



THE **MARSHALL**
CHRONICLES

OCTOBER 2010
VOLUME IX, NUMBER 9

THAT'S A PLAN



Things change. Change is good, as change usually means that the old version isn't working as well as one would want and that a newer, better, way is in order. Effective October 15, 2010, our local model plan has changed. After a close review, we believe the changes implemented

make the model plan more clear and more effective and also gave it a new look. The model plan as it now appears is more consistent with the layout of the B22C form.

Section A of the plan did not change. Paragraph 1 of Section A still outlines the "Budget items" regarding income and expenses and household size from schedules I & J that are filed with the case. Paragraph 2 of the plan is also the same and lays out what the debtors claim they are donating and have previously been donating for charitable contributions.

Section B of the plan outlines some general provisions of the plan. Some of these provisions have been tweaked so that they are more meaningful.

Section B1 deals with unexpired leases. Instead of generally assuming all leases listed in schedule G of the debtor's schedules as the previous version, the new model plan requires the debtor to specifically list the leases she is going to assume in the plan itself. The new version also determines the timing of lease and contract assumptions or rejections. This section reads: The debtor assumes only the unexpired leases and executory contracts listed in Section G of this plan; all other unexpired leases and executory contracts are rejected. Both assumption and rejection are effective as of the date of plan confirmation.

Section B General Items	1. The debtor assumes only the unexpired leases and executory contracts listed in Section G of this plan; all other unexpired leases and executory contracts are rejected. Both assumption and rejection are effective as of the date of plan confirmation.
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Section B2 has also been slightly modified so that mortgage claims are treated more fully in the plan. Mortgage creditors listed in Section C of the plan (current ongoing mortgage payments) and those listed in Section E of the plan (mortgage arrears) are now dealt with equally with regard to pre and post petition defaults. The remaining paragraphs in that section have not changed. These paragraphs still require the mortgage holder to reinstate the mortgage if the debtor makes all the payments required in the plan on the pre-petition default.

Also the same as the prior model plan version, if the mortgage holder claims post-petition defaults, it must file a list of the defaults on notice. The debtor then must address the default by either challenging the allegations or amending the confirmed plan to pay the defaults or those defaults will remain unaffected by the confirmed plan. There is also the lien release language in this section. It states that any holder of any claim secured by a lien on property of the estate, other than a mortgage treated in Section C or in Paragraph 2 of Section E, shall retain the lien until the earlier of (a) payment of the underlying debt determined under nonbankruptcy law, or (b) discharge under 11 U.S.C. § 1328, at which time the lien shall terminate and be released by the creditor. Lastly, also still present is the portion of this section that requires debtors to maintain records including receipts of charitable donations.

Section B General Items	<p>2. Claims secured by a mortgage on real property of the debtor, set out in Section C or in Paragraph 2 of Section E of this plan, shall be treated as follows:</p> <p>(a) Prepetition defaults. If the debtor pays the cure amount specified in Paragraph 5 of Section E, while timely making all required postpetition payments, the mortgage will be reinstated according to its original terms, extinguishing any right of the mortgagee to recover any amount alleged to have arisen prior to the filing of the petition.</p> <p>(b) Postpetition defaults. Within 30 days of issuing the final payment of any cure amount specified in Paragraph 5 of Section E, the standing trustee shall file and serve upon the mortgagee, the debtor, and any attorney for the debtor a notice stating (1) that the cure amount has been paid, satisfying all prepetition mortgage obligations of the debtor, (2) that the mortgagee is required to treat the mortgage as reinstated and fully current unless the debtor has failed to make timely payments of postpetition obligations, (3) that if the debtor has failed to make timely payments of any postpetition obligations, the mortgagee is required to itemize all outstanding payment obligations as of the date of the notice, and file a statement of these obligations with the court, giving notice to the standing trustee, the debtor, and any attorney for the debtor, within 60 days of service of the notice from the trustee (or such longer time as the court may order), (4) that if the mortgagee fails to file and serve a statement of outstanding obligations within the required time, the mortgagee is required to treat the mortgage as reinstated according to its original terms, fully current as of the date of the trustee's notice, and (5) that if the mortgagee does serve a statement of outstanding obligations within the required time, the debtor may (i) within 30 days of service of the statement, challenge the accuracy of the statement by motion filed with the court, on notice to the mortgagee and the standing trustee, with the court resolving the challenge as a contested matter, or (ii) propose a modified plan to provide for payment of additional amounts that the debtor acknowledges or the court determines to be due. To the extent that amounts set forth on a timely filed statement of outstanding obligations are not determined by the court to be invalid or are not paid by the debtor through a modified plan, the right of the mortgagee to collect these amounts will be unaffected. No liability shall result from any non-willful failure of the trustee to serve the notice required by this subparagraph.</p> <p>(c) Costs of collection. Costs of collection, including attorneys' fees, incurred by the holder after the filing of this bankruptcy case and before the final payment of the cure amount specified in Paragraph 5 of Section E may be added to that cure amount pursuant to order of the court on motion of the holder. Otherwise, any such costs of collection shall be claimed pursuant to subparagraph (b) above.</p> <p>3. The holder of any claim secured by a lien on property of the estate, other than a mortgage treated in Section C or in Paragraph 2 of Section E, shall retain the lien until the earlier of (a) payment of the underlying debt determined under nonbankruptcy law, or (b) discharge under 11 U.S.C. § 1328, at which time the lien shall terminate and be released by the creditor.</p> <p>4. The debtor shall retain records, including all receipts, of all charitable donations listed in Schedule J.</p>
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Section C of the model plan also remains unchanged. This section is where debtors indicate how current mortgage obligations are to be treated. The ongoing payments can either be made by the debtor or by the Trustee and must be addressed here.

