



BACKGROUND OF BANKRUPTCY LAW

Please note that we would like you to review this before the presentation so that we do not spend valuable time in the classroom going over this.

If you have generalized questions about this, you can either send us an email at team@bcsweb.site or ask us in the classroom during the question and answer period.

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CREDITORS OF ANTIQUITY

Creditors of antiquity, Nietzsche writes, tried to encourage a debtor's memory by taking as collateral his freedom, wife, life or even, as in Egypt, his afterlife. Legal documents outlined exactly how much of the body of the debtor that the creditor could cut off for unpaid debts. Consider the off logic, Nietzsche suggests, of a system in which a creditor is repaid not with money or goods but with the pleasure of seeing the debtor's body punished. "The pleasure," he writes, "of having the right to exercise power over the powerless."

CONCEPTS OF DEBT FOREGIVENESS (JUBILEE)

The concept of debt forgiveness dates back to the Old Testament. Moses references a Jubilee, or Holy year to take place once every 50 years. During that year, it was decreed that all debts would be eliminated and those Israelites that had sold themselves into slavery would be freed. In addition, the Jubilee Year called for all land that had been sold to revert back to its original owner.

WHERE DOES BANKRUPTCY LAW COME FROM?

Bankruptcy Law also emanates from the Old Testament.

The passage believed to have been relied on to create the Bankruptcy Code is believed to be:

At the end of every seven years thou shalt make a release. And this is the manner of the release: every creditor shall release that which has lent unto his neighbor and his brother; because the Lord's release hath been proclaimed. (Deut 15: 1-2)

Chapter 7 comes from the 7 years mentioned in the Bible.

ORIGIN OF THE WORD “BANKRUPTCY”

The most widely-accepted theory on the origin of the word “bankruptcy” comes from a mix of the ancient Latin words *bancus* (meaning bench or table) and *ruptus* (meaning broken).

When a banker, who originally conducted his public marketplace transactions on a bench, was unable to continue lending and meet obligations, the bench was broken in a symbolic show of failure and inability to negotiate.

As a result of the frequency of this practice in Medieval Italy, the current term bankrupt is commonly believed to emanate specifically from the translation of “*banco rotto*,” Italian for broken bank.

If you want a detailed history, you can google it and there is also a brief history at www.bankruptcydata.com.

HISTORY OF BANKRUPTCY LAW

1789: The Constitution empowers Congress to enact uniform laws on the subject of bankruptcy.

1800: First bankruptcy law is enacted. The law allows only for involuntary bankruptcy of traders

1803: First bankruptcy law is repealed amid complaints of excessive expenses and corruption.

1841: Second bankruptcy law is enacted in the wake of the Panics of 1837 and 1839. The law allows both voluntary and involuntary bankruptcy.

1843: 1841 Bankruptcy Act is repealed, amid complaints about expenses and corruption.

1867: Prompted by demands arising from financial failures during the Panic of 1857 and the Civil War, Congress enacts the third bankruptcy law.

1874: The 1867 Bankruptcy Act is amended to allow for compositions.

1878: The 1867 Bankruptcy Law is repealed.

1881: The National Convention of Boards of Trade is formed to lobby for bankruptcy legislation.

1889: The National Convention of Representatives of Commercial Bodies is formed to lobby for bankruptcy legislation. The president of the Convention, Jay L. Torrey, drafts a bankruptcy bill.

1898: Congress passes a bankruptcy bill based on the Torrey bill.

1933-34: The 1898 Bankruptcy Act is amended to include railroad reorganization, corporate reorganization, and individual debtor arrangements.

1938: The Chandler Act amends the 1898 Bankruptcy Act, creating a menu of options for both business and non-business debtors.

1978: The 1898 Bankruptcy Act is replaced by The Bankruptcy Reform Act.

NOTABLE PEOPLE WHO HAVE FILED BANKRUPTCY

- Walt Disney
- Henry Ford
- Conrad Hilton
- J.C. Penny
- P.T. Barnum
- William Fox - (*Founder, 20th Century Film Corp.*)
- James Folger - (*Founder, Folger's Coffee*)
- David Buick - (*Founder, Buick Motors*)

EVEN SOME OF THE LARGEST COMPANIES IN THE WORLD HAVE FILED FOR BANKRUPTCY

GENERAL MOTORS



AMERICAN AIRLINES



**DO YOU THINK ANY GAMBLING
INSTITUTIONS MAY EVER GO BANKRUPT?**

ABSOLUTELY YES

CAESARS PALACE



REVEL ATLANTIC CITY CASINO



Closed after declaring Chapter 11
Bankruptcy for the second time.
The casino reached a deal to sell for a
fee of \$90 million

REVEL CASINO



- REVEL Casino was built for 2.3 billion dollars and was sold for 82 million dollars (that is 3.5% of what it costs).
- If you would like to read more about REVEL Casino, please click on the link below:
<http://www.northjersey.com/news/money-cant-buy-love-yet-for-atlantic-city-casino-owner-1.1477205>

FRESH START

- The idea behind a bankruptcy is the concept of a “Fresh Start.”
- The bankruptcy code is written so that every person in the U.S. has the right to get a “Fresh Start.”
- The sale and movement of bankrupt assets also allows the economy to absorb unproductive assets.
- We teach you how to take advantage of the inefficiencies of the credit reporting services and creditors in regard to bankruptcy.

4 TYPES OF BANKRUPTCIES THAT ARE COMMONLY FILED

- Chapter 7 Bankruptcy
 - Liquidation
- Chapter 11 Bankruptcy
 - Reorganization for Individuals and Corporation
- Chapter 12 Bankruptcy
 - Family Farmer Reorganization
- Chapter 13 Bankruptcy
 - Wage Earner Reorganization
- Each of the chapters creates a separate opportunity to make money.

WHAT HAPPENS WHEN A PERSON FILES A BANKRUPTCY?

An automatic stay goes into effect called the 11 U.S.C. 362 Stay.

You can google it to read what it says for verbatim.

AUTOMATIC STAY

- An automatic stay is an automatic injunction that halts actions by creditors, with certain exceptions, to collect debts from a debtor who has declared bankruptcy.
- Under 11 U.S. Code § 362 of the United States Bankruptcy Code, the stay begins at the moment the bankruptcy petition is filed.
- Secured creditors may, however, petition the bankruptcy court for relief from the automatic stay upon a showing of cause.

WHEN AN AUTOMATIC STAY GOES INTO EFFECT

When an automatic stay goes into effect, the following happens:

- Any and all action against the debtor stops;
- Property sales are stopped; and
- The bankruptcy loans get sidelined due to the automatic stay.

