

Bankruptcy is No Time for Secrets: Information that Must be Disclosed

By John Skiba, Arizona Bankruptcy Attorney

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When I meet with people in [bankruptcy](#) consultations one of the big questions on everyone's mind is what assets will they lose while going through the [bankruptcy process](#)? This fear of losing assets leads some to think about not disclosing all of their assets to me when preparing their bankruptcy documents. This is a bad idea. After your bankruptcy documents are prepared you and I will sit down to review them page by page to make sure that we have disclosed all of your assets, debts, income, etc. You will sign your name no less than eight times affirming to the court, under penalty of perjury, that you have disclosed everything fully. The penalties are severe - up to 5 years in prison and/or up to a \$500,000 fine! Not only that, but if you are caught not disclosing an asset, there is a good chance you will not get discharge of your debts - the whole reason you filed bankruptcy in the first place.

Disclose Your Assets

I often tell clients that if they will be fully upfront with me and disclose, to the best of their knowledge, all of their assets that in almost every situation we can protect the asset through Arizona's exemption laws or at a minimum work something out so that you can properly disclose the asset and still have the option of keeping it while going through [bankruptcy](#). So what if you have filed for bankruptcy and realized you forgot to include something? Let me know. We can amend. I fully understand that there are times when people truly forget to include something. If that happens, let me know and I will amend your documents.

The problem I see sometimes is that clients will take it upon themselves to determine what needs to be disclosed and what does not. First, everything needs to be disclosed. Second, you are paying me good money to guide you through the bankruptcy process and help your case proceed as smoothly as possible. I can only do that if I have a full picture of what your assets are. There are few things worse for bankruptcy attorneys than filing a case, and then while we are meeting with your bankruptcy trustee an asset is disclosed that has never been mentioned previously.

Disclose Transactions

In addition to disclosing all of your assets, there are certain financial transactions that need to be disclosed. The following are a few examples of transactions that we need to discuss before filing your bankruptcy case:

- Assets that have been sold or given away in the last two years.
- Payments you have made to a family member on a loan during the last year.
- Payments you have made to regular creditors in the last 90 days.

These transactions must be disclosed to the bankruptcy court. If you have been involved in any of these transactions, let me know so that they can be properly disclosed.

The obvious message I am trying to get across in this article is to be upfront with me. Disclose EVERYTHING to me. If you disclose fully all of the information I am seeking, your [bankruptcy case](#) will go much smoother. And, if there has been a transaction or an asset that will cause big problems in your bankruptcy, we can discuss that maybe bankruptcy will not work in your situation or maybe you should wait prior to filing your case. Disclose EVERYTHING to me. Not only are you required to under the law, but you will avoid many of the big problems people face while going through the [bankruptcy process](#).

My bankruptcy consultations are always free. If you would like to meet to discuss your specific legal problems give me a call at (480) 420-4028 or shoot me an email at john@skibalaw.com.