Section D of the plan has no changes. Section D lays out the plan terms including the monthly payments to the plan and
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That's A Plan

(Continued from page 1.)



how many payments are to be made under the plan. The section also deals with language that allows for automatic adjustments to the terms and an indication as to how the plan will complete.

Section E of the plan, the section that outlines disbursements, plan is where some of the most substantial changes occur. Section E(1) has no changes. The Trustee's fee, as it should be, is estimated and paid first. Section E(2) is still the place to list current payments that are to be made by the Trustee on an ongoing basis through the term of the plan. Section E(3) is different and should be read closely. This section has been re-written and broken into two subsections. While each subsection still requires the debtor to list specific debt treatment for secured claims and provide for fixed payments, the new paragraphs address secured claims secured by collateral with no value.

Paragraph 3.1 *Other claims secured by value in collateral* indicates that all secured claims, other than mortgage claims treated in the preceding paragraphs, and claims treated in paragraph 3.2, are to be paid in full during the plan term, with interest at the annual percentage rates and in the fixed

monthly amounts specified below regardless of contrary proofs of claim. The claims are still subject to reduction with the consent of the creditor. Newly added, though, is the requirement that "All claims in the debtor's Schedule D, other than mortgages treated above and claims for which the collateral has no value, must be listed in this paragraph." This requirement addresses claims that were traditionally left out of the plan and now require the debtor to specifically address all scheduled secured claims.

Section E Disbursements by the trustee	<p>3.1. Other claims secured by value in collateral. All secured claims, other than mortgage claims treated above and claims treated in Paragraph 3.2, are to be paid in full during the plan term, with interest at the annual percentage rates and in the fixed monthly amounts specified below regardless of contrary proofs of claim (subject to reduction with the consent of the creditor):</p> <p>(a) Creditor: _____ Collateral: _____ Amount of secured claim: \$ _____ APR _____ % Fixed monthly payment: \$ _____; Total estimated payments, including interest, on the claim: \$ _____ <input type="checkbox"/> Check if non-PMSI</p> <p>(b) Creditor: _____ Collateral: _____ Amount of secured claim: \$ _____ APR _____ % Fixed monthly payment: \$ _____; Total estimated payments, including interest, on the claim: \$ _____ <input type="checkbox"/> Check if non-PMSI</p> <p>If this box <input type="checkbox"/> is checked, additional secured claims are listed on the overflow page. [All claims in the debtor's Schedule D, other than mortgages treated above and claims for which the collateral has no value, must be listed in this paragraph.]</p> <p>The total of all payments on these secured claims, including interest, is estimated to be \$ _____. [Enter this amount on Line 2c of Section H.]</p>
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Paragraph 3.2 *Other secured claims treated as unsecured* is another new section that specifically addresses secured claims that are filed that are not listed on schedule D of the debtor's schedules nor are specifically provided for in the debtor's plan. From now on, any claims that are secured by collateral that either has no value or that are fully encumbered by liens with higher priority will have special specific treatment. No payment will be made on these claims on account of their secured status, but to the extent that the claims are allowed, they will be paid as unsecured claims, pursuant to Paragraphs 6 and 8 of the model plan. This new paragraph allows debtors to address secured claims such as junior mortgages that they intend to "strip" off from their real property. In addition, it is now clear to the Trustee and the creditors how these types of claims will be treated. Secured claims that are filed and not provided for are now provided for and will be paid as general unsecured claims.

