

Kelley L. Skehen
Chapter 13 Trustee
309 Gold S.W.
Albuquerque, NM 87102

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.

Revised 07/24/01

Telephone (505) 243-1335, Fax (505) 247-2709

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 _____

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)

2. 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

1. Copies of all tax returns filed this period (Gross receipts tax, 941 tax coupons, employment quarterly reports).
2. Prepared financial statements if available. (Balance Sheet and Income Statement)
3. 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: _____

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: _____

Revised 07/24/01 gk

Dated _____