code; and
- (3)** earn at least 12 credit hours from The Florida Bar for attending or participating in CLE courses related to the subject area of "Bankruptcy Law" during each attorney's Florida Bar three-year CLE reporting requirement. This provision will not preclude an attorney from appearing who is within a three-year CLE reporting period but has not yet earned the required 12 credit hours for that period.

Attorneys appearing pursuant to this subdivision who are not registered users of CM/ECF must include on all papers the certification contained in Local Rule 9011-4(B).

(B) Appearances Permitted as Exceptions to Qualification Requirements. An attorney who has not fulfilled the qualifications to practice set forth in subdivision (A) above, may only appear as set forth in this subdivision. Any attorney who appears pursuant to this rule shall be deemed to be familiar with, and shall be governed by, these rules, and the Rules of Professional Conduct and other ethical limitations or requirements governing the professional behavior of members of The Florida Bar.

(1) Appearances in Limited Instances. An attorney may appear in the following limited instances without resort to the requirements contained in subdivision (A) or (B)(2) of this rule: (a) the preparation and filing of a notice of appearance (pursuant to Bankruptcy Rule 9010); (b) a request for service of notices (pursuant to Bankruptcy Rule 2002); (c) the preparation and filing of a proof of claim in chapter 7, 11, 12 or 13 cases, or ballots in chapter 11 cases; (d) the filing of notices under Local Rule 3070-1(B); (e) attendance and inquiry at the meeting of creditors held under 11 U.S.C. §341; and (f) attendance and representation of a creditor at a hearing which has been noticed to all creditors generally, except for representation of a party in a contested matter governed by Bankruptcy Rule 9014, or an adversary proceeding governed by Part VII of the Bankruptcy Rules.

(2) Pro Hac Vice Appearances. Any attorney who is a member in good standing of the bar of any state, territory or insular possession of the United States, and who is qualified to practice in this court but is not a member of the bar of the United States District Court for the Southern District of Florida (a “visiting attorney”), may seek to appear *pro hac vice* in any case or proceeding before this court. Any applicable fee authorized under the Local Rules or General Orders of the United States District Court for the Southern District of Florida for pro hac vice appearances in the bankruptcy court must be paid at the filing of a motion to appear pro hac vice. Such visiting attorney shall associate with an attorney who is qualified to practice with this court, is a member in good standing of the bar of the United States District Court for the Southern District of Florida and qualified to practice before this court, and who maintains an office in this district for the practice of law (a “local attorney”). Such local attorney shall file the Local Form “Motion to Appear Pro Hac Vice” and proposed Local Form “Order Admitting Attorney Pro Hac Vice” in the relevant main bankruptcy case, unless the visiting attorney intends to appear only in a specific adversary proceeding in which case the motion shall be filed only in such adversary proceeding and the local form motion and proposed order may be edited accordingly. In the motion, the local attorney shall certify that he or she is a member in good standing of the bar of the United States District Court for the Southern District of Florida and qualified to practice before this court, that he or she is willing to act as local counsel, and that he or she will participate in the preparation and presentation of, and accept service of all papers in, the case in which the motion is filed and any adversary proceedings in which the visiting attorney appears on behalf of the same client or clients (unless the motion is limited to a particular adversary proceeding). If the motion is filed in the main case, the local attorney must acknowledge that if he or she declines to serve as local counsel in any adversary proceeding involving the same client or clients, separate local counsel must file an additional Motion to Appear Pro Hac Vice, and that absent such separate motion and an order of this court approving the same he or she will continue to act as local counsel for the client(s) in all such proceedings.