Section E Disbursements by the trustee	<p>3.2. Other secured claims treated as unsecured. The following claims are secured by collateral that either has no value or that is fully encumbered by liens with higher priority. No payment will be made on these claims on account of their secured status, but to the extent that the claims are allowed, they will be paid as unsecured claims, pursuant to Paragraphs 6 and 8 of this section.</p> <p>(a) Creditor: _____ Collateral: _____ (b) Creditor: _____ Collateral: _____</p> <p>If this box <input type="checkbox"/> is checked, additional claims covered by this paragraph are listed on the overflow page.</p> <p>4. Priority claims of debtor's attorney. Payable in amounts allowed by court order. The total claim of debtor's attorney is estimated to be \$ _____. [Enter this amount on Line 2d of Section H.]</p> <p>5. Mortgage arrears. Payable as set forth below, regardless of contrary proofs of claim, except that the arrears payable may be reduced either with the consent of the mortgagee or by court order, entered on motion of the debtor with notice to the trustee and the mortgagee. Any such reduction shall be effective 14 days after either the trustee's receipt of a notice of reduction consented to by the mortgagee or the entry of a court order reducing the arrearage.</p> <p>(a) To creditor _____, payable monthly from available funds, pro rata with other mortgage arrears, arrears of \$ _____, payable monthly from available funds, pro rata with other mortgage arrears, <input type="checkbox"/> without interest /or/ <input type="checkbox"/> with interest at an annual percentage rate of _____%. These arrearage payments, over the term of the plan, are estimated to total \$ _____.</p> <p>(b) To creditor _____, payable monthly from available funds, pro rata with other mortgage arrears, arrears of \$ _____, payable monthly from available funds, pro rata with other mortgage arrears, <input type="checkbox"/> without interest /or/ <input type="checkbox"/> with interest at an annual percentage rate of _____%. These arrearage payments, over the term of the plan, are estimated to total \$ _____.</p> <p>If this box <input type="checkbox"/> is checked, additional mortgage arrearage payments are listed on the overflow page. The total of all mortgage arrearage payments to be made by the trustee under the plan is estimated to be \$ _____. [Enter this amount on Line 2e of Section H.]</p>
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THE MARSHALL CHRONICLES	
The Editorial Staff: Cheryl Jones, HVB and Dave Latz.	
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<input checked="" type="checkbox"/> e-mailing us at newsletter@chi13.com, <input checked="" type="checkbox"/> dropping your submission or idea in the anonymous newsletter folder located in the mail room, or <input checked="" type="checkbox"/> leaving them with Dave Latz.	
Please remember when making a submission to the newsletter, it must be:	
<input checked="" type="checkbox"/> type-written and <input checked="" type="checkbox"/> submitted by the third Wednesday of the month via e-mail, a Word document or an ASCII file.	
We also ask that anyone who attends a seminar please be prepared to furnish the committee with a detailed article on its subject.	
You may also view this edition of THE MARSHALL CHRONICLES , as well as all the previously published issues, all in full color, on the Chapter 13 Trustee website at http://www.chicago13.com/ .	

<p>THE OFFICE OF THE CHAPTER 13 TRUSTEE HONORS YOU, RITA SAUNDERS, ON YOUR 24TH CAREER ANNIVERSARY! MAY YOU ENJOY CONTINUED FULFILLMENT AND SUCCESS HERE AT THE TRUSTEESHIP.</p>

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Trustee Matters

State of the Trusteeship for the Year Ending September 30, 2010

"When we accept tough jobs as a challenge and wade into them with joy and enthusiasm, miracles can happen."
 ~ Arland Gilbert



Caseload rising, debtors are making plan payments despite the economy and unemployment rates, and undertaking the job of converting from a "homegrown" case administration software to BSS-TNG presented challenges, therefore, I am gleefully waiting on the miracles.

Although each month we feature information in our monthly newsletters about all three of our major departments, legal, financial, and systems departments and the trustee, it is good to take a look back in order that the journey forward can be appreciated and anticipated. All of our prior monthly newsletters are posted on our website at <http://www.chi13.com/>

We ended FY 2010 with 9,668 cases and will begin FY 2011 with the same number. This represents a 15.8% increase in total caseload from FY 2009. New petitions filed totaled 5,128, a 15% increase from last year's new filings. We received plan payments, which totaled \$60,482,770, a 14.3% increase from last year. We processed \$1,140,963 in debtor refunds, which is a 24% decrease from the number of refunds in FY 2009. Disbursements to creditors were \$59,194,831, a 16.7% increase from last year. Receipts and disbursements both increased from last year. Our average plan payment in FY 2010 was higher than the average plan payment in FY 2009. We do not have a need to distinguish between pre- and post-BAPCPA because our caseload is now exceeding pre-BAPCPA levels.

As of September 30, 2010, there are 24 full-time employees, and one part-time employee employed with the trusteeship. Salary increases were issued on October 1, 2010, based upon merit. William Shakespeare said, "He is well paid that is well satisfied." Of our 24 full-time employees, 12.5% received a 5.0% increase, 62.5% received a 2.5% increase, 4% received a 1.25% increase, 12.5% did not receive an increase and 8.5% were not eligible to be considered for a merit. Again, the recommended performance evaluations from Organizational Diagnostics were used for evaluations.

