

EXHIBIT B

CHAPTER 7 DISCHARGE VIDEO TRANSCRIPT

**Presented By George C. Paine, II, Chief United States Bankruptcy Judge (Ret.) for Middle District of TN
Transcript for Video Presented at Beginning of §341 Dockets**

You are here today because the bankruptcy law requires you to attend a meeting of creditors which lawyers refer to as a 341 hearing. You are also required to watch this video as part of your chapter 7 case. I am going to take the next few minutes explaining some important aspects of the bankruptcy process and prepare you for this hearing and other matters which may be important to your case.

CHAPTER 7 GENERALLY

All of you are currently proceeding under chapter 7 of the bankruptcy code, which is the liquidation section of the bankruptcy law. The reason that people file bankruptcy petitions under chapter 7 is to obtain a discharge of their debts. You cannot receive a discharge unless you surrender all of your non-exempt assets to secured creditors or the trustee. Therefore, your case actually has two separate tracks, one where you are seeking a discharge of your debts and the other where secured creditors or the trustee are trying to administer, repossess, or sell unprotected assets. We will discuss each of these tracks in a little detail. First, generally, the filing of your bankruptcy petition imposed an automatic stay on all of your creditors. This automatic stay is like a wall that separates most everything that occurred prior to your filing bankruptcy from everything that occurs afterwards. On the pre-petition side of the wall, all of your assets and debts constitute your bankruptcy estate, which is to be administered by your trustee. Everything that happens after you file bankruptcy is insulated from the bankruptcy estate. For example, the wages or income you earn before you filed bankruptcy would become property of the estate if it is not exempt, and the wages and income you earn after the filing of your bankruptcy are yours free from the trustee and your creditors. The stay prohibits creditors from taking any action to collect their debts from you, garnishing your wages, or from repossessing or foreclosing on property. If any creditor takes any action against you or your property after you file for bankruptcy, you should contact your attorney immediately. The automatic stay is limited to 30 days in certain circumstances and you need to discuss this with your lawyer. For example, if you have been involved in a bankruptcy proceeding within the year prior to the filing of the current case, the stay may be limited to 30 days and then it is dissolved. The stay does not stop any criminal actions nor does it stop any actions for the collection of alimony or child support. Talk to your attorney about any ongoing proceedings and when and whether the stay applies.

TRACK ONE: YOUR DISCHARGE

As I said before, your main goal in filing this case is to obtain a discharge of your debts. To get a discharge it is extremely important that you pay attention to anything that happens in your case where your right to discharge may be questioned. First, your case could be dismissed for a variety of different reasons, including failure to attend this 341 hearing today, failure to pay the filing fees to the Clerk, or failure to file all of the documents which are required under the bankruptcy law. Make sure you talk to your lawyer about chapter 7's extensive paperwork requirements and required credit counseling to avoid possible dismissal. Other than dismissal, the trustee or your creditors may believe you are not entitled to a discharge. If so, the trustee or creditor has 60 days after your meeting of creditors to file a lawsuit called an adversary proceeding. The grounds on which a discharge can be denied can include such things as your dishonesty in answering all of the questions in the petition or your failure to disclose all of your assets. Also, if a creditor believes that the debt you owe to them is based on fraud, embezzlement, theft, or willful injury, then they may seek to prevent you from discharging that particular debt in an adversary proceeding. If an adversary proceeding is filed, you need to discuss this with your attorney immediately. If no one contests your case, moves for dismissal, or files a complaint to deny your discharge, you will be entitled to the entry of a discharge order, which formally erases all of your dischargeable debt. This will normally occur 3-5 months from today's date depending on the case load in the Clerk's office. However, there is one more thing you need to do to be entitled to your discharge. The 2005 amendments to the bankruptcy law require you to attend a debtor education course from one of the course options approved by the U.S. Trustee. This is not the same credit briefing that you had to do before

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you filed bankruptcy. This is an additional course which needs to be completed after you filed your petition. If you do not attend such a course, and file with the court a certificate acknowledging your attendance, the Clerk may close your case without entering a discharge order. Don't let this happen. Go ahead and schedule a time to complete this course as soon as possible so that you will get all of the relief to which you are entitled. Once you receive the discharge, you need to be aware that there are certain debts which are not discharged in bankruptcy even though the discharge order is entered. These non-dischargeable debts include most taxes, alimony, child support, student loans, and debts not listed on the schedules. Non-dischargeable debts can continue to be collected by your creditors and the bankruptcy discharge has no effect on the collection of these obligations. Talk to your lawyer now about any debts that will not be discharged and what creditors can do to continue to collect these debts from you.

TRACK TWO: YOUR BANKRUPTCY ESTATE

Now that we have talked about your discharge, we need to talk about the second aspect or track that is part of your bankruptcy proceeding and that is your bankruptcy estate. As I said before, all of your property and all of your debts on the date that you filed the proceeding go into a bankruptcy estate to be administered by your trustee. This bankruptcy estate includes everything, including your house, your car, your furniture, any claims you may have for car accidents or against employers. Failure to list everything on your schedules may cost you your discharge so it is imperative that you make sure that all of the information on your bankruptcy petition and schedules is complete and accurate. The trustee in your case was appointed as an independent representative of your bankruptcy estate. They have the power to sell your property or to abandon that property to a secured creditor. They have a duty to investigate your financial affairs and can in some instances file objections to your discharge. They can also file a variety of different lawsuits to recover assets or money which were transferred by you before or after the filing of the case. But remember that the trustee does not represent you. Nor can the trustee give you legal advice so if you have questions about what to do in your case, contact your own attorney. The trustee decides what will happen to all of your property that is not exempt. The bankruptcy laws together with the laws of Tennessee allow you to exempt certain property which is protected from the trustee and all creditors. As long as the trustee has not objected to your claimed exemptions, and they are within the limits of the applicable laws, this property is yours to keep. Discuss what property is exempt with your lawyer. You may also own property which is subject to a security interest to one or more of your creditors such as a house with a mortgage, vehicles, or furniture you bought on credit. These secured debts have many different rules you need to be aware of. You need to ask your lawyer how each and every piece of property that is subject to a lien will likely be administered by the chapter 7 trustee. Some potential outcomes are: sale of those assets, abandonment of the assets, redemption of the assets, and reaffirmation by you. Your lawyer can explain what this means for you but you must cooperate with the trustee fully even if the trustee sells property you thought he or she might not. Your lawyer should instruct you that you have a limited time period to decide your intent as to each piece of secured property. Pay close attention to your lawyer's advice and the trustee about your secured property.

TODAY'S MEETING OF CREDITORS

Now we have discussed chapter 7 generally, your discharge, and your bankruptcy estate. Your chapter 7 trustee will be conducting your meeting of creditors during the next hour. One thing you need to do before your case is called is to locate your photo ID and proof of your social security number. The trustee will need to see these. When your case is called, you will raise your right hand and be sworn in. You are answering these questions under oath and you must tell the truth. The proceedings are being taped so you will need to make sure you answer all the questions verbally; just do not nod or shake your head. The trustee will be asking you numerous questions which may sound routine but it is very important for you to answer as clearly as you can. Remember that it is your responsibility to disclose all of your property and assets to the trustee and the court. If you fail to list something on your original petition, make sure to tell your trustee about it today. Check your petition before your case is called, make sure it is accurate and complete, and talk to your lawyer if you need to. Chapter 7 bankruptcy is an extraordinary process which can relieve you from oppressive financial obligations but you must be certain to be honest and cooperative with your trustee to ensure you get your discharge. Thank you for your attention today.