

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA
(SOUTHERN DIVISION OF NEVADA)**

**CHAPTER 13 GUIDELINES
(LAS VEGAS)**

(FOURTH EDITION: August 2000)

*This form may periodically be revised. The
Office of the Clerk will continue to stock the
current Guidelines and will furnish the
same to any party upon request.*

INTRODUCTION

I. Definitions.

- a) "Modified Plan": A plan proposed and/or confirmed following confirmation of a prior plan or a plan proposed and/or confirmed prior to confirmation of a previously proposed plan.
- b) "Guidelines": Refers to the Chapter 13 Guidelines presently in force and effect in the United States Bankruptcy Court for the District of Nevada, in Las Vegas, Nevada.
- c) "Debtor": Refers to the debtor or debtors, if a joint petition, who has/have filed a Chapter 13 bankruptcy petition in the United States Bankruptcy Court for the District of Nevada, in Las Vegas, Nevada.
- 4) "Disposable Income": The amount to be paid during the first thirty-six (36) months of the Plan shall, in no event, be less than all projected disposable income of the debtor(s) during the first thirty-six (36) months of the Plan. 11 U.S.C. §1325(b)(1). For purposes of determining "disposable income", tax refunds to which the debtor is entitled or to which the debtor becomes entitled during the first thirty-six (36) months of the Plan shall be deemed to be "disposable income" unless otherwise ordered by the Court, or unless Internal Revenue Service setoff rights apply.
- 5) "Fair Market Value": The value of the secured creditor's collateral is determined by the price that the Debtor could purchase the identical collateral for at the time of filing the bankruptcy. It is NOT the amount that a buyer would pay the Debtor for the identical item of collateral at the time of filing. See, Associates Commercial Corp. v. Rash, 117 S.Ct. 1879 (1997).
- f) "Interest Rate Paid By Trustee On Secured Claims": Where there is no interest rate stated, the rate will be that rate applied by the Chapter 13 Trustee. The interest rate applied by the Chapter 13 Trustee may be updated as often as the Trustee deems necessary. Where interest is to be paid on a claim through the Trustee, simple, annual interest shall be paid. The interest rate set forth, or the rate fixed by the Chapter 13 Trustee, whichever is applicable at the time of confirmation of the Plan, shall remain the same for the life of the Plan. An interest rate stated in a Modified Plan, if different from the interest rate set forth in the previously confirmed Plan, shall apply prospectively only.
- g) "Retention Of Liens": Unless the Court specifically orders

otherwise, all secured creditors shall retain their liens until the Discharge is entered.

II. Form of Chapter 13 Plan.

All plans filed in the United States Bankruptcy Court for the District of Nevada, in Las Vegas, Nevada, shall conform to the Chapter 13 Form Plan contained within the current Chapter 13 Guidelines adopted and in force. A sample form is attached to these Guidelines.

III. Plan Modification

a) Notice And Objection Requirement: In the event the dividend to creditors, anticipated in any confirmed original or modified Plan, shall be reduced, delayed or otherwise affected in a negative manner, said reduction or impact shall be set forth in a modified Plan and set for Confirmation Hearing. The Trustee's office is required to approve and sign the modified Plan before it is filed with Bankruptcy Court. The approved Plan will be returned to debtor's counsel with a notice setting forth the Confirmation Hearing date and time. The debtor's attorney shall notice the Trustee, U.S. Trustee, creditors and all parties of interest no less than twenty-five (25) days before the hearing. Any opposition must be made in writing and filed with Bankruptcy Court within fifteen (15) days after receipt of notice (LR 9013(e)). The objection must be served upon the debtor's counsel and the Trustee. If objections are not filed, the modification may appear on the "unopposed" calendar.

b) By Stipulation: A confirmed Plan may be modified by stipulation, without further notice, in any case at any time after confirmation, to increase Plan payments in order to pay allowed claims pursuant to the confirmed Plan. Debtor or debtor's attorney shall provide to the Trustee's office for review and signature, the modified Plan, representing that creditors are not negatively affected, in any manner, by the Stipulated Modified Plan. The Plan should be on the form and titled "Stipulated Chapter 13 Plan #____" and the correct item checked under "Plan Modification". After the Stipulation is filed with Bankruptcy Court, the Trustee's office will submit the "Stipulated Modified Confirmation Order".

c) Identification of Plans: All filed proposed Chapter 13 plans must begin as "Chapter 13 Plan #1". Future modifications to the plan should be consecutively numbered.

