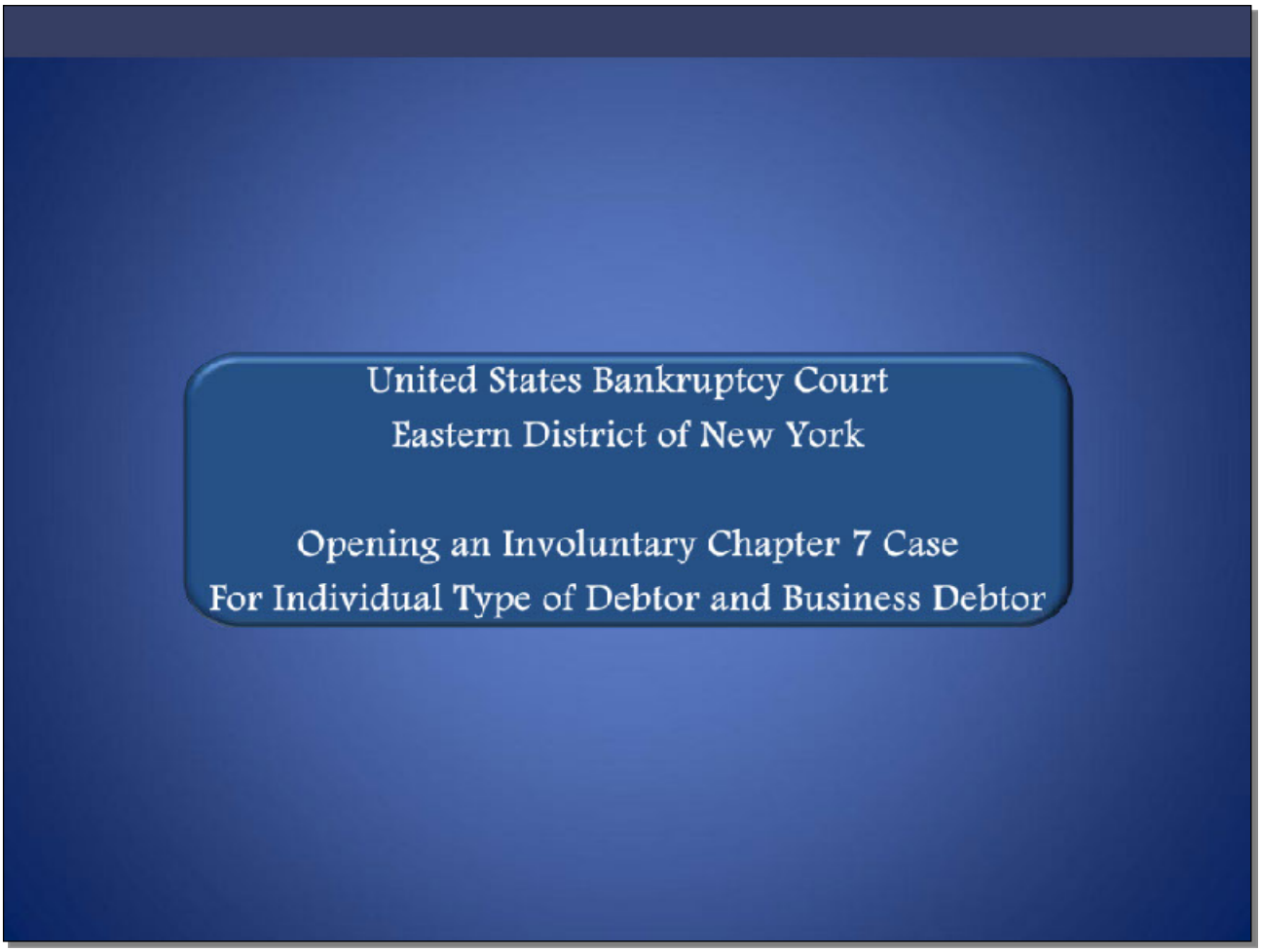
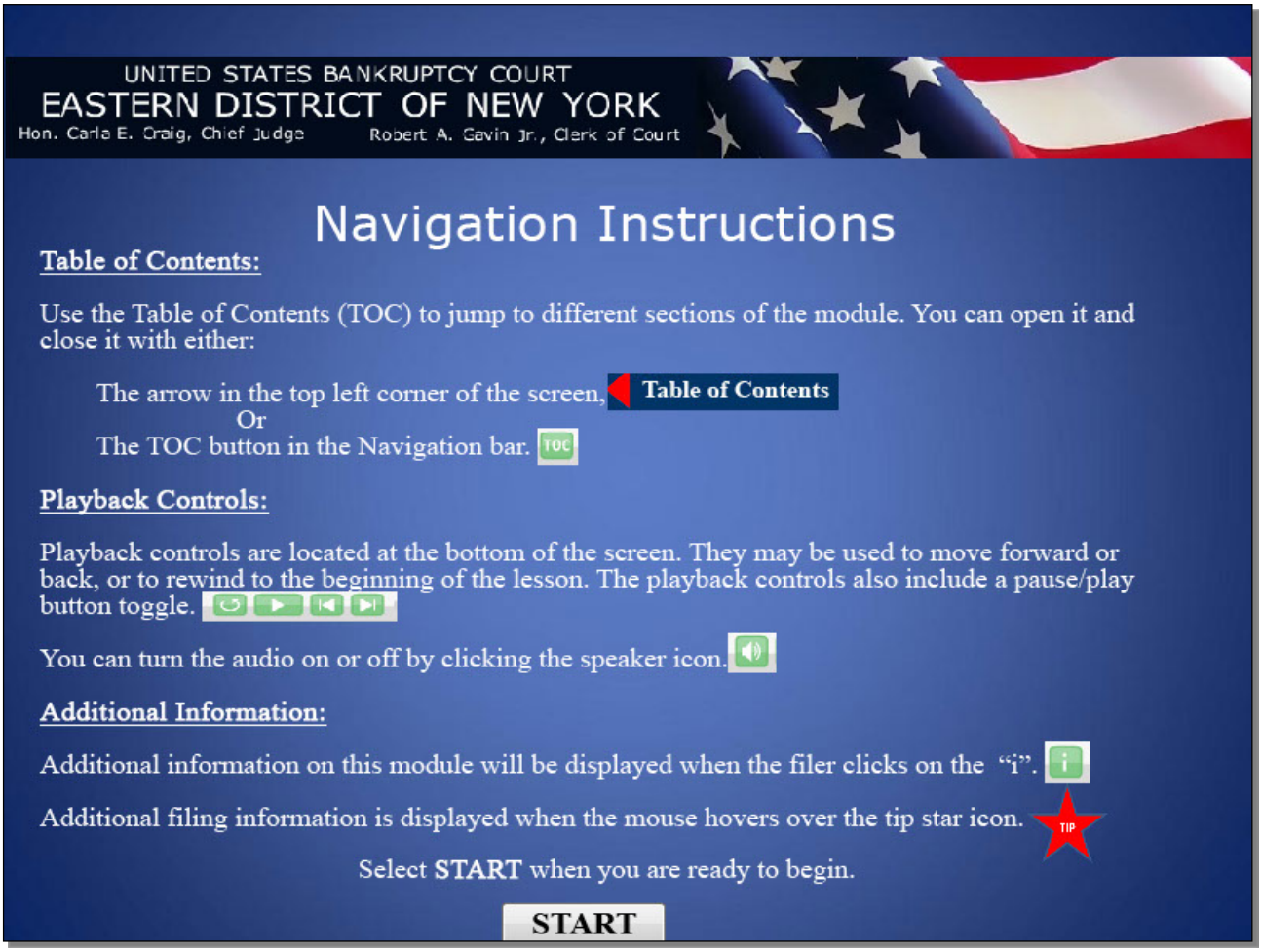
Opening an Involuntary Chapter 7 Case for Individual