In a separate affidavit filed with or as part of the motion, the proposed visiting attorney shall certify that he or she is qualified to practice before this court, and that he or she is a member in good standing of the bar of at least one state, territory, or insular possession of the United States, and a member in good standing of the bar of at least one United States District Court, and

indicate such jurisdictions. The proposed visiting attorney must certify that he or she has never been disbarred, that he or she is not currently suspended from the practice of law in the State of Florida or any other state, territory, or insular possession of the United States, and that he or she is not currently suspended from the practice of law before any United States Court of Appeals, United States District Court, or United States Bankruptcy Court. The proposed visiting attorney shall designate local counsel consistent with this local rule. The proposed visiting attorney shall acknowledge that local counsel is required to participate in the preparation and the presentation of, and accept service in, the case and any adversary proceedings in which the visiting attorney appears on behalf of the same client or clients, unless and until other local counsel is designated under this local rule (except where the motion is limited to a particular adversary proceeding). The proposed visiting attorney shall certify that he or she is familiar with and shall be governed by the local rules of this court, the rules of professional conduct and all other requirements governing the professional behavior of members of the Florida Bar.

The court may waive the requirement of association with a local attorney upon good cause shown after the filing of a motion requesting such relief. The Local Form “Motion to Appear Pro Hac Vice” and proposed Local Form “Order Admitting Attorney Pro Hac Vice” may be modified as necessary for this purpose.

[Comment: See also Local Rule 9011-4(B)(2), required certification.]

(3) Appearances by Government Attorneys. Any attorney who is an employee of the United States government, an agency thereof, or a state, municipality or agency or political subdivision thereof, may appear and participate in particular actions or proceedings before the court on behalf of such entity in the attorney’s official capacity. Any attorney so appearing is subject to all of the rules of this court.

(C) Attendance at Hearings Required for Debtor’s Counsel.

An attorney who makes an appearance on behalf of a debtor must attend all hearings scheduled in the debtor’s case that the debtor is required to attend under any provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, or order of the court, unless the court has granted a motion to withdraw pursuant to Local Rule 2091-1.

(1) Attendance at Initial Debtor Interview (IDI) and Meeting of Creditors (341 Meeting). The attorney attending the IDI or meeting of creditors must be familiar with the facts and schedules and have met and conferred with the client prior to appearing.

(2) Attendance at Hearing Required for Debtor's Counsel. An attorney who makes an appearance on behalf of a debtor, or a member of his or her firm who is familiar with the client and the file, must attend all hearings scheduled in the debtor's case that the debtor is required to attend under any provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, or order of the court, unless the court has granted a motion to withdraw pursuant to Local Rule 2091-1. The attorney may not use appearance counsel for any hearing unless (a) the client consents in advance to the use of the appearance attorney, (b) the client does not incur any additional expense associated with the use of an appearance attorney, (c) the appearance attorney complies with all applicable rules regarding disclosure of any fee sharing arrangements, and (d) appearance counsel is familiar with the debtor's schedules and statement of financial affairs and is otherwise familiar with the facts of the case.

(D) Duties of Debtor's Counsel.

Unless the attorney has withdrawn as attorney for the debtor pursuant to Local Rule 2091-1, an attorney who files a petition on behalf of a debtor must advise the debtor of, and assist the debtor in complying with, all duties of a debtor under 11 U.S.C. §521.

<p>□2015 Amendment: Section (B)(2) amended to incorporate Interim Local Rule 2090-1(B)(2), adopted by Administrative Order 15-02. Section (C)(1) amended to modify provisions for attendance at initial debtor interview and meeting of creditors which were adopted by Administrative Order 14-01.</p>



THE WALL STREET JOURNAL.
WSJ.com

February 19, 2016, 2:01 PM ET

Judge Orders 50 Cent to Bankruptcy Court Over Instagram Photos

By Katy Stech

A bankruptcy judge ordered rapper 50 Cent to come to her courtroom and explain several pictures posted on social media websites that show him playing with stacks of cash.

Judge Ann Nevins told the 40-year-old entertainer's lawyer that his Instagram photos are raising questions about whether he is being truthful about his financial situation.