INSTRUCTIONS FOR PREPARATION OF A CHAPTER 13 PLAN

Section 1. NOTICE TO CREDITORS. Creditors holding unsecured, nonpriority claims are instructed to file a claim with the U.S. Bankruptcy Court clerk regardless of the amount to be paid to the unsecured nonpriority claims as provided in Section 4(E) of the plan.

Section 2. INCORPORATION OF CHAPTER 13 PLAN GUIDELINES. LR 1001(c) authorizes the Chapter 13 trustee to propose guidelines that may be later adopted by the United States Bankruptcy Court in an effort to promote efficient and economical adjudication of pending cases. Any party in interest may request a copy of the Chapter 13 Plan Guidelines from the Chapter 13 Trustee or the attorney for the Debtor(s), if applicable.

Section 3. PLAN PAYMENT SCHEDULE. Plan duration may be less than thirty-six (36) months only in those cases where the Plan proposes to pay all allowed claims in full pursuant to 11 U.S.C. § 1325(b)(1)(A). Otherwise, Plan duration must be no less than thirty-six (36) months and no more than sixty (60) months. In the case of a **Plan Confirmed For Longer Than Thirty-Six (36) Months**, all increases in monthly payments and/or tax refunds paid over to the Trustee will constitute advance payments under the Plan. Advance payments will automatically, without additional notice to creditors, reduce the length of the Plan (but not to a period of time less than thirty-six (36) months). In the event debtor(s) make more monthly payments to the Trustee than is required to pay all allowed claims pursuant to the confirmed Plan, such excess payment(s) shall be refunded to the debtor(s). Plan payment amounts which include a designation of cents shall be rounded to the next higher dollar amount.

Paragraph 3(A)(i) of the Plan shall set forth the proposed monthly payments to be made to the Trustee. It shall also clearly state the exact date that the payments are to begin and how many months the payments shall continue.

Paragraph 3(A)(ii) of the Plan shall set forth any scheduled plan payment increases. This section shall indicate the new payment amount, the month and year the new payment is to commence, and the reason for the increase (for example: a direct payment ending will allow the debtor to increase his payments).

Paragraph 3(B) of the Plan shall set forth the proposed non-monthly payments to be made to the Trustee and the source of such payment(s). Any balloons payments are due to be paid to the Trustee at least 6 months prior to the expiration of the plan absent extraordinary circumstances. Court approval may be required for some balloon payments.

Paragraph 3(C) of the Plan shall set forth the total sum of all plan payments to be made by the Debtor(s). This total must match the amount shown in Paragraph 4(I). If the total amount of the plan payments was reached pursuant to a settlement with a party in interest, the reason for the settlement must also be explained.

Section 4. CLASSIFICATION OF CLAIMS PAID BY TRUSTEE.

Section 4(A). Administrative Claims. Any administrative claims not originally approved in the Order confirming Plan may be paid only upon further Order of the Court, upon notice to all creditors, if required, the Trustee and the debtor(s). Said administrative claims shall be paid at the time and in the order directed by the Court in any Order authorizing additional administrative claims. If debtor's attorney seeks approval of administrative claims for attorney's fees and costs at the time of confirmation of a Plan or Modified Plan, debtor's attorney shall provide the Trustee and the Court with complete and current information regarding said fees and costs as set forth in the Chapter 13 Fee Application Guidelines.

Section 4(A)(1). Debtor's Attorney's Fees. This section should be read in conjunction with the Chapter 13 Fee Application Guidelines.