SUPREMACY CLAUSE

Article VI, Paragraph 2 of the Constitution is commonly referred to as the Supremacy Clause.

It establishes that the federal constitution, and federal law generally take precedence over state laws, and even state constitutions.

SUPREMACY CLAUSE AND 11 USC § 362

The following example shows a foreclosure case being canceled due to the filing a bankruptcy.

<u>Auction Status</u> Canceled per Bankruptcy	Auction Type: FORECLOSURE
	Case #: <u>CACE-14-002258</u>
	Final Judgment Amount: \$495,938.47
	Parcel ID: <u>474135022300</u>
	Property Address: 7911 S WOODRIDGE DR PARKLAND, 33067
	Plaintiff Max Bid: \$495,938.47

11 USC § 362 STAY

§362* Automatic Stay

(A) except as provided in subsection (b) of this section, a petition filed under section 301, 302, or 303 of this title, or an application filed under section 5(a)(3) of the securities investor protection act of 1970, operates as a stay, applicable to all entities, of—

- (1) The commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title;
- (2) The enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case under this title;
- (3) Any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate;
- (4) Any act to create, perfect, or enforce any lien against property of the estate;
- (5) Any act to create, perfect, or enforce against property of the debtor any lien to the extent that such lien secures a claim that arose before the commencement of the case under this title;
- (6) Any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under this title;
- (7) The setoff of any debt owing to the debtor that arose before the commencement of the case under this title against any claim against the debtor; and
- (8) The commencement or continuation of a proceeding before the united states tax court concerning a tax liability of a debtor that is a corporation for a taxable period the bankruptcy court may determine or concerning the tax liability of a debtor who is an individual for a taxable period ending before the date of the order for relief under this title.

**Please note that this statute is stated in part.*

WHAT IS A CHAPTER 7 BANKRUPTCY?

- A Chapter 7 Bankruptcy is called a “liquidation bankruptcy”.
- In a Chapter 7 Bankruptcy, the Debtor is asking the bankruptcy court for a fresh start.
- This is usually done when someone has very little in assets and has a limited income or when Debtor wants to give up upside down property.
- It is as if the Debtor is asking the bankruptcy court to forgive their financial mistakes and promise not to do another bankruptcy for eight years.

REASONS WHY PEOPLE FILE

CHAPTER 7 BANKRUPTCY

- Chapter 7 Bankruptcy is a liquidation plan.
- Debtor has less than “median” income and has lots of unsecured debt.
 - Median income is determined by the Census Bureau. The amount varies from State to State and is dependent upon the number of people in the family.
 - Median income is the middle income for a specific family size in a specific state.
 - “Median” is not the same as “average”. For example, the average of 10, 20, 50, 55 and 100 is 47 (235/5). The median is 50. The median income changes about every 18 months.
- Debtor wants to surrender property.
 - Therefore the Debtor is not be liable for a deficiency on the mortgage.
- Debtor also has to have very little in non-exempt assets to file.
 - Or lose it to the Trustee.

[illegible]

WHAT IS A CHAPTER 11 BANKRUPTCY?

- A Chapter 11 Bankruptcy is a reorganization that is usually used for businesses but can be used for individuals as well.
- Chapter 11 Bankruptcy allows a corporation/high net worth individual relief from creditors.
- The test for a Chapter 11 Bankruptcy is “the best interest of the creditors.”

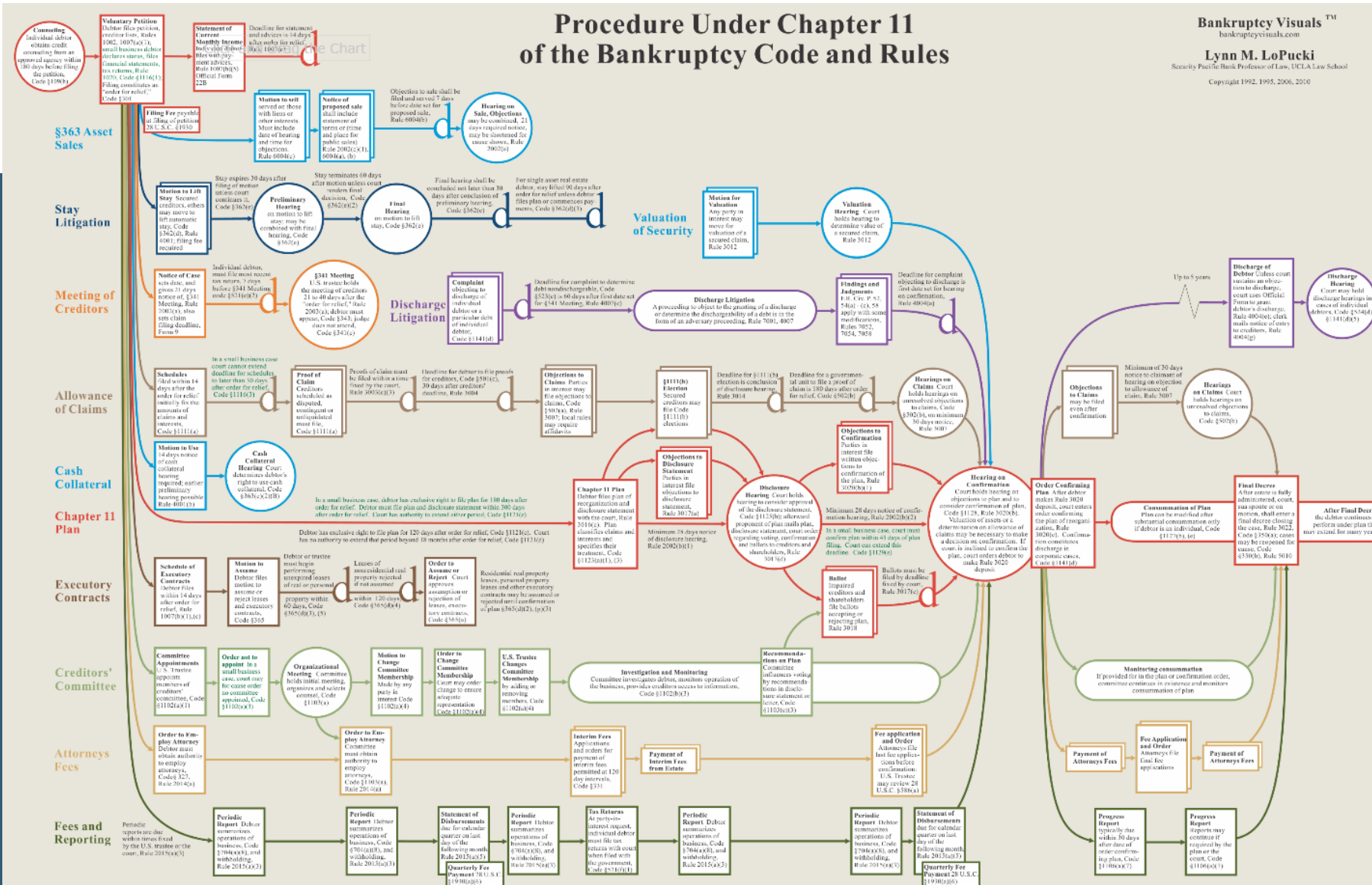
REASONS FOR DOING A CHAPTER 11 BANKRUPTCY

- If the Debtor has more than a certain amount of debt that surpasses the limits of a Chapter 13 Bankruptcy.
- Reorganize and have longer to pay for non-exempt assets of the debtor.
- Not be subject to future income increases:
 - Such as in a Chapter 13 Bankruptcy.
- Cram down value of assets.