With caseloads increasing, it is the perfect time to convert to a new case administration software because the new system has a unique interface with the bankruptcy court, which will allow us to receive documents daily. The document download and adding new cases to the system is as easy as clicking a button. Trainers from BSS were in the office to work with the staff and each employee logged into the new system to see if they were prepared to perform their daily tasks. The question still remains: If we were to "go live" tomorrow, "can you perform each task effectively and efficiently on the new system?" I have learned through experience that everything has to be tried and tested and tested again. It will be a long time before I opt for just holding clothes up to me in the mirror and allowing the computer to determine if it fits.

Since training is an important role in performance evaluations and the ability to perform the task assigned in an effective and efficient manner is important, we are committed to providing training to our employees so that each is prepared to accept the challenges of the position. In FY 2010, one employee attended the NACTT Staff Symposium training held in San Diego, three attended the training in New York, six attended the training in Chicago, three employees attended the NACTT annual meeting in Grapevine, and two employees attended Regional Controllers/IT Managers Conference in Chicago. The trustee and four attorneys attended the Chicago Trustee Conference hosted by the UST and his staff for the Chapter 7 and Chapter 13 Trustees. The trustee and two other staff members attended the Annual BSS Seminar in San Antonio. The Staff Symposium training will be held in San Francisco, Atlanta, and Las Vegas in FY 2011. I served as co-chair of the Staff Symposium the last two years and will not be serving as co-chair of the Staff Symposium in FY 2011 but will be active in helping to promote participation because of the value associated with the program. I have budgeted for the employees to attend the training in Atlanta and Las Vegas in FY 2011.

Because things are constantly changing, it is my goal to make sure everyone in the office has the opportunity to participate in off-site training. It is more important than ever for the staff to meet staff from other offices and establish a network with other trusteeships that are using the same software system. Perhaps a whole new support system will be available through networking. Everyone must share their knowledge and experiences with others at the monthly staff meetings. Each manager met with their departments on a monthly basis and monthly planning meeting with the departments heads were productive. Joy and enthusiasm was spread throughout the office as we all faced the challenges of an increased caseload and the pressure associated with accepting change. Remember, acceptance of change starts at the top and trickles down in an organization. The Ambassadors for change, which were appointed in 2009 to make the transition smoother, are to be complimented. Some of them participated weekly on the status calls with BSS. Also, since our system was so unique, we had to add weekly conversion calls to the calendar in order to troubleshoot and work through some of the difficult parts. We are not quite ready and will not be ready until the dollars are balanced penny for penny. I am confident that next year I will be reporting on our success in using a new system.

(Continued on page 4.)

Trustee Matters (Continued from page 3.)

Since we purchased new scanners for the new system, going paperless is moving at a much faster pace. I am impressed with the new equipment and how easy it is to operate. We will continue to move to a “paperless” environment and I am seeing some improvement. This is year nine of a 10-year plan. This was a year of challenges. However, I still remain committed to keep the staff motivated, challenged and committed to excellence.

We appear before Judges Hollis (3,210), Wedoff (3,169), Squires (1,705) and Goldgar (1,584). These are some of the opinions/rulings issued by the Bankruptcy Judges during FY 2010.