Paragraph 4(A)(1)(a) calculates the Debtor's attorney fees (inclusive of costs) for the basic services as articulated in the Chapter 13 Fee Application Guidelines. This paragraph should clearly state the amount of attorneys fees (inclusive of costs) for basic services sought by the attorney for the Debtor(s). This amount should then be reduced by the amount of funds paid directly to the attorney by the Debtor(s), if any. The remaining sum is the amount to be paid by the Trustee to the Debtor's attorney upon confirmation of the Chapter 13 plan, or other Court order. The information in this subsection should match the information disclosed on the Rule 2016(b) statement filed by Debtor's counsel, if any.

Paragraph 4(A)(1)(b) allows for payment by the Trustee of additional fees and costs for the Debtor's attorney for any additional legal services rendered. While these fees and costs are provided for in the Chapter 13 plan, they will not be paid by the Trustee until such time as a separate order is entered by the Court pursuant to the procedures set forth in the U.S. Bankruptcy Code and Rules and the current Chapter 13 Fee Application Guidelines.

Section 4(A)(2). Other Professionals. In the event the Debtor(s) secured the services of other professionals (as defined by 11 U.S.C. 327) in order to satisfy the requests or requirements of other parties in interest, the Debtor shall disclose the identity of the professional, a description of the service(s) rendered and the amount of the professional's fee. The Debtor shall disclose any payments made directly to the professional thus reducing the amount of the professional's claim to be paid by the Trustee. NOTE: The Trustee or a party in interest may require the professional seeking payment through the plan to obtain a Bankruptcy Court order allowing such payment.

Section 4(A)(3). Other Administrative Claims. This paragraph allows for the payment of claims that arise pursuant to 11 U.S.C. §503.

Section 4(B). Secured Claims. This subsection is divided into 5 categories: taxes, arrearages, obligations paid in full by trustee, direct payments, and collateral to be surrendered. Each category is described below.

Paragraph 4(B)(1) is reserved for secured tax claims. The tax claims may be filed by Federal, state, city and/or county agencies. Unless specifically ordered otherwise by the Court, allowed secured

claims of the Internal Revenue Service, which are secured by reason of a federal tax lien, will be paid in full in deferred cash payments pursuant to Bankruptcy Code §1325(a)(5)(B). The United States shall retain the lien securing its claim. The allowed secured claim of the United States Internal Revenue Service which is secured by reason of a right of setoff shall be satisfied by the United States retaining and offsetting any overpayments or other credits arising prior to the petition date. If this category is applicable, the Plan shall set forth name of creditor, the type of tax (income, sales, payroll, property, etc.), the tax period involved, the collateral securing the lien, the amount of the claim, and the applicable interest rate. If no interest rate is stated, the interest rate shall be fixed by the Office of the Chapter 13 Trustee. Please refer to Section IV of the Guidelines to determine the appropriate option for resolving secured claims of the Internal Revenue Service.

Paragraph 4(B)(2) is dedicated to those creditors holding secured arrearage claims. If this category is applicable, the Plan shall set forth name of the creditor, a description of the collateral securing the lien, the amount of the unpaid pre-petition arrears (including late fees, foreclosure fees, attorneys fees, etc.), the applicable interest rate to be paid on the arrears, the amount of the regular payment and the date to which the regular direct payments will re-commence. If no interest rate is stated, the interest rate shall be fixed by the Office of the Chapter 13 Trustee. All other obligations of the debtor(s) under the contract and security agreement (except as pertains to the curing of the arrearage) will be performed by the debtor(s) in accordance with the terms of the contract and security agreement encumbering the property.

Paragraph 4(B)(3) describes those obligations that will be paid in full by the Trustee through the Chapter 13 plan. This category is subdivided into those obligations secured by real property (i.e. real estate) and those obligations secured by personal property (i.e. vehicles, household goods, jewelry, etc.).