CHAPTER 11 BANKRUPTCY CASES

- Valuable commercial property, corporate assets can be picked up.
- This is an advanced and specialized area that should be attempted once you have mastered the rest of the bankruptcy course.

TIMELINE OF A CHAPTER 11 BANKRUPTCY



WHAT IS A CHAPTER 12 BANKRUPTCY?

- A Chapter 12 Bankruptcy is a reorganization of the family farmer.
- It is very rarely used unless you are close to a farm belt state/area.
- In the last 12 months, less than 400 chapter 12 bankruptcies were filed in the United States.

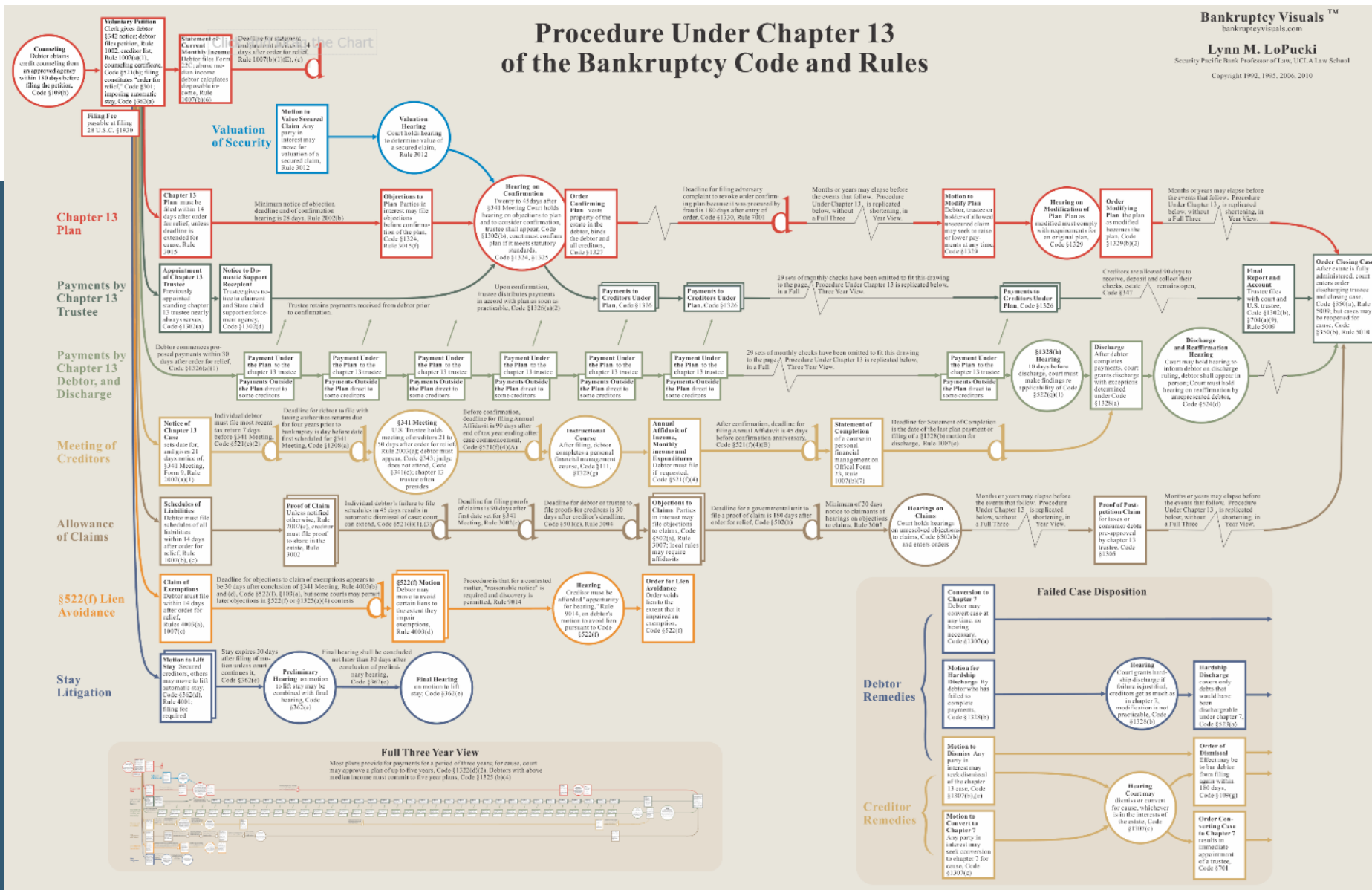
WHAT IS A CHAPTER 13 BANKRUPTCY?

- A Chapter 13 Bankruptcy is a reorganization for individuals.
- This allows a debtor to surrender what they do not need. What the debtor would like to keep (over and above the exemptions) has to be paid for at its net equity to their creditors over five years.
- They can also modify their mortgage or catch up on the arrears of their mortgage (if the debtor wants).
- Attempt a modification of their mortgage within the bankruptcy.

REASONS A CHAPTER 13 BANKRUPTCY IS FILED

- Debtor has too many assets to file a Chapter 7 Bankruptcy.
- Debtor has too much in income to file a Chapter 7 Bankruptcy.
- Debtor is behind on their home mortgage and want to keep house.
- Debtor is cramming down on mortgages and other debt.
- Debtor owes the IRS debt that cannot be discharged.
- Debtor is surrendering property that is underwater:
 - Surgical Bankruptcy.