Summary of Opinions Rendered in FY 2010

Judge	Case Name/No.	Summary of Opinions
Hollis	Dennis and Tina Callazo, 09 B 22645 Hearing: December 14, 2009	Debtors' counsel represented the debtors in their Chapter 13 bankruptcy and in a related "strip off" adversary. The debtors prevailed, and the court granted debtors' counsel request for \$675.00 in attorneys' fees for the work performed in the adversary proceeding. During the confirmation hearing, counsel also applied for \$3,500.00 in fees for representing the debtors through the completion of their bankruptcy. The Trustee objected to the fee application and asked the court to reduce the fee request by \$675.00. The Trustee argued that the Model Retention Agreement used in this district contemplates work performed for "strip off" adversaries. Moreover, Local Rule 2090-5 and the Disclosure of Compensation both suggest that counsel cannot enter into the flat fee arrangement while requesting additional fees for representing the debtor in the pursuit of a Rule 7001(2) adversary proceeding. The court agreed with the Trustee and reduced the \$3,500 fee request by \$675.00, the amount awarded in the related adversary.
Goldgar	In re Reyes 09 B 35198 Issued: July 13, 2010	An unsecured creditor, One-on-one Fitness, sued the debtor in state court and won a judgment against the debtor for breach of contract, fraud, and "tortious interference". The creditor was awarded \$78,250 in damages. The debtor filed chapter 13 and the creditor filed an adversary against the debtor alleging that the debt is the result of "false pretenses, a false representation, or actual fraud" and is non-dischargeable under section 523(a)(2)(A) of the Code and alternatively that the debt is for a "willful and malicious injury" Reyes inflicted on Fitness and is non-dischargeable under section 523(a)(6) of the Code. The Court found in favor of the debtor because §523(a)(2) does not except from discharge every debt somehow connected with a fraud, only debts "for money, property, services, or an extension, renewal, or refinancing of credit, to the extent obtained" by fraud. The Court also dismissed the count as to §523(a)(6) because that section only applies to chapter 7 cases, not chapter 13 cases.
Squires	In re Corrine Grant 04B 35827 Issued: May 24, 2010	The Chapter 13 Trustee brought a motion to dismiss debtor's case because the plan was running over the 60 month term of the plan and was thus in material default. The Court granted the Trustee's motion finding that the Debtor's case should be dismissed because the Debtor was in material default under the terms of the confirmed plan. The Debtor was in material default because, after more than sixty months, she had not paid her unsecured creditors anything at all, in contravention of the confirmed plan requiring her to pay those creditors their claims in full along with interest at 4.5 percent. Section 1327(a) of the Bankruptcy Code binds the Debtor, as well as her creditors, to the terms of the confirmed plan. 11 U.S.C. § 1327(a). The Debtor's failure to satisfy the terms of the confirmed plan with respect to the payments to her unsecured creditors constituted a material default and warranted dismissal of the case. The Court declined to follow other decisions and lines of cases that potentially allow Chapter 13 plans to run an unlimited duration.
Wedoff	In re Jacqueline Williams 10 B 07121 Issued: August 18, 2010	The Trustee sought to convert the debtor's case to one under Chapter 7. The Trustee found an undisclosed asset with value. The Trustee asserted that the debtor acted in bad faith by failing to disclose information about her assets. In response, the debtor sought to have the case dismissed, relying on § 1307(b) of the Bankruptcy Code (Title 11, U.S.C.). The dispositive issue is whether bad faith is an exception to the right of dismissal under § 1307(b). Although the reported decisions take different positions on the question, the Court decided that better view was that the right of dismissal under § 1307(b) is not limited except when dealing cases converted from another chapter. The Court discussed the conflict between § 1307(b) and § 1307(c). Section 1307(c) applies generally – to all motions seeking to convert or dismiss a Chapter 13 case filed by any "party in interest," including all Chapter 13 debtors. Subsection 1307(b), on the other hand, applies specifically – to requests to dismiss filed by debtors whose cases have not been converted. Thus, according to Judge Wedoff, when a debtor requests dismissal of an unconverted Chapter 13 case, § 1307(b) is the governing provision and the debtor's motion to dismiss was granted. <i>Note: This case is currently on direct appeal to the 7th Circuit.</i>

(Continued on page 5.)

Trustee Matters *(Continued from page 4.)*

The Trustee held 4,346 meetings of creditors. Debtors failed to appear for their meetings in 474 instances. We filed 3,761 motions to dismiss for material default. Of those, 1,665 resulted in the case being dismissed, 98 were denied or mooted and the Trustee withdrew 1,460. For the fiscal year, we were able to successfully confirm 3,761 cases. As for the rest, 171 cases are still being continued and in the confirmation process, hearings were moot in 533 cases, 222 were re-noticed, and in 338 cases, confirmation of the plan was denied.

Based upon information tracked on the B22C form, 3,269 debtors were under the median income, 1,412 were above the median and in 447 cases the income status was undetermined.

We set 1,471 motions to dismiss cases for failing to comply with confirmation requirements. Of those, 29 are still pending, 755 motions were eventually withdrawn and 686 lead to the dismissal of the case. We set 225 motions to dismiss for missing documents or for not filing documents timely. Of those motions set, 149 cases were dismissed, One is still pending and the rest withdrawn or mooted.

As a result of abusive filings, we had two cases dismissed with a 180-day bar, one case dismissed with a one-year bar, one case dismissed with a 20-year bar, and one case dismissed with a permanent bar to re-filing. We brought three motions for sanctions against three bankruptcy petition preparers. Two of the motions were denied and one was granted. The total sanctions levied were for \$7,750 of which we as Trustee would receive \$1,250.

On the cases filed during the year, motions to impose /extend stay due to serial filings were down slightly from last year. We had 634 motions filed. Of those motions set, 85 were denied, 538 granted to all creditors, 11 granted to specific creditors.

Customer service and communication is still a priority. We encourage our customers to utilize the services provided by the National Data Center (NDC). The NDC was established by Chapter 13 Trustees and is the exclusive source for comprehensive Chapter 13 Case and Claims data. It provides on-going details of case and claims information, as recorded and stored within the Trustees' office, which complement traditional Bankruptcy Notification Services. We are committed to providing as much assistance and information as we have provided in the past with the highest quality of service to our customers. Once the conversion to the new software is completed, we will provide a comprehensive training session for the debtor and creditor bar. We encourage the bar to contact us if there is a specific service we are currently providing that assists them in their practice and that they would like us to continue to provide with the new software. My ears are always open to hear what we can do to improve service to the bankruptcy community. I still believe that communication helps to foster better relationships.