Paragraph 4(B)(3)(a) sets forth those claims on the debtor's real estate that will be paid entirely through the Chapter 13 plan. Generally, this category is applicable when the Debtor is paying balloon payment through the plan as provided for by 11 U.S.C. §1322(c)(2). Typically, there will not be any requirement for direct payments from the debtor to the secured creditor. If this category is applicable, the Plan shall set forth name of the creditor, a description of the collateral securing the lien, the amount of the unpaid claim (including late fees, foreclosure fees, attorneys fees, etc.), the applicable interest rate to be paid on the claim, and the amount of the monthly adequate protection payment, if any, the Trustee should pay to the creditor until the plan is confirmed. If no interest rate is stated, the interest rate shall be fixed by the Office of the Chapter 13 Trustee. All other obligations of the debtor(s) under the contract and security agreement will be performed by the debtor(s) in accordance with the terms of the contract and security agreement encumbering the property.

Paragraph 4(B)(3)(b) sets forth those claims on the debtor's personal property that will be paid entirely through the Chapter 13 plan. Creditors in this category whose claims are allowed will be paid the equivalent of 100% of the present "fair market value" (*see* Definitions section of these Guidelines) of their collateral in deferred cash payments, with simple interest, over the life of the Plan. This will fully satisfy the secured portion of such creditor's allowed claim. The excess of such creditor's claim over and above the fair market value of its

collateral will be treated as an unsecured claim in the Plan. If the lien is to be satisfied otherwise, the Plan shall specifically state. Typically, there will not be any requirement for direct payments from the debtor to the secured creditor. If this category is applicable, the Plan shall set forth name of the creditor, a description of the collateral securing the lien, the estimated fair market value of the collateral, the applicable interest rate to be paid on the claim, and the amount of the monthly adequate protection payment, if any, the Trustee should pay to the creditor until the plan is confirmed. If no interest rate is stated, the interest rate shall be fixed by the Office of the Chapter 13 Trustee. All other obligations of the debtor(s) under the contract and security agreement will be performed by the debtor(s) in accordance with the terms of the contract and security agreement encumbering the property. The Debtor must also indicate whether a hearing will be necessary to determine the fair market value of the collateral.

Paragraph 4(B)(4) indicates those direct payments to creditors that the Debtor will be continuing after the filing of the petition. These obligations are not in arrears as of the filing date. This section should include payments to ongoing governmental agencies, such as city and county taxes. For example, a debtor must continue to pay all taxes associated with the real property that he is keeping. Failure to maintain all direct payments may result in the loss of the property and/or the dismissal of the bankruptcy petition. If this category is applicable, the Plan shall set forth name of the creditor, a description of the collateral securing the lien, the amount of the monthly payment, and the final payment date (if it falls within the length of the Plan). If a co-debtor is making the payment, the Plan should so state.

Paragraph 4(B)(5) directs which items of collateral the Debtor will be surrendering to the secured creditor. If this category is applicable, the Plan shall set forth name of the creditor, a description of the collateral securing the lien, and the present location of the collateral (i.e. does the Debtor still have possession of the collateral or has it already been returned to the creditor). Where debtor indicates that collateral is to be surrendered to a secured creditor, the collateral shall be surrendered to such creditor(s) on or before the Plan confirmation hearing. Please note, the collateral must be surrendered to *all* lienholders. To the extent that the collateral does not satisfy such creditors' claim(s), the creditor(s) shall hold an unsecured nonpriority claim. The entry of the Order confirming the Plan shall have the effect of an abandonment and a termination of the automatic stay imposed pursuant to 11 U.S.C. §362(a) as to the collateral surrendered, thereby allowing the recovery and disposition of such property according to applicable nonbankruptcy law.

Section 4(C). Executory Contracts and Unexpired Leases. Where debtor indicates in the Schedules that contracts and/or unexpired leases are rejected or assumed, the Plan shall specifically identify the creditor and the nature of the contract/unexpired lease. If this category is applicable, the Plan shall set forth name of the creditor and a description of the collateral that is the subject of the lease or unexpired contract. If the lease/unexpired contract is to be assumed, the Debtor shall state the amount of the monthly payment and the number of months remaining on the obligation. If the Debtor is rejecting the lease/unexpired contract, the location of the collateral must be disclosed. Unless the Court specifically orders otherwise, the entry of the Order confirming the Plan shall have the effect of an Order rejecting the executory contracts/unexpired leases. This Guideline shall not limit or modify the statutory requirements of 11 U.S.C. §365.