TIMELINE OF A CHAPTER 13 BANKRUPTCY



HOW A CHAPTER 7 WORKS

THE BANKRUPTCY ESTATE

- When a person files a Chapter 7 Bankruptcy it is as if that person's financial side has "died," and a bankruptcy "Estate" is created.
- At the moment of filing a bankruptcy, a Trustee is then appointed to manage the Bankrupt "Estate".
 - (See *"Private Panel Trustee List Of The United States"*).
- In the old days, Bankruptcy was called *"In Re: The Bankrupt Estate of John Smith"*. Now it is called *"In Re: John Smith."*

ZERO/ZERO

It is as if the Debtor does not own anything and does not owe anything. Zero owned and zero owed



(Generally Chapter 7 Bankruptcy Only)

EXEMPTIONS

- The idea behind filing for Bankruptcy is to get the debtor out of crushing debt and putting them back on their feet. By taking everything from a debtor would be counterproductive. Bankruptcy law recognizes this and in doing so allows debtor's to keep a certain amount of property after going through Bankruptcy proceedings. This property is called exempt property and can be thought of as the necessities of life.

FEDERAL EXEMPTIONS

Homestead:

\$22,975 in Equity

Personal Property:

\$3,675 for your motor vehicle

\$1,550 for jewelry

\$12,250 aggregate value (\$575 per individual item) on household goods, furnishings and appliances, clothes, books, animals, crops, or musical instruments

\$2,300 for tools of trade including implements and Health aids, Life insurance policies that have not matured except credit life insurance

\$12,250 in loan value of life insurance policy

Support and Benefits:

Domestic maintenance such as alimony or child support reasonably necessary for your support

Life insurance payments that you need for support under policy of someone you were a dependent of

Social security, unemployment benefits and compensation, veteran's benefits, public assistance, and disability or illness benefits

Recovery due to Injury:

\$22,975 for personal injury except pain and suffering or pecuniary loss

Award for loss of future earnings needed for support

Recovery for wrongful death of person you were a dependent of needed for support

Compensation received for being a crime victim

FEDERAL EXEMPTIONS

Wildcard:

You can apply the federal wildcard exemption to any property you own. Currently you are allowed \$1,225 plus \$11,500 of any unused portion of your homestead exemption to exempt any type of property.

Retirement Accounts:

Retirement accounts that are exempt from taxation, which usually include most genuine non-fraudulent retirement accounts, are fully exempt. However there is a cap of \$1,245,475 on IRAs and Roth IRAs.

EXEMPTIONS

- The Congress carved out certain assets the Debtor can keep called “Exemptions.” The reason for exemptions is so that a bankrupt person does not become destitute.
- This is a built-in safeguard for the Debtor.
- Exemptions are assets that the Debtor can keep even though that person is filing a bankruptcy.
- Many States have different laws on Exemptions and many keep the Federal Exemptions listed in 11 USC § 522.
- Many State and Federal Exemptions allow tools of the trade to be exempt so that the Debtor can work.

EXEMPT AND NON-EXEMPT ASSETS

- If the value of the Debtor's assets exceeds the statutory exemption then Debtor has the following choices:
- Negotiate with the Trustee to buy back the non-exempt assets:
 - This is a private sale by the Trustee to the Debtor, but has to be approved by the court, and an Investor can also bid on it against the Debtor.
- Surrender non-exempt assets to a Chapter 7 Trustee.
- File a Chapter 13 Bankruptcy and pay the liquidation value of the non-exempt assets to a Chapter 13 Trustee over 3 to 5 years.
- The Trustee may let the Debtor keep these assets because the value of the assets may not be sufficient for the Trustee to liquidate. This is called Abandonment by Trustee.

APPOINTMENT AND DUTIES OF BANKRUPTCY TRUSTEE

- When a Debtor files a Chapter 7 Bankruptcy a Trustee is appointed to manage the bankrupt “estate”.
- The Trustee’s job is to manage the assets of the bankruptcy estate, return exempt assets to the Debtor, abandon burdensome or inconsequential assets, and sell the remaining assets.
- The Trustee receives a fee (from the filing fees) as well as a percentage of the monies received from liquidated assets, and the rest is to go to the creditors.
- This course teaches you how to take advantage of properties that are sold by the Trustee.

11 U.S.C. 341 MEETING OF THE CREDITORS

- After a trustee is appointed there is a 341 meeting of the creditors.
- The purpose of the meeting of the creditors is to examine the debtor to see what assets they have and the creditors are allowed to question the debtor.
- If you would like to look it up it is 11 U.S.C. 341.

341 MEETING

- The trustee's main task is to sell nonexempt property to repay general unsecured creditors.
- The trustee also looks for bankruptcy fraud, makes sure your paperwork is accurate, and conducts an investigation into your property and your finances.
- The debtor must attend the 341 meeting.

SALE OF PROPERTY BY TRUSTEE

- Chapter 7 Trustee are allowed to sell property publicly or privately because of the Rule 6004(f), but if you do not want to use it just let them know.
- All sales have to be confirmed by the bankruptcy court.

