

*Office of the  
United States Chapter 13 Trustee  
Cindy Boudloche, Trustee*

555 N. Carancahua, Ste. 600  
Corpus Christi, TX 78401-0823

Telephone (361) 883-5786  
Facsimile (361) 888-4126

Date: \_\_\_\_\_

To: \_\_\_\_\_, Case #: \_\_\_\_\_

Dear Business Debtor:

According to the Schedules you have filed, we have identified you as a business debtor. Pursuant to the requirements of the U.S. Bankruptcy Code and the U.S. Trustee, we are required to make a review of your business operations.

Your case **CANNOT** be confirmed until this review is completed. Full cooperation with the Trustee is required as part of your duties under bankruptcy. Failure to cooperate in the review of your business may result in a motion by the Trustee, or other interested party, to dismiss or convert your case.

Attached is a document entitled "Sworn Testimony As to the Financial Affairs of the Debtor". You must mail this completed form, **along with copies of all requested documentation to the Trustee no later than 7 days from the date of this letter.**

You will be required to submit monthly profit and loss statements (MOR) beginning three months prior to filing bankruptcy until your plan has been confirmed. We use this information to determine if the projected income and expenses listed on your bankruptcy schedules is a reasonable basis for confirmation of your proposed plan. You should submit your statements on any form you or your bookkeeper currently utilize in your business, or, if none, you may use the form attached to this letter. If you use this form, make extra copies of it so that you will have a blank copy for each month you are required to submit the form.

We have also attached a list of general requirements applicable to a business case. Please read and familiarize yourself with these items as they apply to your situation.

If you have any questions regarding any of the above, please call your attorney.

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Cindy Boudloche, Chapter 13 Trustee

- Encl. 1. Sworn Testimony as to Financial Affairs
- 2. Duties and Responsibilities of Chapter 13 Business Debtors
- 3. Monthly Receipts and Disbursements

cc: Attorney for Debtor(s)

DEBTOR: \_\_\_\_\_ CASE NO. \_\_\_\_\_

**SWORN TESTIMONY AS TO THE FINANCIAL AFFAIRS  
OF THE DEBTOR PURSUANT TO 11 U.S.C. 1302 (c)**

This document shall form a part of the sworn testimony given before Cindy Boudloche, Chapter 13 Trustee, by the undersigned Debtor(s):

1. Do you swear or affirm that the information you are about to give in this document is the truth, the whole truth and nothing but the truth? Yes \_\_\_ No \_\_\_
  
2. Before filing your petition in bankruptcy, did you read, sign and approve the correctness of the information about your assets, debts, income, expenses and financial transactions in documents called Schedules, Statement of Financial Affairs and Chapter 13 Plan? Yes \_\_\_ No \_\_\_ If not, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
3. Are you presently self-employed or operating a business in the form of a corporation, partnership or other? Yes \_\_\_ No \_\_\_  
If yes, when did you start your business? \_\_\_\_\_  
If no, when did you stop operating your business? \_\_\_\_\_
  
4. List current names and all past names used by the business (fictitious names and corporate names): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
5. Are ALL business assets that you owned at the time of filing your petition, including bank accounts, equipment, inventory, furnishings, and accounts receivable described and valued on Schedule B? Yes \_\_\_ No \_\_\_  
If not, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
6. Are there any other additions, deletions or corrections that need to be made to the Schedules or Statement of Affairs in this case at this time? Yes \_\_\_ No \_\_\_  
If so, please describe changes in the space below (attach additional sheet if necessary)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
7. Describe your business \_\_\_\_\_  
\_\_\_\_\_  
Location(s) of Business \_\_\_\_\_  
\_\_\_\_\_  
Do you own or lease the above business premises? \_\_\_\_\_  
If leased, what is the name and address of the landlord? \_\_\_\_\_  
\_\_\_\_\_

8. If you do not own a business but are an independent contractor or otherwise paid on a 1099 basis, please describe the nature of your work and whether or not you do business with more than one individual entity. If more than one, how many? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. List the names, addresses and percentage interest of all owners of the business including shareholders and amount of stock held by each if a corporation.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Do you have employees? Yes \_\_\_\_ No \_\_\_\_ If so, how many? \_\_\_\_\_  
Do you withhold taxes for your employees? Yes \_\_\_\_ No \_\_\_\_

11. Are all tax returns that should have been filed to this point in time filed?  
Yes \_\_\_\_ No \_\_\_\_ If no, what years and what type of returns are delinquent?  