Type of Debtor and Business Debtor

Slide 1 - Welcome

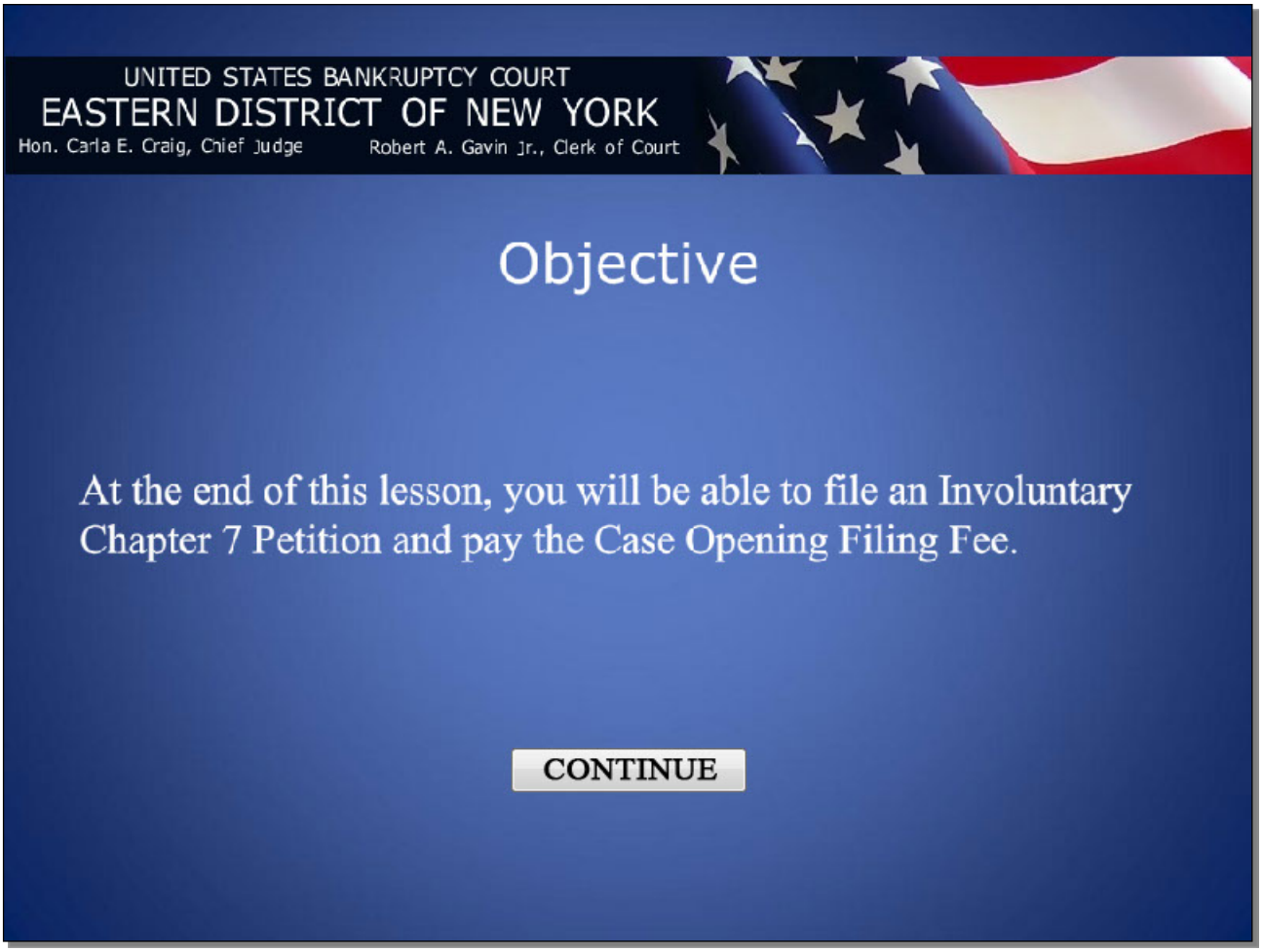


Welcome to the United States Bankruptcy Court, Eastern District of New York's lesson on Opening an Involuntary Chapter 7 Case for Individual Type of Debtor and Business Debtor.