"I'm concerned about allegations of nondisclosure and a lack of transparency in the case," Judge Nevins said at a hearing Thursday in Hartford, Conn.. "There's a purpose of having a bankruptcy process be transparent, and part of that purpose is to inspire confidence in the process." She added that bankruptcy is a place where "honest, but unfortunate" people can get a fresh start.

Earlier court papers put a spotlight on three pictures of 50 Cent, whose real name is Curtis James Jackson III, with bundles of cash. One picture showed cash piles in his fridge.

Another showed him arranging bundles to spell out the word "BROKE."

And another showed him [cuddling with them in bed](#). He also bragged on Instagram about [buying a home in Africa](#).

The photos were flagged by Lastonia Leviston, who won \$7 million in a sex-tape dispute but hasn't been able to collect that money since Mr. Jackson filed for bankruptcy last summer. Two other groups—Mr. Jackson's mortgage lender and a partner in a failed headphone deal owed roughly \$18 million—joined her in a fight to have an outside financial professional manage his money until he pay off the \$30 million he owes creditors.

Mr. Jackson's lawyer wasn't immediately available to respond to Judge Nevins's order. The date of the hearing Mr. Jackson is required to attend hasn't yet been set.

In response to the social media posts, Mr. Jackson's lawyers said the photos were included in court filings to "disingenuously smear" him.

"By including pictures from [Mr. Jackson's] social media accounts and implying that [he] is hiding assets... the [three creditors] intentionally ignore that [Mr. Jackson] is in the entertainment and promotion business and must maintain his brand and image (or those of the products he is promoting)," his lawyers said in documents filed in U.S. Bankruptcy Court in Hartford, Conn.

<http://blogs.wsj.com/bankruptcy/2016/02/19/judge-orders-50-cent-to-bankruptcy-court-ove...> 2/24/2016

A lawyer for headphone investor group said Thursday he was still suspicious of Mr. Jackson's financial reporting, which calls for him to disclose all of the money he earned during the case. He said that Mr. Jackson has made TV appearances and performed at concerts but didn't say how much he was paid in fees.

Mr. Jackson's lawyer, James Berman, disputed that at Thursday's hearing.

"All his income was reported," he told Judge Nevins.

Mr. Jackson [filed for chapter 11 protection on July 13](#), shortly before jurors were scheduled to determine whether he should pay additional damages in the sex-tape lawsuit filed in 2010 by Ms. Leviston, rapper Rick Ross's ex-girlfriend.

The verdict in the sex-tape lawsuit, which accused Mr. Jackson of posting the video on his website in 2009 as part of a "rap war" between himself and Mr. Ross, came after Mr. Jackson lost the dispute over a broken business deal to develop headphones.

Mr. Jackson appeared on the music scene in 2003 with hit rap song "In Da Club." He has sold more than 22 million albums and acted in films, including the recent boxing drama "Southpaw." His Farmington, Conn., [mansion](#), once owned by boxer Mike Tyson, is reported to have 21 bedrooms, a racquetball court, a home movie theater and an eight-car garage.

Write to Katy Stech at katy.stech@wsj.com. Follow her on Twitter at [@KatyStech](https://twitter.com/KatyStech)

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The Ethics of Joint Bankruptcy Filings and Divorce

Eugene R. Wedoff.¹

Introduction

At first glance, it seems that couples contemplating a divorce would be wise to file a joint bankruptcy case first.

The advantages of a prior bankruptcy filing are set out in Nolo.com—“one of the web’s largest libraries of consumer-friendly legal information.”² “Filing for bankruptcy before a divorce” the website states, “can . . . simplify the issues regarding debt and property division and lower your divorce costs as a result.”³ Several websites for private attorneys repeat this advice, largely verbatim.⁴

The Nolo website also states the advantage of filing bankruptcy jointly:

Bankruptcy filing fees are the same for joint and individual filings. So filing a joint bankruptcy with your spouse . . . can save you a lot on court fees. Also, if you decide to hire a bankruptcy attorney, your attorney fees will likely be much lower for a joint bankruptcy than if each of you filed separately.⁵

But there is a catch. Nolo cautions that “you should let your bankruptcy attorney know about your upcoming divorce as there may be a conflict of interest for him or her to

¹ U.S. Bankruptcy Judge, N.D.Ill. (ret.).