REASON WHY PROPERTY IS SOLD THROUGH BANKRUPTCY

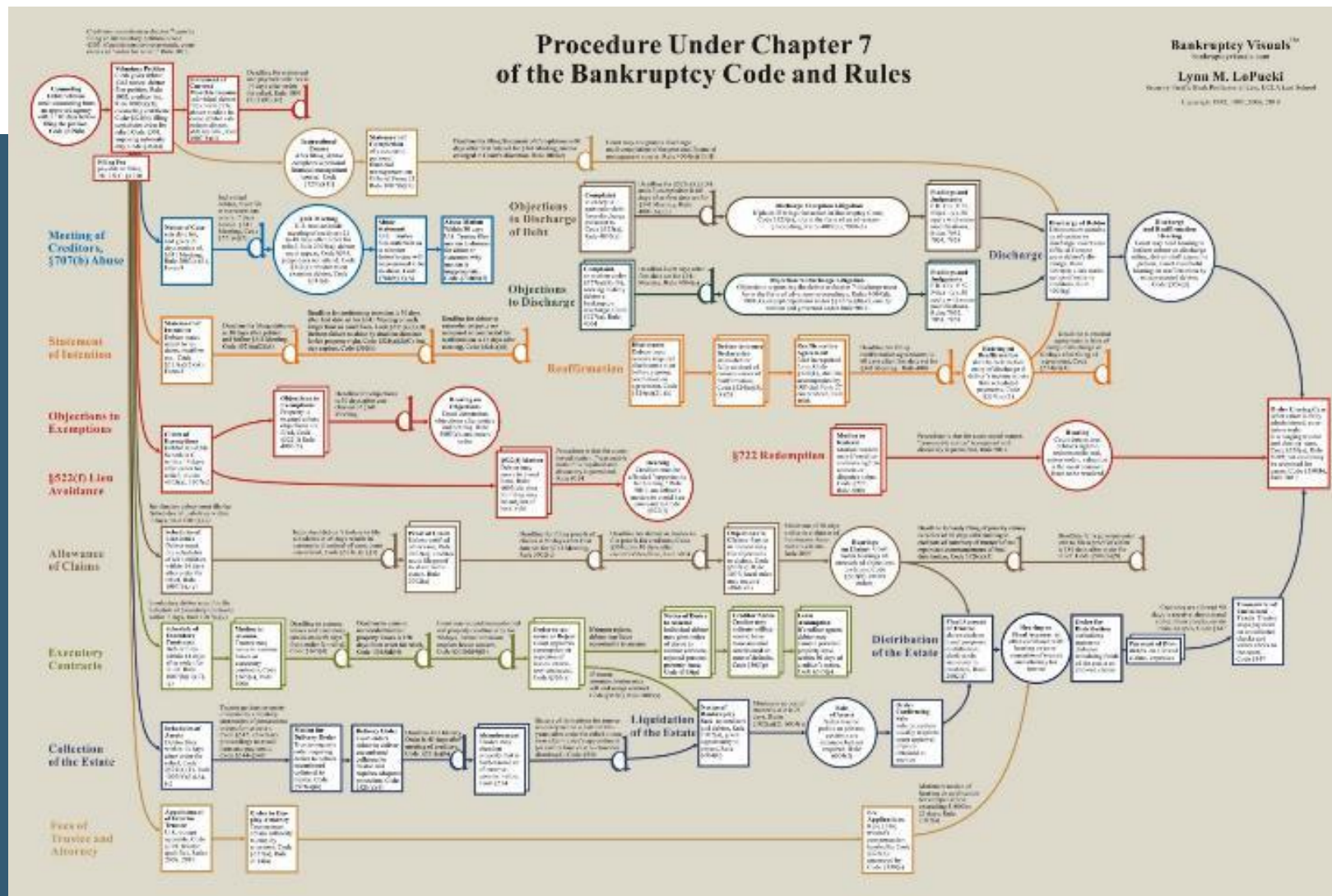
The reason a debtor's property is sold through bankruptcy lies behind the idea that the debtor should give up something in exchange of being a "fresh start" (i.e., is discharged from debt). Thus, a debtor is required to surrender his assets and property to cover for some of the debt owed to his creditors.

FAIRNESS IN BANKRUPTCY SALE

The bankruptcy court provides a forum for creditors to challenge the fairness of the price in advance.

It also provides protection from future liability which in turn encourages buyers to purchase property for sale.

TIMELINE OF A CHAPTER 7 BANKRUPTCY



ABANDONMENT OF PROPERTY BY TRUSTEE

ABANDONMENT

Trustee may abandon property that is burdensome or of inconsequential value.

Code §544

Statute of Limitations for Trustee recovery action is: later of two years after order for relief; or one year after trustee's appointment (or earlier time if case is closed or dismissed).
Code §546

BANKRUPTCY DISCHARGE

If there are no assets and the case progresses, a bankruptcy discharge is granted and has the following effects:

- The debtor is released from personal liability for specified debts-the debtor is no longer required to pay any debts that are discharged.
- The debtor remains personally liable for those debts that are non-dischargeable.
- Valid liens survive the bankruptcy.

WHAT IS A CHAPTER 13 BANKRUPTCY AND HOW IT WORKS

- A chapter 13 bankruptcy is a reorganization for individuals.
- This allows a debtor to surrender what they do not need. What the debtor would like to keep (over and above the exemptions) has to be paid for at its net equity to their creditors over five years.
- They can also modify their mortgage or catch up on the arrears of their mortgage (if the debtor wants).
- Attempt a modification of their mortgage within the bankruptcy.

OPTIONS FOR A CHAPTER 13 BANKRUPTCY

1. Give it up – surrender.
2. LMM court supervise modification. You want to keep your house so the court will do a mediation between the lender and debtor. Court appoints a mediator then he looks at the paperwork and says whether he thinks the debtor can pay. PITI either lender or debtor can disagree with supervisor and the plan fails.

MORE OPTIONS FOR A CHAPTER 13 BANKRUPTCY

3. Reinstatement. (only way it's guaranteed to save their house.

Let's say you are the lender. I will reinstate your loan, they are then allowed to do the following:

- Make regular monthly payment plus $1/60^{\text{th}}$ of the arrears. They have to pay that every month to the chapter 13 trustee. Then he takes that money and when the case is confirmed he sends that money to you.
- If they fall behind, they lose the house.
- But if they can make their payments. That is a guaranteed reinstatement. You as the lender cannot foreclose on them.
- However, if the payment is only principle and interest, they have to provide you proof of payment of taxes and insurance. If they do not the plan fails. In some jurisdictions they will allow the monthly payment to be paid directly to you. On the IRIRs you cannot charge interest unless you are over secured.

EVEN MORE OPTIONS FOR A CHAPTER 13 BANKRUPTCY

4. Is to do a private modification of the mortgage and they will pay you directly.
5. Is you can do a private modification but you agree to pay through the BR, which is always better because if they do not pay then the trustee automatically triggers dismissal of the case.

LIEN STRIPPING

- If it is the homestead of the person you cannot strip the 1st mortgage.
- If it is not the homestead of the 1st person you can lien strip the 1st or 2nd mortgage.

EXAMPLE

- House is worth \$100,000
- 1st Mortgage is \$101,000
- 2nd Mortgage is \$25,000
- As long as the house is worth less than the 1st mortgage, including the arrears you can strip the 2nd mortgage. The 2nd mortgage becomes an unsecured debt.
- Note: You cannot do a lien strip in a chapter 7 bankruptcy.
- Most second mortgage people typically do not show up to court. If they do not show up and they do not object to the plan, then it is automatically granted. But you have to send them notice as required by the Bankruptcy Code.

EXAMPLE

- Let's say the house is not homestead, meaning the people are not living in the house.
- Mortgage is \$100,000 and the property is worth \$50,000.
- Debtor can strip the mortgage to \$50,000 and your \$50,000 becomes unsecured but they have to pay it within 5 years at a fixed rate set by the bankruptcy court.
- In every state you have to give tax returns every year. Which means if the person is not making any money this year but the following year that person makes more money, they have to pay more into the plan. If they pay more the unsecured gets more money.

NOTES AND MORTGAGES

- When you have a trustee deed or a mortgage you have two parts: note and mortgage or note and trust deed.
- When a person filed a bankruptcy the liability on the note goes away (in personam liability). If they walk away from the house you cannot sue them for the difference. Which brings up the point of modification. You always do a modification after bankruptcy. Reason for it is the note becomes resigned again.
- Many banks make the mistake, do not have the debtor re-sign the note.

