

YOUR RESPONSIBILITY AS A BUSINESS DEBTOR

1. If you have borrowed money from any creditor and as security or collateral for the loan, you have pledged accounts receivable, rents, or other cash, you may not use the accounts receivable, rents or cash without express written consent from the creditor, or an order from the court allowing the use. Failure to obtain creditor consent or an order from the Court before using these assets may likely result in severe penalties.
2. During the course of your Chapter 13, it is your responsibility to file and pay any state and federal taxes on time, including all federal and state income tax, gross receipts tax, and federal and state employment taxes. If you are not registered with the New Mexico Taxation and Revenue Department, do so immediately. Depending on the nature of your business, you may not have to pay gross receipts tax, but in most cases you must still file.
3. There are strict laws governing the use and disposal of toxic materials and waste. The filing of your bankruptcy case does not eliminate your responsibility to comply with these laws. In the event of any violation of these laws, you and only you will be held fully liable and responsible. If you are now in violation of these laws, you must immediately cease and desist any continued violation, and immediately correct any violations. If you are aware of any problems or violations, or potential problems or violations in this area, you must immediately notify the U.S. Trustee, the chapter 13 Trustee, and your attorney.
4. In order to continue the operation of your business, you should maintain comprehensive liability insurance.
5. If you are leasing commercial space, you should assume or reject your lease through the U.S. Bankruptcy Court within (60) days after you filed your petition for bankruptcy, or your lease may be terminated automatically.
6. Operating reports are due from your business each month by the 15th of the following month for which you are reporting, a copy of which is to be submitted to the Chapter 13 Trustee and one to be filed with the U.S. Trustee. Unless otherwise instructed by the Chapter 13 Trustee's office, the first report due is for the month in which your 341 meeting was conducted. For example, if your 341 meeting was in June, then your first operating report is due July 15th for the month of June. Attached is an operating report form. Use the form as a "master" and make copies for all your monthly reports. If you have prepared financial statements (income statement and balance sheet), you may submit them in lieu of an operating report, but be sure your name and case number appear on those reports. You must attach copies of all tax reports (gross receipts tax, 941 coupons, and all quarterly reports) to your operating reports or financial statements.

Also attached is a questionnaire. *This is a one-time report.* Fill it out in full and return it to this office within 5 days of receipt. Please be sure that your name and case number are on all reports.

If you have not already discussed the above issues with your attorney, do so immediately as these matters are extremely important. Do not contact the Trustee's office.

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO**

Your name: _____

D/B/A (Business name): _____

Your case number: _____

OPERATING REPORT

Reporting Period _____

For this report, include *only* business income and expenses

Income:

Cash receipts this period from business services \$ _____

Expenses

Wages paid (do not include owner draw) \$ _____

Gross receipts taxes paid (attach copy of CRS-1) _____

Employer portion of quarterly employment taxes paid (attach
copies of reports) _____

Other business expenses (Attach a detailed itemization of the expenses) _____

Total Expenses _____

Net Income (Loss) (Subtract total expenses from income) \$ _____

Please answer the following:

1. Do you have employees? Y N (If yes, complete the following)
- a. Federal income taxes withheld this period _____
 - b. FICA taxes withheld this period _____
 - c. State taxes withheld this period _____
 - d. Have all employment taxes due been paid in a timely manner? Y N (circle one)

Have you incurred any other liabilities in this period? Y N (circle one)
If yes, please list liability and amount incurred.

3. Personal draw taken from your business this period \$ _____

Exhibits to attach to this report

Copies of all tax returns filed this period (Gross receipts tax, 941 tax coupons, employment quarterly reports).

Prepared financial statements if available. (Balance Sheet and Income Statement)

Copy of filed income tax returns if not previously submitted to Trustee.

VERIFICATION

The undersigned certifies under penalty of perjury that they have read the foregoing report and that it is true and correct to the best of their knowledge.

Execution Date: _____

By: _____

Revised 07/24/01

**Office of the Chapter 13 Trustee
Tiffany M. Cornejo, Trustee**

Month _____ Year _____

Name of Debtor(s) _____

Name of Business _____

Case # _____

**PROFIT AND LOSS STATEMENT
(Include only business income and expenses)**

Income

- | | | |
|---|----------|----------|
| 1. Gross receipts or sales | | \$ _____ |
| 2. Cost of goods sold: | | |
| 2a. Purchases | \$ _____ | |
| 2b. Cost of labor | _____ | |
| (do not include employee salaries) | | |
| 2c. Materials and supplies | _____ | |
| Total cost of goods sold (add 2a through 2c) | | _____ |
| 3. Gross profit (subtract line 2 from line 1) | | _____ |
| 4. Other income (i.e. interest) | | _____ |
| 5. Gross income (add lines 3 and 4) | | _____ |

Expenses

- | | | |
|-------------------------------------|--|----------|
| 6. Business property rent/lease | | \$ _____ |
| 7. Salaries and wages of employees | | _____ |
| 8. Employee benefits | | _____ |
| 9. Equipment lease payments | | _____ |
| 10. Secured debt payments | | _____ |
| 11. Supplies (not included in 2c) | | _____ |
| 12. Utilities | | _____ |
| 13. Telephone | | _____ |
| 14. Repairs and maintenance | | _____ |
| 15. Miscellaneous office expense | | _____ |
| 16. Advertising | | _____ |
| 17. Travel, meals and entertainment | | _____ |
| 18. Professional fees | | _____ |
| Name _____, Purpose _____ | | _____ |

Insurance:

- | | | |
|-----------------------|--|----------|
| Liability | | \$ _____ |
| Property | | _____ |
| Vehicle | | _____ |
| Worker's compensation | | _____ |
| Other | | _____ |

20. Taxes: (attach copies of tax forms)

Payroll \$ _____

Gross receipts tax _____

Other _____

21. Total Expenses (add lines 6 through 20) _____

Total Profit (Loss) for Month (subtract line 21 from line 5)

\$ _____

Personal draw taken from business this month

\$ _____

I/We declare under penalty of perjury that the information provided is true and correct to the best of my/our knowledge, information and belief.