² See www.nolo.com, last visited March 29, 2016.

³ See www.nolo.com/legal-encyclopedia/divorce-bankruptcy-which-comes-first.html, last visited March 29, 2016.

⁴ *E.g.*, Bunch & Bock, Lexington Ky., <http://www.bunchandbrocklaw.com/personal-bankruptcy/divorce-bankruptcy/>, last visited April 2, 2016.

⁵ See www.nolo.com/legal-encyclopedia/divorce-bankruptcy-which-comes-first.html.

represent you both.”⁶ That advice only hints at the potential difficulties. There are several ethical problems that joint bankruptcy representation and divorce may present to a bankruptcy attorney: beyond potential conflicts of interest, there may be difficulties with the clients’ expectations of confidentiality and a potential for fraudulent transfer liability. Each of these areas are outlined below, after a list of useful resources.

1. Relevant material

Although there are many opinions dealing with the treatment of property and claims in the intersection of bankruptcy and divorce, the following decisions and articles appear to be the ones most directly dealing with ethical issues arising from representing divorcing spouses in a joint bankruptcy case.

- *In re Disciplinary Proceedings Against Zablocki*, 635 N.W.2d 288 (Wis. 2001). An attorney who was facing suspension of his law license represented a woman in divorce proceedings without telling her of his imminent suspension; he also filed a joint bankruptcy petition for her and her husband while the divorce was pending. In this opinion, the Wisconsin Supreme Court issued a public censure and indefinite suspension of the license.

- *In re Green*, 1989 WL 1719956 (Bankr. S.D.Ga. Sept. 8, 1989). An attorney who had filed a joint Chapter 13 case later filed a divorce case on behalf of the wife. The bankruptcy court found that actions taken by the attorney to collect child support payments from the husband whom he was representing in bankruptcy violated the automatic stay. The opinion discusses in a footnote the apparent conflict of interests in the attorney’s conduct, but states that this ethical issue was not before the court.

⁶*Id.*

- C.R. “Chip” Bowles Jr., *Goldilocks, Bankruptcy and Divorce: Are the Adversarial Relationships too Much, not Enough or Just Right?* 21-JUN Am. Bankr. Inst. J. 20 (June, 2002).

This article gives an excellent statement of the general rules on conflicts of interest in the bankruptcy/divorce intersection and discusses the potential for fraudulent transfer liability from property transfers in divorce decrees.

- Concurrent Session: Bankruptcy and Divorce, 111111 ABI-CLE 761 (2011), a general panel discussion that includes consideration of joint representation.

- Karmyn Wedlow & Jennifer Buchanan, *Dual Representation Can Lead to a Duel with Your Clients*, 55 S. Tex. L. Rev. 769 (2014), discussing ethical problems in joint representation and concluding that the economic benefits are outweighed by the ethical costs. The article outlines the potential consequences for a lawyer who fails to comply with ethical responsibilities: disqualification, monetary sanctions, and referral to disciplinary authorities. 55 S. Tex. L. Rev. at 775-77.

2. Conflict of Interests

a. General rules

The starting point for ethical representation of debtors in joint bankruptcy filings is conflicts of interest. The Model Rules of Professional Conduct, largely adopted in most states, provide a nuanced set of directives, first defining conflicts of interest and generally prohibiting representation when a conflict exists, and then providing the terms under which a conflict can be overcome by client consent.

Model Rule 1.7(a) provides the definition and prohibition. It states:

Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:

(1) the representation of one client will be directly adverse to another client;
or

(2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer.