Section 4(D). Unsecured Priority Claims. This subsection is divided into 3 categories: taxes, child support/alimony, and other priority claims. Each category is described below.

Paragraph 4(D)(1) is reserved for those tax claims (federal, state, city and county) entitled to priority status pursuant to 11 U.S.C. §507(a)(8). The allowed, unsecured priority claim(s) of those taxing agencies will be paid in full in deferred cash payments as required by 11 U.S.C. §1322(a)(2). When a bankruptcy case is commenced **after April 15 of a given tax year**, any tax liability for the year within which the petition was filed shall be treated as a priority claim. If this category is applicable, the Plan shall set forth name of the creditor, the type of tax, tax period(s) involved and amount due for each type of tax. Please refer to Section IV of the Guidelines to determine the appropriate option for resolving priority claims of the Internal Revenue Service.

Paragraph 4(D)(2) provides for the payment of child support arrears and alimony arrears which are entitled to priority status pursuant to 11 U.S.C. §507(a)(7). The allowed, unsecured priority claim(s) of these creditors will be paid in full in deferred cash payments as required by 11 U.S.C. §1322(a)(2). If this category is applicable, the Plan shall set forth name of the creditor, the amount of the pre-petition arrears (if any), the amount of the direct monthly payment (if any) and the date such direct payments are to re-commence. This section must be completed even if there are no pre-petition arrears, but current support payments are ongoing.

Paragraph 4(D)(3) is dedicated to other priority claims. The allowed, unsecured priority claim(s) of creditors other than those provided by §507(a)(7) and §507(a)(8) will be paid in full in deferred cash payments pursuant to 11 U.S.C. §1322(a)(2). If this category is applicable, the Plan shall set forth name of the creditor, the basis for priority treatment and the amount of the claim.

Section 4(E). Unsecured Nonpriority Claims. This subsection is divided into 3 categories: special class, general unsecured, late-filed. Each category is described below.

Paragraph 4(E)(1) is reserved for those classes of creditors that are unsecured and nonpriority but are entitled to be treated differently than other general unsecured creditors. If this category is applicable, the Plan shall set forth name of the creditor, the basis for special treatment, the full amount of the claim, and the percentage of the claim to be paid through the plan.

Paragraph 4(E)(2) will indicate if there is to be any distribution to general unsecured creditors. The estimated amount to be paid and the percentage to be paid must be disclosed, notwithstanding the amounts are merely estimates and are subject to change once the resolution of claims has been completed. Creditors are urged to file a claim even if the initial estimated distribution is zero as that distribution may change during the pendency of the Plan. If the amount payable to this class of creditors is not modifiable (for example, due to liquidation value or a settlement), the reason for non-modification must be stated.

Paragraph 4(E)(3) describes the treatment of general unsecured claims that are filed after the deadline for filing claims has passed. Once the Plan has been confirmed, the treatment of these late-filed claims can only be modified by subsequent court order.

Section F. Post-Petition Claims. This paragraph allows for the payment of claims that arise after the filing of the Debtor’s petition pursuant to 11 U.S.C. §1305(b). As the claims are post-petition, the creditor holding such claim may have the option of collecting directly from the Debtor or filing a claim for payment through the Chapter 13 plan. If the creditor elects to file a claim, the claim will accrue interest and penalties as provided for by Federal or state law until paid in full.

Paragraph 4(F)(a) is reserved for post-petition tax claims (Federal, state, city and county). If the Debtor incurs a post-petition federal tax liability, the Internal Revenue Service may file a §1305 claim pursuant to its procedures and policies in effect at that time. The Internal Revenue Service will generally file a §1305 claim only after certain conditions have been satisfied by the Debtor. The Debtor should seek modification of the plan prior to the filing of such a claim. If this section is applicable, the Plan shall state the name of the creditor, the tax period(s), the type of tax, and the amount (including penalties and interest unless otherwise agreed).