(Continued on page 6.)



That's A Plan *(Continued from page 2.)*

Section E Disbursements by the trustee (continued)	<p>6. Allowed priority claims other than those of the debtor's attorney. Payable in full, without interest, on a pro rata basis. The total of all payments on non-attorney priority claims to be made by the trustee under the plan is estimated to be \$ _____. [Enter this amount on Line 2f of Section H.] Any claim for which the proof of claim asserts both secured and priority status, but which is not identified as secured in Paragraphs 2, 3.1, or 3.2 of this section, will be treated under this paragraph to the extent that the claim is allowed as a priority claim.</p> <p>7. Specially classified unsecured claim. A special class consisting of the following non-priority unsecured claim: shall be paid at _____% of the allowed amount. The total of all payments to this special class is estimated to be \$ _____. [Enter this amount on Line 2g of Section H.] Reason for the special class: _____.</p> <p>8. General unsecured claims (GUCs). All allowed nonpriority unsecured claims, not specially classified, including unsecured deficiency claims under 11 U.S.C. § 506(a), shall be paid, pro rata, <input type="checkbox"/> in full /or / <input type="checkbox"/> to the extent possible from the payments set out in Section D, but not less than _____% of their allowed amount. [Enter minimum payment percentage on Line 4b of Section H.] Any claim for which the proof of claim asserts secured status, but which is not identified as secured in Paragraphs 2, 3.1, or 3.2 of this section, will be treated under this paragraph to the extent that the claim is allowed without priority.</p> <p>9. Interest. <input type="checkbox"/> Interest shall not be paid on unsecured claims /or / <input type="checkbox"/> interest shall be paid on unsecured claims, including priority and specially classified claims, at an annual percentage rate of _____%. [Complete Line 4d of Section H to reflect interest payable.]</p>
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The next two paragraphs remain as they were in the last version. Paragraph 4 of Section E is where the estimated attorneys' fees are to be paid. The second paragraph, E(5), is for mortgage arrears. Again as before, the arrears to be paid in this section are "set" and the amount listed will be paid regardless of contrary proofs of claims. Paragraph 7, the one concerning special class claims, and paragraph 9, concerning interest to be paid on unsecured claims are also unchanged.

However, paragraphs E(6) and (8) have been slightly altered. Both of these paragraphs now have language included to accommodate the secured claims that are to be paid as unsecured claims from the earlier paragraphs. These paragraphs now contain the language, "Any claim for which the proof of claim asserts secured status, but which is not identified as secured in Paragraphs 2, 3.1, or 3.2 of this section, will be treated under this paragraph to the extent that the claim is allowed without priority." This new language helps the Trustee know how to pay unsecured secured claims in the proper manner.



The remaining sections of the plan are unchanged, that being **Section F** that lists the priority of payments for creditors in the plan, **Section G** the catch all special terms **Section H** the summary and **Section I** the consent to payroll section.

We welcome these changes in the model plan and hope that they will make the administration of the plan more efficient. Further, the changes will ensure that creditors understand their treatment in the plan better.

O. Anthony Olivadoti, Managing Attorney

Trustee Matters *(Continued from page 5.)*

I continue to be an approved provider of the Financial Management course. I will continue to provide the course free to debtors assigned to Trustee Marilyn O. Marshall. Here are some interesting statistics from the Financial Management Course: During FY 2010 we had 1,933 clients register for the class. Of those, 1,445 completed the Financial Management course and were issued a certificate of completion. There remain 113 clients registered and waiting for their class date. Of the remainder, 253 were no-shows, 81 have indicated they will be rescheduling, 14 canceled for various reasons, 24 never requested a date and were contacted, and one walked out of class due to a schedule conflict. We continue to note that more cases are "closed-no discharge" by the court for failure to provide the DSO than for failure to obtain the FMC.



The Employee Recognition Committee planned our annual Christmas Party in the office and that was a welcome change. Work related social activities remain on the calendar to promote a wholesome working environment, as long as we realize that activities are a reward and not a right. Again I would nominate The Newsletter Committee for the Newsletter Award Competition of 2010. Regardless of the workload, the committee works diligently to keep the staff informed and entertained. Our circulation audience has been expanded and more and more people are asking to be included on the mailing list even though all volumes can be found on our website. The "e-Marshall Chronicles" version is available via e-mail upon request.