It is important to recognize that this definition is not limited to clients whose interests are directly adverse in the matter for which the lawyer is retained, but extends to any situation in which the lawyer's ability to provide effective representation would be "materially limited" by responsibilities to another person or by personal interests of the attorney.

The potential for client consent is set out in Rule 1.7(b):

Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), a lawyer may represent a client if:

- (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
- (2) the representation is not prohibited by law;
- (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and
- (4) each affected client gives informed consent, confirmed in writing.

This potential for consent is carefully limited. First, the attorney has to reach the personal conclusion that the conflict will not prevent effective representation; second, there must be no law prohibiting it (as there is in some jurisdictions for joint representation of parties to a divorce); third, the attorney may not pursue a claim by one client against another client in the same proceeding (so, for example, in a Chapter 11 case, a creditor client of the attorney for the debtor in possession could waive the attorney's conflict of interest, but a waiver would not allow the attorney to pursue a claim objection in the bankruptcy case against that creditor); fourth, the attorney must give each client the

information necessary for the client to make an informed decision about whether to consent to the representation despite the conflict; and finally, the client's consent must be in writing.

In the event that a conflict between the clients arises during joint representation, the attorney must withdraw from representing both clients, since continued representation would violate Rule 1.7(a). See Rule 1.16(a)("[A] lawyer . . . shall withdraw from the representation of a client if: (1) the representation will result in violation of the Rules of Professional Conduct . . .") and Comment 4 to Rule 1.7 ("If a conflict arises after representation has been undertaken, the lawyer ordinarily must withdraw from the representation . . ."). The attorney could continue representing one of the spouses while the other obtained a new attorney only with informed consent, as provided in Rule 1.9(a) ("A lawyer who has formerly represented a client in a matter shall not thereafter represent another person in the same . . . matter in which that person's interests are materially adverse to the interests of the former client unless the former client gives informed consent, confirmed in writing.").

b. Divorce planned at the time of the bankruptcy filing

The money-saving approach of a joint bankruptcy by a couple planning to divorce has the difficulty that the divorcing couple often disagree with one another, sometimes passionately. For example, in *In re Dube*, 2013 WL 1743849 (Bankr. C,D,Cal. April 23, 2013), a divorcing couple engaged in 13 years of litigation involving an individual Chapter 11 case filed by one of them. Even if spouses appear amicable when they seek bankruptcy advice in contemplation of a divorce, a joint bankruptcy carries the risk of later conflicts

between the two clients. Before filing a joint case—whether or not a divorce is contemplated—an attorney should take the following steps:

- *Assure that there are no bankruptcy issues in dispute between the spouses.* If there is any potential for a dispute between the spouses over a bankruptcy matter—such as an inter-spousal claim, the response to a particular creditor’s claim, or ownership of property—a joint filing would be an ethical violation, because the representation of each party would be limited by the attorney’s responsibilities to the other party, and the conflict could not be eliminated by consent, since any action that the attorney took would be against the other client’s interest.
- *Give full disclosure to both clients regarding the potential for conflicts that might arise in the future and require the attorney’s withdrawal.* This disclosure would reduce client resentment in the event of withdrawal, but a separate disclosure would have to be made to obtain any informed consent to continued representation of either party.
- *Do not represent either of the spouses in the subsequent divorce.* Although it might theoretically be possible to get informed consent from a client in the bankruptcy case to conflicting representation of one of them in the divorce case (because that would not be “in the same litigation” in which the attorney represented both clients), it would be extraordinarily difficult to be a client’s advocate in bankruptcy and simultaneously the client’s opponent in the divorce. This situation—albeit without an attempt to obtain informed consent—led to a suggestion of unethical conduct in *Green*, 1989 WL 1719956 at *6 n.1; and the imposition of ethical sanctions in *Zablocki*, 635 N.W.2d at 291.