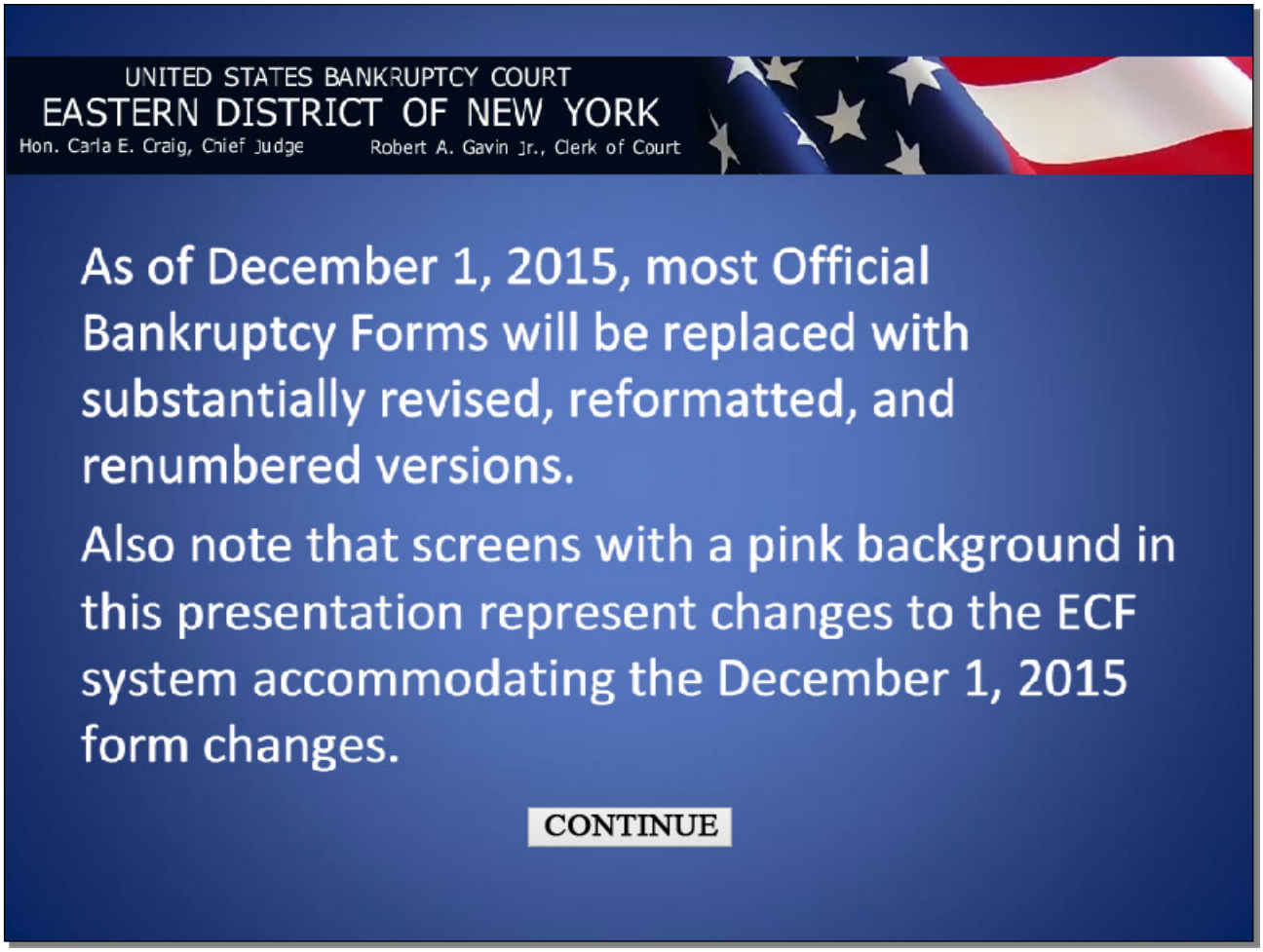
Slide 2 - Navigation Instructions



Slide 3 - Objective