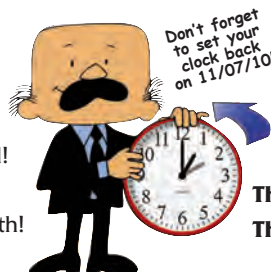
Our commitment to remain active and involved with the U. S. Trustees office, the Judges liaison committee, the bankruptcy clerk, and the debtor and creditor bar and to better serve the debtors will continue. I appeared as a panelist at the USFN conference in July and the Managing Attorney was a panelist at the Illinois Credit Union League. The trusteeship will move forward, promote and show respect for the law, accept the challenges ahead and strive toward excellence. 2010 was a year of challenges but still a very good year. Next year will be even better as we adapt and move forward. The answer to the question is back. Am I pleased? "Yes."

Marilyn O. Marshall, Standing Trustee

Summary End of Fiscal Year 2010	Summary End of Fiscal year 2009
Receipts.....\$60,482,770	Receipts.....\$52,921,688
Refunds.....\$1,140,963	Refunds.....\$1,501,512
Disbursements.....\$59,194,831	Disbursements.....\$50,704,370
Number of Cases Beginning of Year.....8,349	Number of Cases Beginning of Year.....7,251
Number of Cases Filed in FY 2010.....5,128	Number of Cases Filed in FY 2009.....4,617
Number of Cases Reopened.....152	Number of Cases Reopened.....99
Number of Cases Reopened Because of Transfer.....48	Number of Cases Reopened Because of Transfer.....44
Adjustments during the Fiscal Year:	Adjustments during the Fiscal Year:
Conversions to Another Chapter (Pre-Confirmation).....135	Conversions to Another Chapter (Pre-Confirmation).....149
Conversions to Another Chapter (Post-Confirmation).....409	Conversions to Another Chapter (Post-Confirmation).....232
Dismissals Pre-Confirmation.....742	Dismissals Pre-Confirmation.....1,029
Dismissals Post-Confirmation.....1,894	Dismissals Post-Confirmation.....1,326
Conversion from Another Chapter.....7	Conversion from Another Chapter.....12
All other Adjustments.....19	All other Adjustments.....22
Number of Cases Completed.....756	Number of Cases Completed.....869
Number of Hardship Discharges.....34	Number of Hardship Discharges.....3
Total Cases at End of Year.....9,668	Total Cases at End of Year.....8,349
Number of Cases Greater than 65 months.....5	Number of Cases Greater than 65 months.....6
Number of Full Time Employees.....25	Number of Full Time Employees.....25
Operating Expenses.....\$3,312,130	Operating Expenses.....\$3,200,246
Trustee Fee at End of Year.....2.0%	Trustee Fee at End of Year.....7.0%

November's Notable Events

- Election Day** on November 2nd.
- Happy Birthday to Laura Mendoza** on November 3rd!
- Happy 7th Anniversary to Dan Lyons** on November 3rd!
- All Staff Meeting** on November 5th.
- Happy Birthday to Catherine Mendoza** on November 7th!
- Daylight Saving Time Ends** on November 7th.
- Veterans Day** on November 11th (the office will be closed).
- Happy 12th Anniversary to Mark Caffarini** on November 9th!



- The Great American Smokeout** on November 18th.
- Happy 10th Anniversary to Cheryl Jones** on November 20th!
- Happy 1st Anniversary to Stewart Chapman** on November 20th!
- Thanksgiving Day** on November 25th.
- Thanksgiving Extended Holiday** on November 26th. (The office will be closed on the 25th and 26th).
- Computer Security Day** on November 30th.



Information Services

Letters • Forms • Reports

You were supposed to write these three words on the top of a blank sheet of paper during our on-site training visit from TNG a couple of weeks ago.

Did you?

Have you thought about the letters, forms and reports you work with every day in an effort to accomplish your job?

Since my Crystal Reports trainer Adrienne Starke left on October 1, Ms. Marshall, the Financial Department and I have been in a flurry of submitting reports, approving reports, creating reports, re-approving reports and uploading reports.

Adrienne helped me to establish templates in Crystal Reports for the different types of letters our office generates. The Financial Department, for example, sends many types of letters to the debtor, carbon copying the debtor's attorney. They may also write to a creditor regarding a particular claim. When a new report comes to me, having been approved by Ms. Marshall, I can create it in Crystal Reports relatively quickly, using a previous letter of the same type as a template. The finished report then goes back to Ms. Marshall for approval before I can upload it to TNG.



Remember when I circulated the list of CaseNET letter templates to all of you? You were to initial the ones you currently use. From that list, 376 templates were reduced to 222. Since Crystal Reports is more sophisticated than the CaseNET letter template module, I am able to combine some letters into one report and create parameters that the user will select when running the report that will customize the letter to their needs. For example, the Receipts Department sends a letter to the debtor if there is an issue with their receipt. Now, one report with four options (Personal Check, Incorrect Payee, Damaged Payment and Numeric/Written Mismatch) replaces four letter templates previously in use. Using this technique, I have reduced the number of letters we will need in Crystal Reports to 82.