WHAT “*IN REM*” MEANS

- That the lender can only go after the property and not the person, after bankruptcy.
- Mortgages and property taxes and liens travel with the land.
- Latin for “*in the thing itself*”.

WHAT “*IN PERSONAM*” MEANS

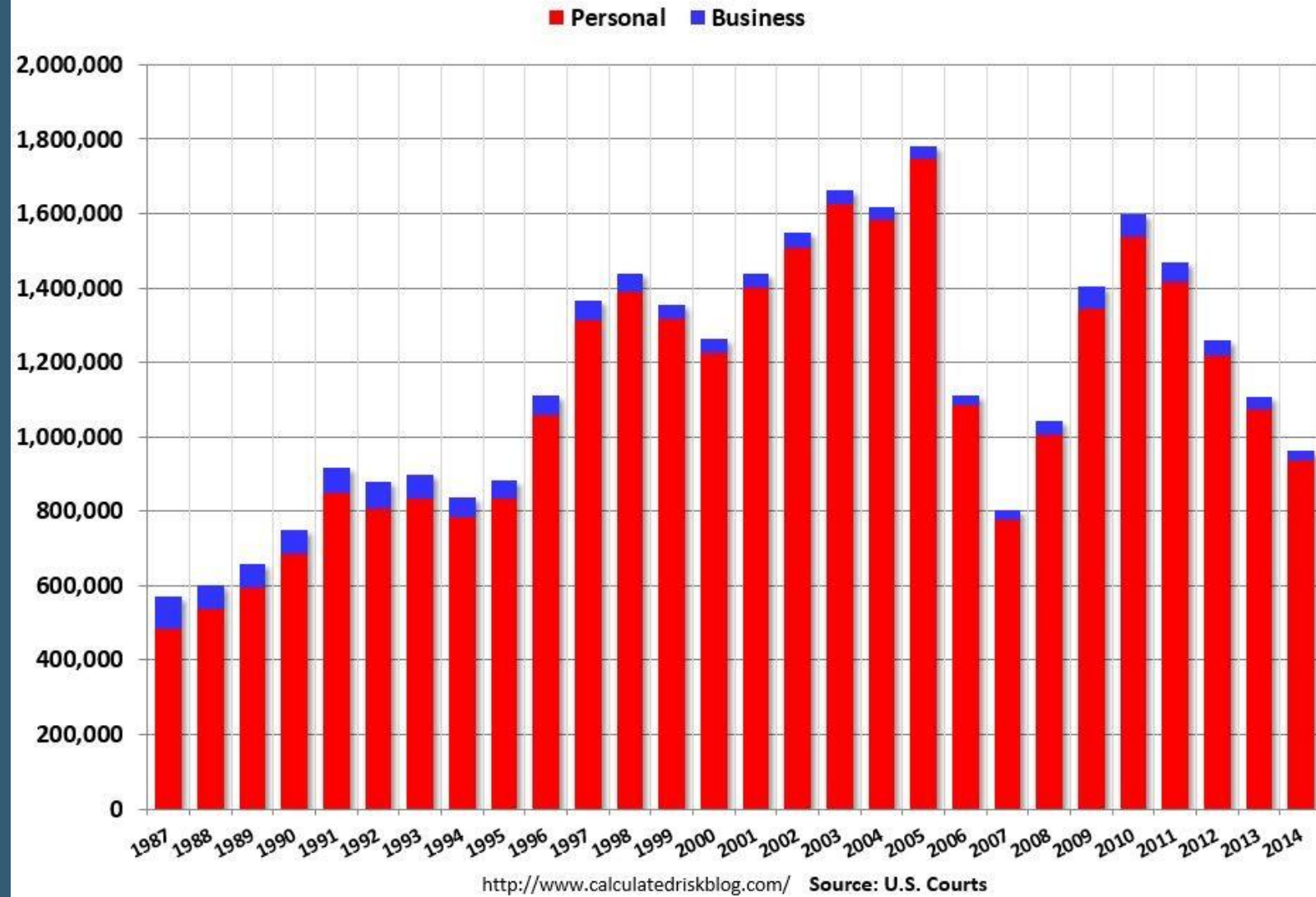
- Personal jurisdiction or liability.
- Note travels with the person.
- Latin word meaning “*directed toward a particular person*”.

BANKRUPTCY STATISTICS

NUMBER OF BANKRUPTCIES FILED IN THE UNITED STATES

- There are 251 working days in 2015.
- In the last 12 months, a total of 860,182 bankruptcies were filed in the United States.
- Of those 860,182 bankruptcies were filed:
 - 550,036 were Chapter 7 Bankruptcies
 - 7,040 were Chapter 11 Bankruptcies
 - 383 were Chapter 12 Bankruptcies
 - 302,642 were Chapter 13 Bankruptcies
- This is approximately 3,427 bankruptcies filed per working day.
- If you would like to know the exact number of pending chapter 7 and 13 bankruptcies you can go to

Bankruptcy Filings per Fiscal Year (Ends Sept 30th)



To keep up to date with the Bankruptcy Filings per Fiscal Year, please visit www.uscourts.gov.

COMMENCEMENT OF A BANKRUPTCY

BI (Official Form 1012/11)

United States Bankruptcy Court
Southern District of Florida

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle):
Client, F J

Name of Joint Debtor (Spouse) (Last, First, Middle):

All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):
AKA F J Client, Jr.; AKA J F Client

Last four digits of Soc. Sec. or Individual Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, list all):
XXX-XX-4321

Last four digits of Soc. Sec. or Individual Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, list all):

Street Address of Debtor (No. and Street, City, and State):
**15310 SW 7 Ter
Miami, FL**

Street Address of Joint Debtor (No. and Street, City, and State):

County of Residence or of the Principal Place of Business:
Miami-Dade

Mailing Address of Debtor (if different from street address):

Mailing Address of Joint Debtor (if different from street address):

Location of Principal Assets of Business Debtor (if different from street address above):

Chapter 7

Type of Debtor (Form of Organization) (Check one box):
☒ Individual (includes Joint Debtors)
☐ Corporation (includes LLC and LLP)
☐ Partnership
☐ Other (If debtor is not one of the above entities, check this box and state type of entity below.)

Nature of Business (Check one box):
☐ Health Care Business
☐ Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)
☐ Railroad
☐ Stockbroker
☐ Commodity Broker
☐ Clearing Bank
☐ Other

Chapter 15 Debtors
Country of debtor's center of main interests:
Each country in which a foreign proceeding by, regarding, or against debtor is pending:

Filing Fee (Check one box):
☒ Full Filing Fee attached
☐ Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1004(b). See Official Form 3A.
☐ Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.