Paragraph 4(F)(b) is reserved to those post-petition claims that arose unexpectedly and prior court approval for incurring such debt was not obtained. If this section is applicable, the Plan shall state the name of the creditor, the basis for the claim, and the amount.

Section 4(G). Total Claims Paid by Trustee. This line item is the sum of all claims listed within Section 4 of the plan.

Section 4(H). Trustee Compensation. Unless specifically ordered otherwise by the Court, each filed Plan shall be calculated to provide for payment of Trustee's compensation and expenses, as an Administrative expense, in the amount of ten percent (10%) of payments to be made through the Trustee.

Section 4(I). Total Plan Payments to Trustee. This is the total of all plan payments to be made by the Debtor(s). This amount must equal the amount shown in Section 3(C) of the Plan.

Section 5. STANDARD ORDER OF DISTRIBUTION.

The Order of Distribution in all Plans shall be as follows, unless otherwise ordered by the Court:

1. **Administrative expenses**
2. **Secured claims**
3. **Post-petition claims**
4. **Unsecured, priority claims**
5. **Unsecured, nonpriority claims**

Each class shall be paid in full, in the order set forth in Section 5 of the Guidelines, prior to any distribution to a junior class, unless otherwise ordered by the Court.

Section 6. LIENS TO BE AVOIDED BY MOTION.

If the debtor(s) indicate in the Plan that a lien is to be avoided, debtor(s) shall have one hundred twenty (120) days after the claims bar date within which to file the appropriate lien avoidance motion and/or adversary

proceeding pursuant to applicable Bankruptcy Rules and the United States Bankruptcy Code. If no lien avoidance action has been commenced within said one hundred twenty (120) day period, the Trustee may commence disbursement on claims as filed. If this category is applicable, the Plan shall set forth name of the creditor, the type of lien, a description of the collateral, and the amount of the claim.

Section 7. LIQUIDATION VALUE COMPUTATION.

Every Plan and Modified Plan shall include a current Liquidation Value Computation using the attached Liquidation Value Computation Worksheet. If Liquidation Value exceeds \$1,000, a copy of the Worksheet must be provided to the Chapter 13 Trustee's office no later than the date set for the first meeting of creditors pursuant to §341(a). Liquidation Value must be paid to the unsecured creditors. However, any Liquidation value is first applied to the Unsecured Priority Claims (section 4(D) of the Plan) with any remainder being allocation to the Unsecured Nonpriority Claims (Section 4(E) of the Plan). If Liquidation Value is more than \$1,000 or is "Unknown" at the time of filing, a brief explanation is needed to state the basis for Liquidation Value. For example, if the Liquidation Value is "Unknown" due to a personal injury case pending, the plan should so state.

Section 8. SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS.

Copies of the Debtor(s) Schedules and Statement of Financial Affairs may be obtained from the United States Bankruptcy Court Clerk's Office, 600 Las Vegas Blvd. South, Second Floor, Las Vegas, Nevada 89101. Documents may also be viewed via the Bankruptcy Court's website (www.nvb.uscourts.gov).

Section 9. Verification by the Debtors.

All Chapter 13 plans must be signed by the Debtors under penalties of perjury.

IV. RESOLUTION OF CLAIMS OF INTERNAL REVENUE SERVICE

Where the amounts of secured and/or unsecured priority claims filed by the Internal Revenue Service differ from the amounts and/or classification of claims provided for in the Plan, debtor(s) shall pursue one or both of the following alternatives:

A. Modify the Plan to match the allowed amount of the secured and/or unsecured priority claims. Modifications which do not adversely affect any creditor may be submitted without notice to creditors.

B. Pursue a reduction in the allowed amount of the claim(s). This can be done formally through objection to claim procedures or informally by corresponding with the Internal Revenue Service and requesting the filing of an amended claim. The Trustee should be copied on all correspondence. Note: A formal objection to an Internal Revenue Service claim requires a minimum of sixty (60) days notice to the appropriate agencies, a list of which may be obtained from the Trustee's office.