The approval process created by Ms. Marshall will guarantee that each piece of correspondence sent out by our office will have a uniform and professional look.

Keep reviewing your letters and reports and soon they will be turned into TNG reports and letters and you can practice getting your job done the BSS-TNG way.

Sandra Pillar, Director of Office Systems

Financial

When Do I Assume My Mortgage Again?**An important question in the Closing Process!**

Many people in bankruptcy are advised by their attorney to put the current mortgage inside the bankruptcy. There could be numerous reasons an attorney may feel this is necessary. The most beneficial reason we see at the Trustee office is that they are more successful in completing their Chapter 13 case by paying the mortgage timely, if they put the mortgage inside the plan. Debtors that do this are usually on automatic payroll deduction. The debtor will find it easier to budget his or her money while in bankruptcy, because the Trustee will be paying most of their debts while they are in the Chapter 13 case. This will leave them to manage only the expenses, such as utilities, food, insurance and other incidentals.

During the course of a bankruptcy case, the Trustee office will receive an escrow analysis, usually each year depending on the type of mortgage. This determines if the debtor has a shortage or a surplus in their account. This, in turn, will generate a letter by the mortgage company to the Trustee office to increase or decrease the mortgage payment accordingly. Once received by our office, this is reviewed and the amount adjusted for future payments.

During the closing stages of a case, the Closing Department will select cases for a Final Audit. Cases that are within one plan payment away from completion and have a mortgage are the first cases to be selected in the system. The auditor

will conduct an audit to verify all documents, disbursements, and verify that all mortgage changes have been applied and the Trustee has disbursed to the mortgage company correctly to-date.



When the cases with a mortgage reach the stage within the closing audit process where they have no balance remaining and have had final audit, they are reviewed by the Closing Department from a mortgage report that is run weekly. This report shows all eligible cases prior to discharge that could be ready for the debtor to assume their mortgage. It is at this stage that the case is carefully monitored to see when they will have a zero balance and that the last payment received is enough funds for the Trustee to make the mortgage payment and pay the remaining final payments to unsecured creditor. If it is determined that we are able to have the debtor assume responsibility for the next mortgage payment, then payroll is stopped immediately and a letter is sent to the debtor, debtor's attorney and mortgage company explaining that the Trustee will be administering one last mortgage payment and the debtor will be responsible for making their mortgage payment the following month and continue until paid in full.

Mark Caffarini, Closing Audit Specialist

Trivia Quiz: Harry Potter

One of the most successful fantasy series is the one based on the character of Harry Potter. The book series has sold over 400 million copies and has been translated into 67 languages. Test your wizardry knowledge with this trivia quiz.

1. What was Harry's first broomstick?
2. What subject does Professor Septima Vector teach?
3. How many patrons does the stadium at the Quidditch World Cup seat?
4. What special day had a substantial part in the second "Harry Potter" book but not in the movie?
5. What is the mascot for Gryffindor?
6. What is J.K. Rowling's full birth name?



7. What does Dumbledore's first name Albus mean?
8. What form of transportation requires at least two fireplaces and very clear speech?
9. What was the password for Dumbledore's office that Harry works out for himself?
10. In the game of Quidditch, Harry Potter and Draco Malfoy both play the same position. What is it?



- | | | | | |
|---|--|-----------------|-----------------------|-----------------|
| 1. The Nimbus 2000. | 2. Arithmancy, the study of ancient magical properties of numbers. | 3. 100,000. | 4. Valentine's Day. | 5. A gold lion. |
| 6. Joanne Rowling (the K. stands for Kathleen, and is part of her pen name only). | 7. White. | 8. Floo powder. | 9. Cockroach cluster. | 10. Seeker. |

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The Marshall Chronicles is now available in full color, both in print and on-line at www.chicago13.com

Did You Know: Peanut Butter

November is Peanut Butter Lovers Month.

- Peanut butter was first introduced in 1890, when an unknown St. Louis physician encouraged the owner of a food products company to process and package ground peanut paste as a nutritious protein substitute.
- Georgia is the number one peanut producing state. Texas is number two.
- Nearly half of the U.S. peanut crop is made into peanut butter each year.
- Peanuts are harvested during the months of September, October and November.

- It takes almost 850 peanuts to make an 18 ounce jar of peanut butter.
- Americans eat about three pounds of peanut butter per person each year, totaling about 500 million pounds. That's enough to make over 10 billion peanut butter and jelly sandwiches.
- Every year, more than 75 percent of all American families purchase peanut butter.
- "Arachibutyrophobia" (pronounced i-ra-kid-bu-ti-ro-pho-bi-a) is the fear of peanut butter getting stuck to the roof of your mouth.