Statistical/Administrative Information
☐ Debtor estimates that funds will be available for distribution to unsecured creditors.
☒ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

Estimated Number of Creditors
☒ 1-49
☐ 50-99
☐ 100-199
☐ 200-499
☐ 500-999
☐ 1,000-4,999
☐ 5,000-9,999
☐ 10,001-49,999
☐ 50,000-99,999
☐ 100,000-499,999
☐ 500,000-999,999
☐ 1,000,000 or more

Estimated Assets
☒ \$0-\$25,000
☐ \$25,001-\$50,000
☐ \$50,001-\$75,000
☐ \$75,001-\$100,000
☐ \$100,001-\$125,000
☐ \$125,001-\$150,000
☐ \$150,001-\$200,000
☐ \$200,001-\$250,000
☐ \$250,001-\$500,000
☐ \$500,001-\$1,000,000
☐ \$1,000,001-\$5,000,000
☐ \$5,000,001-\$9,999,999
☐ \$10,000,000 or more

Estimated Liabilities
☒ \$0-\$25,000
☐ \$25,001-\$50,000
☐ \$50,001-\$75,000
☐ \$75,001-\$100,000
☐ \$100,001-\$125,000
☐ \$125,001-\$150,000
☐ \$150,001-\$200,000
☐ \$200,001-\$250,000
☐ \$250,001-\$500,000
☐ \$500,001-\$1,000,000
☐ \$1,000,001-\$5,000,000
☐ \$5,000,001-\$9,999,999
☐ \$10,000,000 or more

Gross value of assets

Total debts owed

BI (Official Form 1012/11) Page 2

Voluntary Petition

Name of Debtor(s):
Client, F J

(This page must be completed and filed in every case.)

All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed: **- None -**

Case Number:

Date Filed:

Location Where Filed:

Case Number:

Date Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor:

Case Number:

Date Filed:

District:

Relationship:

Judge:

Exhibit A
(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)

☐ Exhibit A is attached and made a part of this petition.

Exhibit B
(To be completed if debtor is an individual whose debts are primarily consumer debts.)
I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that (he or she) may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b).

☒ **/s/ Manny Singh** **March 3, 2013**
Signature of Attorney for Debtor(s) (Date)
Manny Singh 480800

Exhibit C
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?
☒ Yes, and Exhibit C is attached and made a part of this petition.
☐ No.

Exhibit D
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)
☒ Exhibit D completed and signed by the debtor is attached and made a part of this petition.
If this is a joint petition:
☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue
(Check any applicable box)
☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer period of such 180 days than in any other District.
☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.
☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding (in a federal or state court) in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property
(Check all applicable boxes)
☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)
(Name of landlord that obtained judgment)
(Address of landlord)
☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and
☐ Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.
☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(f)).

BI (Official Form 1012/11) Page 3

Voluntary Petition

Name of Debtor(s):
Client, F J

(This page must be completed and filed in every case.)

Signatures

Signature(s) of Debtor(s) (Individual/Joint)
I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7, I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

☒ **/s/ F J Client**
Signature of Debtor **F J Client**

☒ Signature of Joint Debtor

Telephone Number (if not represented by attorney):
March 3, 2013
Date

Signature of Attorney*
☒ **/s/ Manny Singh**
Signature of Attorney for Debtor(s)
Manny Singh 480800
Printed Name of Attorney for Debtor(s)
Law Office of Manny Singh, PA
Firm Name
6610 N University Dr #220
Ft Lauderdale, FL 33321
Address
Email: MSingh4Law@aol.com
954-722-1300 Fax: 954-722-8125
Telephone Number
March 3, 2013
Date
*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of a Foreign Representative
I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.
(Check only one box)
☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.
☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

☒ Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Non-Attorney Bankruptcy Petition Preparer
I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(c), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

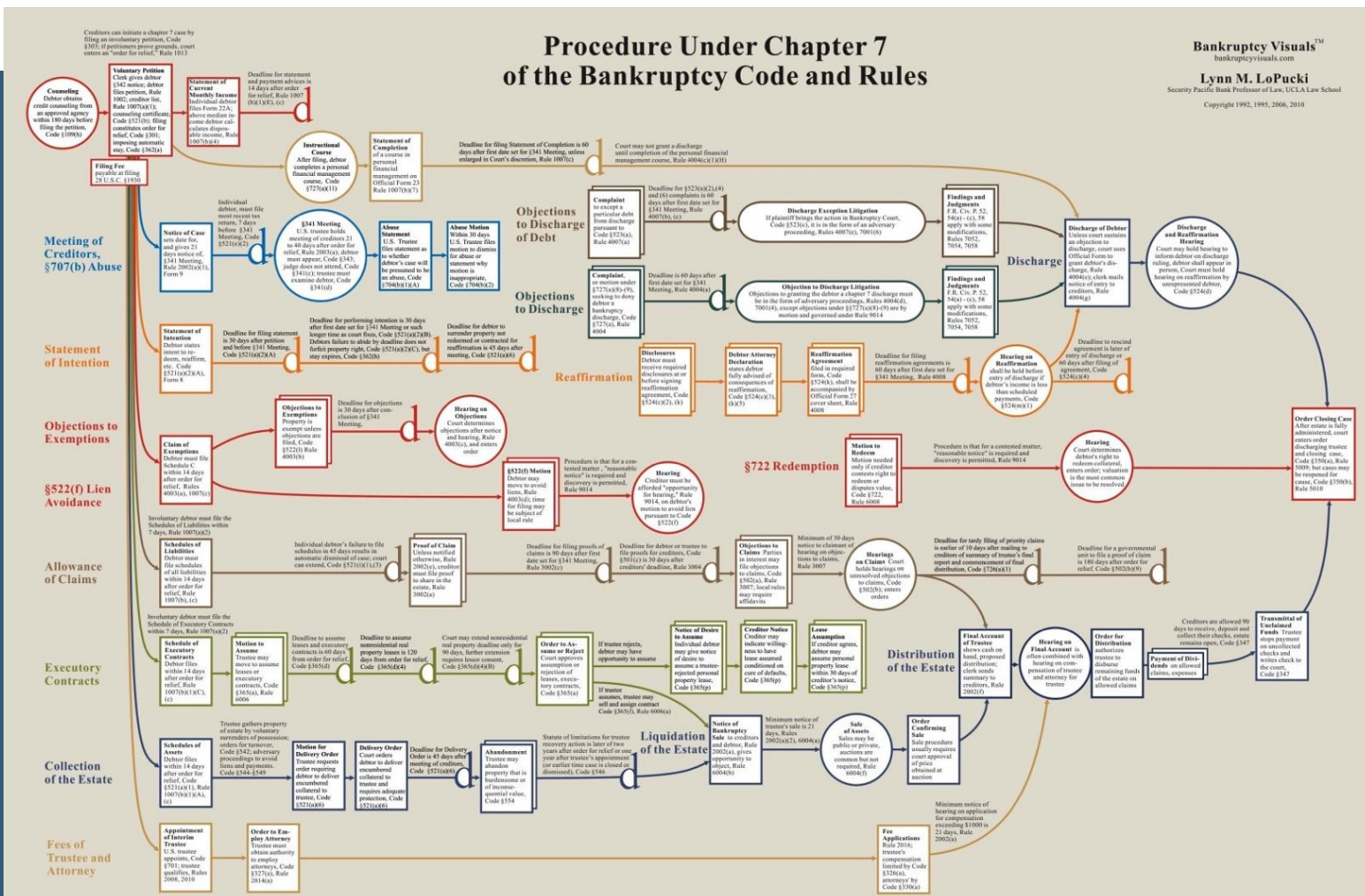
If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

