

Working Luncheon

Trustees' Roundtable: How to Please Your Trustee (Chapters 7 and 13)

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TRUSTEES' ROUNDTABLE

FACT OR FICTION?

- ▶ SYLVIA FORD BROWN, Chapter 13 Trustee (Tennessee)
- ▶ SELENE D. MADDOX, Chapter 7 Trustee (Mississippi)
- ▶ BETTYE S. BEDWELL, Chapter 7 Trustee (Tennessee)

FACT OF FICTION?

- ▶ Don't bother getting all the necessary information from the client to file a complete petition. Just file the voluntary petition and the application to pay the filing fee in installments, you can file all those pesky schedules and the creditor matrix later.

FACT OR FICTION?

- ▶ You can complete an emergency filing by filing each schedule individually whenever you get the information you need for it. Oh, and don't worry about filing the Form 21 or the Certificate of Credit Counseling when you file the Voluntary Petition, you can file those when the Trustee reminds you about the missing documents.

FACT OR FICTION?

- ▶ Tell your client that they can get a Chapter 13 Plan confirmed which will pay general unsecured claimants 10% while they keep their Bentley, boat, and cars for each of their children.

FACT OR FICTION?

- ▶ All Bankruptcy Courts work the same and all Trustees receive required documents in the same manner.

FACT OR FICTION?

- ▶ No need to bring your file to, or make notes at the Meeting of Creditors, nothing important happens there that you may need to remember.

FACT OR FICTION?

- ▶ There is no need to advise your client as to what to expect at the 341 Meeting of Creditors, such as:
 - ▶ Bring a picture ID and proof of their SSN
 - ▶ Bring proof of automobile insurance coverage
 - ▶ Excess equity in real property
 - ▶ Multiple car ownership
 - ▶ Federal Income Tax Refunds
- Just let the Trustee be the bad guy!

FACT OR FICTION?

- ▶ Don't tell your clients to commence making their Chapter 13 Plan payments within the first 30 days their case is filed, they can start their payments whenever they feel like it. You aren't trying to earn a living practicing law.

FACT OR FICTION?

- ▶ The Trustees made up the rule about providing pay advices and tax returns in advance?
- ▶ You can just bring those documents to the Meeting of Creditors.
- ▶ You don't need to see those documents before you file the Petition.

FACT OF FICTION?

- ▶ When a colleague's case at the Meeting of Creditors is taking longer than usual, you can speed up the Trustee by pacing back and forth and tapping your watch.

FACT OR FICTION?

- ▶ Be sure to tell your client to bring a crying baby to the 341 Meeting of Creditors. Things will go more smoothly if you do.

FACT OR FICTION?

- ▶ Tell your client to wear her new mink coat that she bought right before filing when she cashed in her retirement funds.

FACT OR FICTION?

- ▶ Don't worry if the Trustee attempts to sell your client's assets. You can change the values listed for your client's assets on a whim.

FACT OR FICTION?

- ▶ The Trustee won't question the value of your client's furniture listed at \$500.00 when your client owns a home valued at \$800,000.00.

FACT OR FICTION?

After attendance at the 341 Meeting of Creditors, you can change the proposed Chapter 13 Plan by filing an Amended Plan.

FACT OR FICTION?

- ▶ When filing a Motion to reduce the percentage paid to general unsecured claimants, there is no need to consider the reasons behind the percentage currently set.

You should consider whether your client:

- ▶ Has excess equity in property
- ▶ Chose to retain their full federal income tax refund
- ▶ Makes voluntary contributions to a 401K/403B/ SEP-IRA/IRA.....
- ▶ Has excess income
- ▶ Chose to retain multiple cars

How can you successfully amend your client's chapter 13 Plan?

- ▶ In order to successfully amend your client's Chapter 13 Plan after the 341 Meeting of Creditors, you must incorporate all the changes made at the Meeting of Creditors.

FACT OR FICTION?

- ▶ Your client's payments are based on what they earn, not what they owe.

FACT OR FICTION?

- ▶ A hearing scheduled for 9 AM is simply a Trustee setting and there is no need to appear on time. Just get there when you can. Finish your other court matters, or just have an extra cup of coffee. No need to rush!
- ▶ Oh yes, and there is no need to talk to a staff attorney prior to the scheduled hearing.

FACT OR FICTION?

- ▶ Your client can transfer/trade/sell or give away assets that are part of the bankruptcy estate after they attend the 341 Meeting of Creditors.

FACT OR FICTION?

- ▶ Your client can purchase a new vehicle after they attend the Meeting of Creditors. If they fall behind in the payments on the new vehicle, they can add it to the Chapter 13 Plan later.

FACT OR FICTION?

- ▶ Trustees lie awake at night trying to find new and inventive ways to make your life more difficult.

FACT OR FICTION?

- ▶ Debtor and creditor attorneys lie awake at night trying to find new and inventive ways to make the Trustee's life more difficult.

FACT OR FICTION?

- ▶ The Trustee assigned to your case knows more about your client's finances than you do.

FACT OR FICTION?

- ▶ There is no need to advise the Court or the Trustee's Office that your client has changed his/her/their place of employment.

FACT OR FICTION?

- ▶ You should inform your clients that student loans are generally not discharged in bankruptcy.

FACT OR FICTION?

- ▶ Trustee's greatest fear: your client really doesn't have any wearing apparel.