- *Do not file a joint Chapter 13 case if divorce is anticipated.* Chapter 13 would not eliminate the need to address the allocation of claims against the spouses in the divorce case because there would be no prompt discharge of those claims. And in Chapter 13, disagreements could arise not only about property interests and claims, but also about allocation of payments to the trustee and the need for—and terms of—any plan modification. If one of the spouses wishes to retain jointly-owned property that is collateral for a loan, Chapter 13 might be necessary for that spouse, but the other would likely be best served by a separate Chapter 7 filing.

c. Marital dispute first arising after a joint filing

Just as a joint bankruptcy can be filed on behalf of spouses anticipating a divorce, a joint bankruptcy can be maintained on behalf of spouses who first decided to divorce while their bankruptcy case is pending. Unexpected marital discord is most likely to occur in Chapter 13 cases, because of the longer time before these cases conclude. In such cases, the attorney should have informed the spouses at the outset of the case that any disputes between them over bankruptcy matters would require the attorney to withdraw from their representation. If bankruptcy-affecting disputes do arise—likely over the plan modification and allocation of trustee payments—the attorney would have to withdraw and advise the clients to retain separate bankruptcy counsel unless informed consent is given—which is unlikely if the clients are in a contentious dispute.

3. Confidentiality

a. General rules

Rule 1.6(a) of the Model Rules of Professional Responsibility sets out the general prohibition against attorney disclosure of client confidences: “A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, [or] the disclosure is impliedly authorized in order to carry out the representation”

Rule 1.6(b) sets out exceptions to the prohibition that would not generally apply in joint bankruptcy representation, but the two exceptions set out in Rule 1.6(a) itself do apply. First, the exception for “impliedly authorized” disclosure would allow the attorney to disclose to one of the spouses whatever relevant information the attorney received from the other spouse. *See Securities Investor Protection Corp. v. R.D. Kushnir & Co.*, 246 B.R. 582, 588 (Bankr. N.D.Ill. 2000) (“Under the ‘joint defense doctrine’ if the same lawyer jointly represents two or more clients with respect to the same matter, those clients have no reasonable expectation that their communications to the lawyer with respect to the joint matter will be kept secret from each other.”). Second, the exception for “informed consent” would allow either spouse to require the attorney to disclose information that either spouse conveyed to the attorney in confidence. *See Teresa Stanton Collett, The Promise and Peril of Multiple Representation*, 16 Rev. Litig. 567, 579 (1997) (“[A]ny joint client can require the attorney to testify about such disclosures when a dispute arises between the joint clients.”).

Rule 1.9(c) imposes a confidentiality limitation on continued representation of one spouse after the attorney withdraws from representation of the other: “A lawyer who has formerly represented a client in a matter . . . shall not thereafter . . . reveal information relating to the representation except as these Rules would permit or require with respect

to a client.” See Comment 7 to Rule 1.9 (“Independent of the question of disqualification of a firm, a lawyer changing professional association has a continuing duty to preserve confidentiality of information about a client formerly represented.”)

b. Effect on joint bankruptcy representation

A major concern for an attorney representing spouses in a joint bankruptcy is the potential for their not realizing the limits on confidentiality that the law has established. It is critical for the attorney to advise the clients at the outset of the representation that no statements they make to the attorney in connection with the bankruptcy case can be withheld from their spouse and that either of them can require the attorney to disclose their confidential statements in any controversy that may arise between them in the future.

