

How to obtain a Chapter 7 Discharge? Be Honest with the Trustee!

When clients hire the Law Office of Raymond A. Kenney, PLLC to assist them in the preparation of a Chapter 7 bankruptcy case their preeminent goal is to obtain a discharge of their debts as quickly as possible. This is an objective which can be achieved within 120 days of the filing of the bankruptcy Petition.

If your Maricopa County proceeding is a no asset case (meaning that the assets you list are exempt) your case may well proceed in a fashion similar to this: A) 30- 35 days after filing will be the Meeting of the Creditors; B) Approximately 60 days after the Meeting of the Creditors will be the Deadline to File a Complaint Objecting to Discharge of the Debtor or to Determine Dischargeability of Certain Debts; C) Within this time frame you will complete your Debtor Education Course; D) Assuming the proper filing of the Certificate of Completion of the Debtor Education Course and no objections having been filed to your discharge, you should receive your discharge. See how easy that can be?!!!

Remember this is a no asset case, so the Trustee has little to no incentive to have this continue as a case for her/him to administer since there are no assets for the Trustee to sell for the benefit of your creditors.

So what can go wrong? You and your lack of full disclosure to the Chapter 7 trustee can go horribly wrong!

The first major mistake a debtor can make is to omit an asset from your bankruptcy schedules. Our hypothetical debtor owns a boat that is temporarily not sea-worthy. Since the boat is not used it is not even registered. The debtor figures that the Trustee will not find out about the boat and therefore says to himself, "I just won't file bankruptcy on the boat I don't sail it so I don't have to include the boat in my Bankruptcy." Sound reasonable? NO. The trustee will find out. Maybe you owe money for past docking fees. You most likely registered it in the past and that will leave a paper trail. Most importantly you are breaking the law by failing to disclose the boat. You have a legal obligation to disclose all of your assets. You will be signing the Petition and Schedules swearing that you listed all of your assets. At the Meeting of the Creditors you will be sworn in under and under oath you will have to testify that you listed all of your assets. So what could possibly go wrong?

Well for starters the trustee will take the boat. Next the Trustee will object to the issuance of a discharge leaving the debtor liable for all of his/her debts. The Trustee may well report the concealment of the asset to the US Trustee and the US Attorney's Office. If you are subsequently prosecuted pursuant to 18 U.S.C. §152 and convicted you may be fined, imprisoned for not more than 5 years, or both.

When it comes to a bankruptcy filing it is just like Momma told you – Honesty is the best policy!

If you are in need of immediate legal information, you may find the content located at <http://www.rkenneylaw.com/bankruptcy.html> helpful or you may contact me by email at ray@rkenneylaw.com or call the office at (623) 234-3536.

LEGAL DISCLAIMER:

This article is offered for informational purposes only. It is not offered as, and does not constitute, legal advice. You should rely only on the advice given to you during a personal consultation by a local attorney who is thoroughly familiar with state laws and the area of practice pertaining to your matter. The information herein is not legal advice and does not create an attorney client relationship.