	<u>Year</u>	<u>Type of Tax</u>
a.	_____	_____
b.	_____	_____
c.	_____	_____
d.	_____	_____

12. Are all property taxes paid? Yes \_\_\_\_ No \_\_\_\_

13. Do you understand that while you are in Chapter 13 you must keep current with all of your business as well as your personal tax obligations? Yes \_\_\_\_ No \_\_\_\_

14. Do you have full insurance coverage on all assets of the bankruptcy estate?

Yes \_\_\_\_ No \_\_\_\_ If yes  
a. With Whom? \_\_\_\_\_  
b. Policy No. \_\_\_\_\_ Exp. Date \_\_\_\_\_  
c. Policy No. \_\_\_\_\_ Exp. Date \_\_\_\_\_  
d. Policy No. \_\_\_\_\_ Exp. Date \_\_\_\_\_

If no, why not? \_\_\_\_\_  
\_\_\_\_\_

15. Do you have liability coverage? Yes \_\_\_\_ No \_\_\_\_ If yes

a. With Whom? \_\_\_\_\_  
b. Policy No. \_\_\_\_\_ Exp. Date \_\_\_\_\_

16. Is the business required to have any business licenses? Yes \_\_\_\_ No \_\_\_\_

If yes, please describe \_\_\_\_\_  
Are licenses current? Yes \_\_\_\_ No \_\_\_\_

17. Do you have an accountant/bookkeeper? Yes \_\_\_\_ No \_\_\_\_ If yes

a. Name \_\_\_\_\_  
b. Address \_\_\_\_\_  
\_\_\_\_\_

c. Telephone No. \_\_\_\_\_

If no, who is responsible for maintaining your business accounts and records? \_\_\_\_\_  
\_\_\_\_\_

18. What is the condition of your books and records?

Good \_\_\_\_ Fair \_\_\_\_ Poor \_\_\_\_

19. Do either you or your bookkeeper/accountant regularly prepare profit and loss statements for your business? Yes \_\_\_\_ No \_\_\_\_ . If yes, indicate if they are prepared monthly \_\_\_\_ quarterly \_\_\_\_ annually \_\_\_\_, other \_\_\_\_?
18. Are you leasing any business equipment? Yes \_\_\_\_ No \_\_\_\_  
If yes, please describe the equipment and the terms of the lease. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
20. Is your business seasonal? Yes \_\_\_\_ No \_\_\_\_  
If yes, specify your good months and the reasons for fluctuation. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
21. Have you read the attached document "Duties and Responsibilities of Chapter 13 Business Debtors"? Yes \_\_\_\_ No \_\_\_\_

**I solemnly swear or affirm that I will faithfully carry out the duties and responsibilities of a Debtor under Chapter 13 and that the information contained in my Bankruptcy Schedules and Statement of Affairs, and in this Sworn Testimony and all attached documents, is true and correct**

Dated this the \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_.

\_\_\_\_\_  
Debtor:

\_\_\_\_\_  
Co-Debtor:

**Copies of the following documents must be submitted to the Trustee with this completed form. Indicate the documents attached. If not applicable to your business, write NA.**

- \_\_\_\_\_ 1. Personal and Business Income Tax Returns for the past 2 years-include all 1040's, 1041's, 1120's and 1065's.
- \_\_\_\_\_ 2. Sales tax returns for the past 2 reporting quarters.
- \_\_\_\_\_ 3. Payroll tax returns for the past 2 reporting quarters.
- \_\_\_\_\_ 4. Profit and loss statements (MOR) for the 3 months prior to filing bankruptcy and each month thereafter until confirmation of the plan.
- \_\_\_\_\_ 5. Any financial statement prepared and given to third parties in the 12 months prior to filing bankruptcy if available.

This information will be used to compile the Trustee's report of investigation of your business that will be filed with the bankruptcy court. The report will include a statement concerning the acts, conduct, assets, liabilities, and financial condition of you, the debtor, the operation of your business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan.