Steps to resolve differences between the Plan and the claim must be initiated within sixty (60) days after a copy of the claim has been mailed by the Trustee to the debtor. Absent timely action, the Trustee may pursue dismissal of the Plan as inviable.

C. Debtors are encouraged to attempt an administrative resolution of claim disputes with the Internal Revenue Service prior to pursuing formal objection to claim procedures with the bankruptcy court.

1. Administrative resolution of claim disputes should be pursued in writing addressed as follows:

**District Director
Internal Revenue Service
Attn: Bankruptcy Unit
4750 W. Oakey Blvd.
Las Vegas, NV 89102**

A copy of the written request should also be sent to the Chapter 13 Trustee to keep that office apprised of the efforts being made to resolve the claim.

2. The Bankruptcy Unit staff of the Internal Revenue Service has committed to respond to written correspondence within sixty (60) days. Matters which are within its authority will be resolved through (a) an amended proof of claim, (b) a letter withdrawing the claim or (c) written correspondence explaining why the claim is correct or why it cannot be adjusted.

D. If an objection to the Internal Revenue Service proof of claim is filed, the following procedures should be followed:

1. Service of the objection on the United States requires that it be mailed to all of the following addresses:

**Attorney General of the United States
Tax Division
Civil Trial Section, Western Region
Department of Justice
Washington, D.C. 20530**

**United States Attorney
Chicago Title Bldg., Suite 800
701 E. Bridger Ave.
Las Vegas, NV 89101**

**District Director
Internal Revenue Service
Attn: Bankruptcy Unit
4750 W. Oakey Blvd.
Las Vegas, NV 89102**

See Federal Bankruptcy Rules 9014 and 7004. A copy of the objection should also be sent to the Chapter 13 Trustee to keep that office apprised of the efforts being made to resolve the claim.

2. A copy of the claim should be attached to the objection filed with the court and copies of the objection served on the United States (as described above) and the Trustee.

3. The claims filed by the Internal Revenue Service often include different types of tax for different periods. They also usually include tax, penalties and interest. An objection to the Service's claim should state the specific liabilities (by period and type of tax) to which the objection is directed.

4. The objection should contain a short statement setting forth the grounds for the objection: (a) timeliness, (b) classification (secured or priority status), (c) accounting (application of payments or credits and computation of interest) and/or (d) liability for the underlying tax (disagreement with audits or estimated tax liabilities for unfiled returns).

(a) If the objection challenges the classification of the Internal Revenue Service's claim as a secured claim and requires the valuation of security under Bankruptcy Rule 3012, the objection should state: (i) the property subject to the lien, (ii) the value of the property and (iii) the computation of how the claim should be bifurcated between secured and unsecured status. The objection should also state whether the unsecured portion will be treated as a priority or a general unsecured claim.

(b) If the objection asserts that the Service has not properly applied a payment or credit, the objection should set forth the amount, date and nature of the payment or credit.

(c) If the objection challenges a tax deficiency determined by the Internal Revenue Service (audit adjustment), the objection should reference the notice of deficiency and the specific adjustments which are at issue.

(d) If the objection challenges the Internal Revenue Service's estimate of tax for which a return had not been filed, a copy of the return (or affidavit of the debtor stating why a return is not required) should be attached to the objection.

5. Where resolution of the claim is delayed and parts of the claim not in dispute will by themselves require a significant modification of the Plan, modification should be undertaken immediately so that the Plan remains viable.

V. SPECIAL DIRECTIVE TO DEBTOR(S) AND THEIR ATTORNEY

Counsel shall provide a copy of the "Special Directive To Debtor(s) And Their Attorney" to debtor(s) upon the filing of the Chapter 13 Petition. A copy of the current "Special Directive" is attached to these Guidelines. Counsel shall fill in the blank spaces on said "Special Directive" regarding first Plan payment date, the date each month upon which subsequent Plan payments must be made, and the debtor(s) bankruptcy number (if known). Counsel shall have their client(s) sign the "Special Directive". A copy of the signed "Special Directive" shall be submitted to the Trustee no later than the initial First Meeting of Creditors pursuant to 11 U.S.C. § 341. A sample form is attached hereto.