4. Fraudulent transfer liability

One potential benefit of a divorce in connection with bankruptcy is that it typically divides the property of the spouses between them, and, in this way property that was subject to the claims against only one of the spouse can be freed from those claims by being awarded to the other spouse. Even if the divorce court order makes a substantially unequal division of the marital property, the division may be seen as supported by reasonably equivalent value to both spouses, and so immune from challenge as a constructively fraudulent transfer under § 548(a)(1)(B). *See, e.g., In re Kimmell*, 480 B.R. 876, 889-90 (Bankr.N.D.Ill.2012). However, courts are sensitive to the possibility that spouses may use the divorce process to facilitate an actual intent to defraud creditors. The authorities are collected in *Shaudt v. United States*, 2013 WL 951138, at *5 (N.D. Ill. March 11, 2013):

Courts have recognized that divorce can be used to lend an air of legitimacy to an otherwise fraudulent transfer. *See, e.g., In re Chevré*, 2001 WL 120132, at *10 (Bankr.N.D.Ill. Feb.13, 2001) (finding the transfer of a marital home pursuant to a divorce settlement fraudulent because the transfer was made

for the purpose of placing the home outside of the reach of the IRS). Such sham divorces often share certain “badges of fraud,” including: (1) a quickly agreed upon property division; (2) the completion of the divorce proceeding on a “fast-track;” (3) the fact that only one of the spouses is represented by counsel in the divorce proceeding; (4) the fact that the spouses continue to live together after the divorce decree in the very house that was transferred; (5) the fact that the transferor spouse continues to pay the mortgage, taxes, and other costs on the transferred house; and (6) the inequitable distribution of debts and assets in the divorce. *Id.*; see also *In re Pilcher*, No. 05–8044, 2008 WL 2682858, at *4 (Bankr. C.D.Ill. Jun.25, 2008); *In re Hill*, 342 B.R. 183, 199–200 (Bankr.D.N.J.2006); *In re Zamudio*, No. 04 A 02922, 2005 WL 2035969, at *9–10 (Bankr. N.D.Ill. Aug.23, 2005); *In re Rodgers*, 315 B.R. 522, 531 (Bankr. N.D. 2004); *In re Boba*, 280 B.R. 430, 434–35 (Bankr. N.D.Ill. 2002); *In re Dunham*, No. 98–1466–MWV, 99–1054–MWV, 2000 WL 33679421, at *4 (Bankr. D.N.H. 2000).

On the other hand, it has been held that a regularly conducted divorce proceeding, with no indication of collusion, is entitled to a presumption of validity. *Batlan v. Bledsoe (In re Bledsoe)*, 569 F.3d 1106, 1112 (9th Cir. 2009) (“[A] state court's dissolution judgment, following a regularly conducted contested proceeding, conclusively establishes ‘reasonably equivalent value’ for the purpose of § 548, in the absence of actual fraud.”); *Ingalls v. Erlewine (In re Erlewine)*, 349 F.3d 205, 212 (5th Cir.2003) (“[W]e should hesitate before we impute to Congress an intent to upset the finality of judgments in an area as central to state law as divorce decrees.”).

This state of the law makes it important for attorneys representing a spouse in a divorce case to avoid uncontested transfers of property obviously subject to enforcement of judgment. If spouses seek bankruptcy representation after such a transfer, bankruptcy counsel should warn of the potential liability for a fraudulent transfer.

Though not directly involving a divorce proceeding, *In re Prince*, 40 F.3d 356 (11th Cir. 1994), provides an example of the difficulty that bankruptcy counsel may face in this situation. In *Prince*, a Chapter 11 debtor had made a large transfer to his wife, and the law

firm for the debtor had earlier represented both the husband and wife in estate planning matters. The court held that because the wife was potentially a defendant in a fraudulent transfer action, and because the attorney had previously represented the debtor's wife, the firm had a conflict of interest in representing the husband in his Chapter 11 case, and on that basis all fees for the bankruptcy representation were denied. "By representing Prince in his bankruptcy proceedings, [the firm] deprived Prince of a conflict-free, impartial, independent evaluation of the potential claims of and against his estate." *Id.* at 360. This decision is questionable; another lawyer would have faced the same difficulty, since the debtor had a personal interest in allowing his wife to keep the transferred property that would have interfered with his duty to the estate. A key to avoiding denial of fees in this situation is full disclosure of all transfers made by one spouse to the other in the bankruptcy schedules and in any application to be retained as counsel.