# MONTHLY RECEIPTS AND DISBURSEMENTS (MOR)

Month \_\_\_\_\_ Year \_\_\_\_\_ Case # \_\_\_\_\_

(Include business expenses only - NO personal household expenses)

## INCOME

1. Gross Receipts of Sales..... \$ \_\_\_\_\_
2. Cost of Goods Sold..... \$ \_\_\_\_\_
3. Gross Profit (subtract line 2 from line 1)..... \$ \_\_\_\_\_
4. Other Income..... \$ \_\_\_\_\_
5. Gross Income (add lines 3 and 4)..... \$ \_\_\_\_\_

## EXPENSES

6. Business Property - Rent/Lease..... \$ \_\_\_\_\_
7. Salaries & Wages of Employees..... \$ \_\_\_\_\_
8. Employee Benefits..... \$ \_\_\_\_\_
9. Equipment Lease Payments..... \$ \_\_\_\_\_
10. Secured Debt Payments..... \$ \_\_\_\_\_
11. Supplies..... \$ \_\_\_\_\_
12. Utilities..... \$ \_\_\_\_\_
13. Telephone..... \$ \_\_\_\_\_
14. Repairs & Maintenance (Real Property)..... \$ \_\_\_\_\_
15. Fuel & Vehicle Maintenance..... \$ \_\_\_\_\_
16. Miscellaneous Office Expenses..... \$ \_\_\_\_\_
17. Advertising..... \$ \_\_\_\_\_
18. Travel & Entertainment..... \$ \_\_\_\_\_
19. Accounting & Bookkeeping..... \$ \_\_\_\_\_
20. Legal Fees..... \$ \_\_\_\_\_

Attorney Name: \_\_\_\_\_ Purpose: \_\_\_\_\_

21. Insurance:
  - 21(a) Liability \$ \_\_\_\_\_
  - 21(b) Property \$ \_\_\_\_\_
  - 21(c) Vehicle \$ \_\_\_\_\_
  - 21(d) Worker's Compensation \$ \_\_\_\_\_
  - 21(e) Other \_\_\_\_\_ \$ \_\_\_\_\_
22. Taxes:
  - 22(a) Payroll \$ \_\_\_\_\_
  - 22(b) Sales \$ \_\_\_\_\_
  - 22(c) Other \_\_\_\_\_ \$ \_\_\_\_\_
23. Other..... \$ \_\_\_\_\_
24. Total Expenses (add lines 6 through 23)..... \$ \_\_\_\_\_

TOTAL PROFIT (LOSS) FOR THE MONTH (subtract line 24 from line 5).. \$ \_\_\_\_\_

I/WE declare under penalty of perjury that the information provided is true and correct to the best of my/our knowledge, information and belief.

Date: \_\_\_\_\_

Debtor \_\_\_\_\_

Debtor \_\_\_\_\_

## DUTIES AND RESPONSIBILITIES OF CHAPTER 13 BUSINESS DEBTORS

1. Make an entry on your books and records to indicate clearly the date of your bankruptcy filing. All business transactions conducted after your bankruptcy filing must be documented on your books and records. You may be asked to produce your books and records for inspection by the Trustee at anytime during the course of your Chapter 13 case.
2. It is your responsibility to get and maintain comprehensive liability insurance for the operation of the business. Failure to obtain and maintain such insurance could result in the dismissal of the case.
3. You must have Court approval to use "cash collateral" such as rents or accounts receivable in which any creditor has a security interest. You will need to speak with your attorney immediately about obtaining Court permission for its use.
4. You should review your plan carefully. Payments which are to be made by you directly to your creditors should start at once. You should not wait until the meeting of creditors.
5. Plan payments to the Trustee's office should also start on schedule. Your first plan payment is due 30 days after the petition is filed. The mailing address for payments to the Trustee is P.O. Box 703, Memphis, TN 38101-0703.
6. All tax returns and reports should be filed on time with the appropriate tax authority. All delinquent returns must be filed within 60 days of filing bankruptcy.
7. All tax payments - income, sales, property, etc - should be made on time and in full. If you have employees, you should be sure that all employee withholding taxes incurred after your filing date are paid regularly to the proper tax authorities.
8. Quarterly estimated income tax payments to the federal government should be made each January, April, June and September so as not to incur any unpaid income tax obligation when your returns are filed each April.
9. You should send complete copies of all federal and business income tax returns to the Trustee each year by April 15th.
10. You must obtain Court approval for any sale or other disposition of property or any borrowing which is outside the ordinary course of your business. When in doubt, ask your attorney.