SPECIAL DIRECTIVE TO DEBTOR(S) AND THEIR ATTORNEY

A. The Trustee in your Chapter 13 bankruptcy case is KATHLEEN A. McDONALD. Address: 302 E. CARSON AVENUE, SUITE 200, LAS VEGAS, NEVADA 89101.

B. This is an important directive from the Trustee requiring Debtor(s) attention. It must be read carefully, understood, and complied with. If Debtor(s) do not understand their obligations as explained below, Debtor(s) should discuss the matter with their attorney.

1. Your first Plan payment shall be made on or before _____ (Note to Debtor(s) & Debtors' attorney: Specify a date NO LATER than the 45th day from the date of filing of the petition. 11 U.S.C. § 1326(a)(1)).

2. All subsequent monthly Plan payments shall be made on or before the _____ day of each subsequent month (Note to Debtor(s) & Debtors' attorney: Specify the SAME DAY of the month on which the first Plan payment is due), for as long as this Plan is in effect.

3. Payment must be made in the form of a cashier's check or money order only. No personal checks or cash will be accepted.

4. Each payment must be made payable to Kathleen A. McDonald, Trustee, and must be sent or delivered to 302 E. Carson Avenue, Suite 200, Las Vegas, Nevada 89101.

5. Debtor(s) first and last name(s), EXACTLY AS THEY APPEAR ON THE BANKRUPTCY PETITION, must be clearly printed on all payments.

6. Debtor(s) bankruptcy number _____ (fill in blank if case number has been assigned) must be clearly printed on all payments next to Debtor(s) name(s).

7. Reminders will not be sent. If Debtor(s) fail(s) to comply with this Directive, the Trustee may ask the Court to dismiss the case.

8. At the first meeting of creditors, Debtor(s) or their counsel, shall be prepared to provide the Trustee with the following: a) Debtor(s) three (3) most recent paycheck stubs evidencing gross wages and withholding, and b) Debtor(s) two most recent, filed tax return. At the first meeting of creditors, or at any time subsequent to the first meeting of creditors during the first 36 months of the Plan, Debtor(s) shall be prepared, upon request from the Trustee, to provide a current budget and annual tax returns and/or requests for extensions to file tax returns.

9. Tax refunds to which the Debtor(s) is/are entitled or to which the Debtor(s) become entitled during the first 36 months of the Plan shall be deemed to be "disposable income" unless otherwise ordered by the Court. If the disposable income increases, Debtor(s) should be prepared to increase the amount of their monthly Plan payments, if so stipulated between the Debtor(s) and the Trustee, or if ordered by the Court.

DEBTOR

DATE

JOINT DEBTOR

DATE

LIQUIDATION VALUE COMPUTATION WORKSHEET

1) Residence

Value \$ _____
 Liens - _____
 Exempt- _____
Net Equity \$ _____

2) Other Real Estate

Value \$ _____
 Liens - _____
 Exempt- _____
Net Equity \$ _____

3) Personal Property

Value \$ _____
 Liens - _____
 Exempt- _____
Net Equity \$ _____

4) Automobiles

Value \$ _____
 Liens - _____
 Exempt- _____
Net Equity \$ _____

5) Tools of the Trade

Value \$ _____
 Liens - _____
 Exempt- _____
Net Equity \$ _____

6) Other

Value \$ _____
 Liens - _____
 Exempt- _____
Net Equity \$ _____

7) TOTAL NET EQUITY FROM ITEMS 1 - 6, above \$ _____

8) Less: Chapter 7 costs per §326(a) (based on Line 7, above)

.25 x \$5,000 or less =	\$ _____
.10 x \$5,001 to \$50,000 =	\$ _____
.05 x \$50,001 to \$1,000,000 =	\$ _____
.03 x \$1,000,001 and over =	\$ _____

Total Chapter 7 costs - _____

9) EQUALS LIQUIDATION VALUE \$ _____