Dated: _____

(Debtors)

BUSINESS EXAMINATION QUESTIONNAIRE AND CHECKLIST

Office of the Chapter 13 Trustee

Tiffany M. Cornejo, Trustee

Your case #: _____ **Attorney:** _____

Your name: _____ **Your Social Security #:** _____

Spouse's name: _____ **Spouse's Social Security #:** _____

INSTRUCTIONS: Complete all sides of the form. Use a separate page if you need additional room. Be sure to reference the additional page by the number question you are answering.

IMPORTANT: All information must be in the form requested. Information and/or documents presented in an unorganized fashion will not be accepted and will result in the examination being delayed and/or rescheduled. Please contact your attorney if you have any questions.

This checklist along with COPIES of all documents requested must be provided to the Trustee before the Business Examination Interview.

What circumstances lead you to file Chapter 13 Bankruptcy?

Description of Business

A. Name of business _____

Location of business:

Street address _____

City and State _____

Mailing address _____

Main product or service (be specific)

Is your company a:

Sole proprietorship ____, **Partnership** ____, **form of Corporation** ____

Names of owners:

When did the current business start operating? _____

Are you leasing office space? Yes No
If yes, is it your intention to continue with the lease? Yes No
List name and address of lessor:

H. Are you leasing any business equipment? Yes No
If yes, is it your intention to continue with the lease(s)? Yes No
List type of equipment and name and addresses of lessor (s).

I. Is your business seasonal? Yes No
If yes, specify your good months and slow months.

J. Have you pledged your receivables, rents, profits, or other cash as collateral for any loans? Yes No.
If yes, list what you have pledged and to whom:

K. Are you registered with the New Mexico Taxation and Revenue Department? Yes No.
If yes:
CRS-1 # _____
Do you file your gross receipts tax reports in a timely manner? Yes No
Are you required to file monthly or quarterly? (Circle one)
If no, you must register immediately and provide proof of registration to this office before your interview.

L. Does your business have employees? Yes No
If yes, list all employees below (use a separate sheet of paper if necessary):

Name of Employee	Position/Function	Monthly	Salary
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3. Checklist: (provide copies only)

A. Employment taxes

941 quarterly report (federal withholding report) for the last 4 quarters and proof of payment

940 coupons and proof of payment for the last 4 quarters

New Mexico ES903A (state unemployment wage and

contribution report) for the last 4 quarters and proof of payment

B. New Mexico Gross Receipts Taxes

CRS-1's and proof of payment for the last 4 quarters.

C. Federal income tax returns

Last *two* years returns

D. Insurance: (If applicable to your business):

1. business operation liability insurance
2. worker's compensation insurance
3. vehicle insurance
4. liquor liability insurance
5. real and/or personal property insurance
6. other

Licenses: (if applicable to your business):

liquor license
contractor's license
city business license
any other license required for your business

F. Description of Assets: On a separate sheet of paper, list all assets over \$500 used in your business. In addition to the description, please tell us:

1. What would you sell the item for in its present condition and
2. What did the asset cost you originally?
3. What is the age of the asset?

G. Description of all bank accounts to which you have access:

Bank Name	Account Number	Purpose
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1. Provide copies of bank statements for all accounts for 6 months before you filed your Chapter 13 case. (Note: Trustee may request copies of one or more canceled checks for this time period in order to clarify data found in the bank statement).
2. Besides you (and your spouse), or there any other signers on any of the accounts? Yes No
If yes, specify who else is an authorized signer and on which account.

QUESTIONNAIRE

Your name: _____ **Your Social Security #** _____
Spouse's name: _____ **Spouse's Social Security #** _____
Your case #: _____
Attorney: _____

1. Name of business: _____
2. Street address, city and state of business _____
Mailing address if different _____
3. Date when began doing business _____
4. Product or service provided by business _____
5. Type of entity - Sole proprietor ____, Partnership ____, or a form of Corporation ____.
If a partnership, what is your % interest in the partnership? _____.
If a form of corporation, what is your % interest in the corporation? _____.
6. Are you registered with the New Mexico Taxation and Revenue Department? Y N (Circle one)
 - a. If yes,
 1. CRS-1# _____
 2. Do you file your New Mexico Gross Receipts tax reports in a timely manner? Y N (Circle one)
 3. Are you required to file monthly, quarterly or semi-annually? (Circle one)
 - b. If no, please explain (use a separate sheet of paper if necessary) _____

7. Do you have employees? Y N (Circle one)
 - a. If yes, please answer the following:
 1. How many employees do you have? _____
 2. If your business is a corporation, are you an employee of your corporation? Y N
 3. What is your federal employer ID#? _____
 4. What is your New Mexico Department of Labor ID#? _____
 5. Have you filed all quarterly employment tax reports to the Internal Revenue Service and the New Mexico Department of Labor in a timely manner? Y N (Circle one)
If no, please explain (use a separate sheet of paper if necessary) _____

 6. Do you have outstanding employee taxes due to either the Internal Revenue Service, the state of New Mexico, or any other state? Y N . If yes, please explain in detail on a separate sheet of paper.

VERIFICATION

The undersigned certifies that he/she has read and completed the foregoing questionnaire, and that it is true and correct to the best of his/her knowledge.

By: _____