BANKRUPTCY ESTATE

- Generally the bankruptcy estate consists of all the property that the debtor owns when he files for bankruptcy (with the exemption of exempt property).
- In a Chapter 7 bankruptcy, property acquired after the debtor files for bankruptcy is not part of the estate (with a few exceptions noted below).
- The bankruptcy estate will be left for the bankruptcy trustee to deal with and will be divisible among the bankrupt's creditors.

FLOW CHART OF A CHAPTER 7



DEED TYPES (MOST COMMON)

Quitclaim Deed

Grant Deed

Warranty Deed

Trustee Deed

QUIT CLAIM DEED

A quitclaim deed transfers whatever ownership interest a person has in a property.

It makes no guarantees about the extent of the person's interest.

Quitclaim deeds are also frequently used when there is a "cloud" on title -- that is, when a search reveals that a previous owner or some other individual, like the heir of a previous owner, may have some claim to the property.

The individual can sign a quitclaim deed to transfer any remaining interest.

This can be especially useful if it isn't clear how much of an interest, if any, one spouse has in property that's held in the other's name.

However, a quitclaim deed doesn't relieve the individual transferring ownership from the mortgage, if there is one.

GRANT DEED

A grant deed transfers ownership and implies certain promises, that the title hasn't already been transferred to someone else or been encumbered, except as set out in the deed.

WARRANTY DEED

A warranty deed transfers ownership and explicitly promises the buyer that the transferor has good title to the property, meaning it is free of liens or claims of ownership.

The transferor guarantees that he or she will compensate the buyer if that turns out to be wrong.

The warranty deed may make other promises as well, to address particular problems with the transaction.

BANKRUPTCY TRUSTEE DEED

When a bankruptcy trustee sells a property, they are allowed to provide a trustee's deed which is very similar to a quit claim deed.

Sample copy is attached.

SAMPLE OF A TRUSTEE'S DEED

This instrument Prepared by:
Scott N. Brown, Esquire
TABAS, FREEDMAN, SOLOFF, MILLER & BROWN, P.A.
Attorneys for the Trustee
One Flagler Building
14 N.E. 1st Avenue - Penthouse
Miami, Florida 33132

TRUSTEE'S QUIT-CLAIM DEED

THIS TRUSTEE'S DEED, made this 26th day of November, 2012, between Scott N. Brown, Solely in His Capacity as Chapter 7 Trustee of the Bankruptcy Estate of Geneva Mack ("Grantor"), whose address is 14 N.E. 1st Avenue - Penthouse, Miami, FL 33132, and 841 NE 51 Court, LLC ("Grantee"), whose address is c/o Law Offices of Manny Singh, P.A., 6610 N. University Drive, Suite 220, Ft. Lauderdale, FL 33321

WITNESSETH, that said Grantor, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable considerations to said Grantor in hand paid by said Grantee, the receipt whereof is hereby acknowledged, and pursuant to that certain Final Order Granting Trustee, Scott N. Brown's Motion for Entry of Order Approving Proposed Private Sale of Estate's Right, Title and Interest in Non-Exempt Real Property to 841 NE 51 Court, LLC (ECF No. 28) (the "Order") (copy attached as Exhibit "A") entered by the Honorable Raymond B. Ray, United States Bankruptcy Judge, on October 24, 2012, in *In re: Geneva Mack* Case No. 12-29462-BKC-RBR, pending in the United States Bankruptcy Court for the Southern District of Florida, does hereby convey and quit-claim to said Grantee, and Grantee's heirs and assigns forever, all the right, title, interest, if any, which said Grantor has in and to the following described real property located in Broward County, Florida, to wit:

Common address: 841 N.E. 51 Court, Pompano Beach, Florida 33064

Legal Description: Lot 8, Block 3 of Park Ridge, according to the Plat thereof, as recorded in Plat Book 48, at Page 6, of the Public Records of Broward County, Florida

Folio No.: 4842 12 04 0500

(the "Property")

PURSUANT TO THE ORDER, the described Property is conveyed to Grantee, "AS IS, WHERE IS," with no representations or warranties of any type being given by the Trustee or his professionals, and subject to all liens, claims, encumbrances, interests and defenses, whether known or unknown.

TO HAVE AND TO HOLD the same together with all and singular appurtenances thereto belonging or in anyway appertaining, and all the estate, right, title, interest, lien equity and claim whatsoever of the said Grantor, either in law or equity, to the only proper use, benefit and behalf of the said Grantee forever.

IN WITNESS WHEREOF, Grantor has hereunder set Grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of:

Witness: [Signature]
Print Name: Ande Vlachos

Address: 14 NE 1ST AVE PH
MIAMI, FL 33132

Witness: [Signature]
Print Name: Cathy Moncada
Address: 14 NE 1ST AVENUE PH
MIAMI, FL 33132

STATE OF FLORIDA }
COUNTY OF MIAMI-DADE } SS

I HEREBY CERTIFY that a true and correct copy of the foregoing instrument was acknowledged before me this 26th day of November, 2012, by Scott N. Brown, as Chapter 7 Trustee of the Bankruptcy Estate of Geneva Mack, who is personally known to me and who did take an oath.

WITNESS, my hand and official seal at Miami, Miami-Dade County, and State of Florida, on this 26th day of November, 2012.

My Comm. Expires: [Signature]
DIANE TIMPONE
MY COMMISSION # EE 000794
EXPIRES: April 30, 2015
Bonded thru Notary Public Underwriters

[Signature]
Notary Public/State of Florida at Large

**THE PRIOR MATERIALS WILL NOT BE
GENERALLY DISCUSSED.**

**PLEASE DISCUSS THEM DURING
'QUESTION AND ANSWER' SESSION IF
YOU HAVE ANY QUESTIONS.**