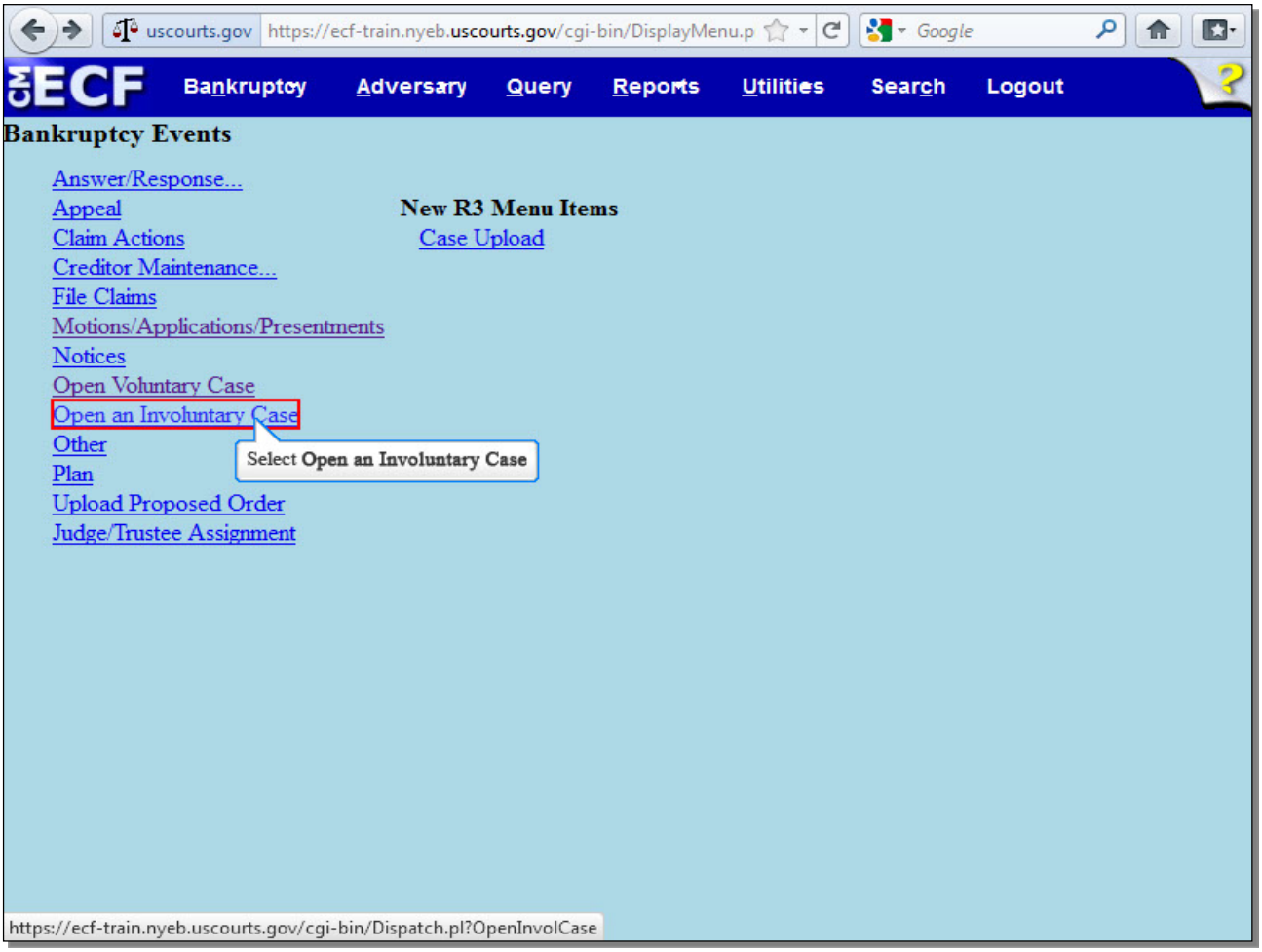
Slide 4 – Form Changes



Slide 5 - ECF Main Menu

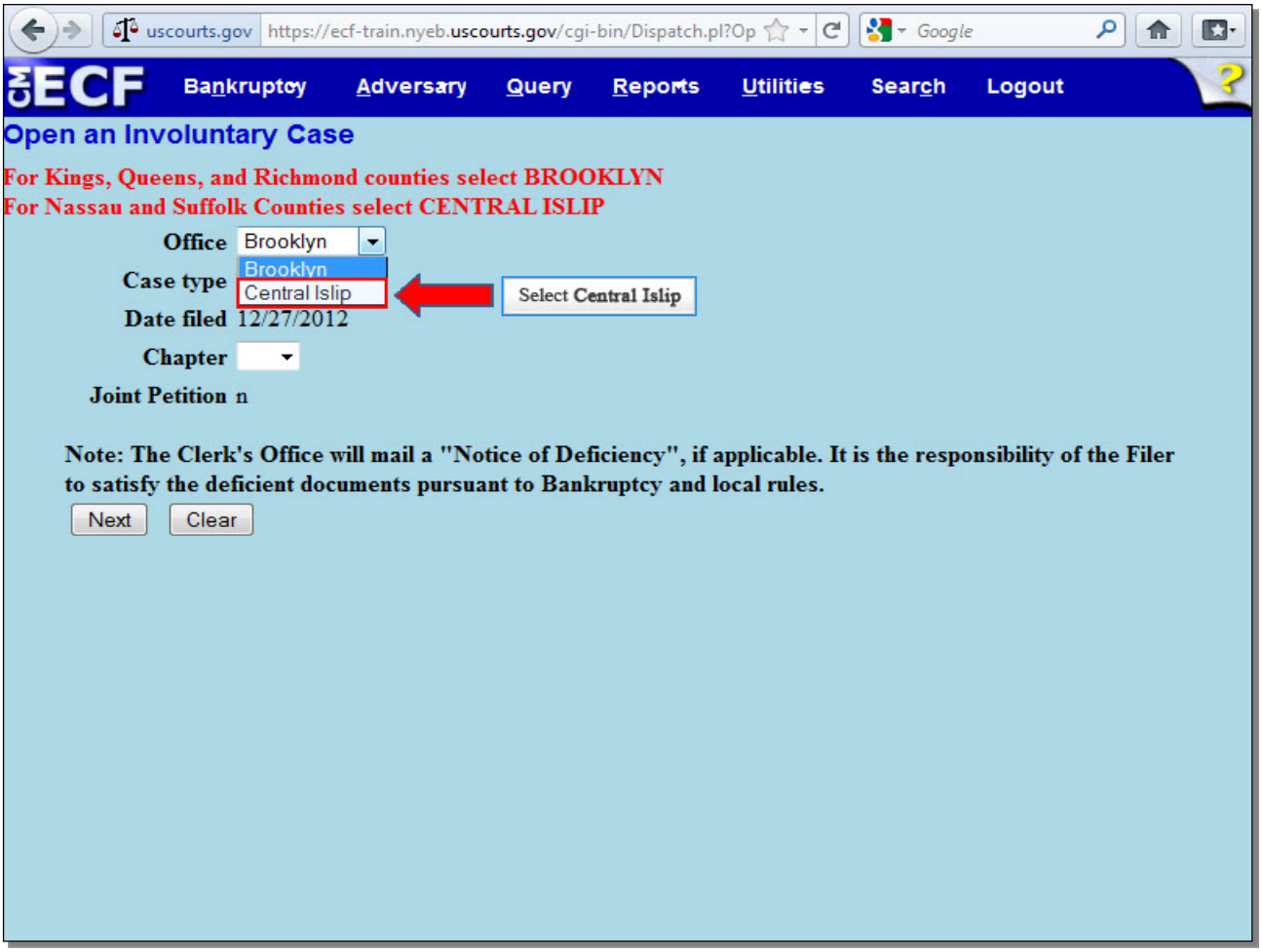
After successfully logging in to CM/ECF, select **Bankruptcy**.

Slide 6 - Bankruptcy Events



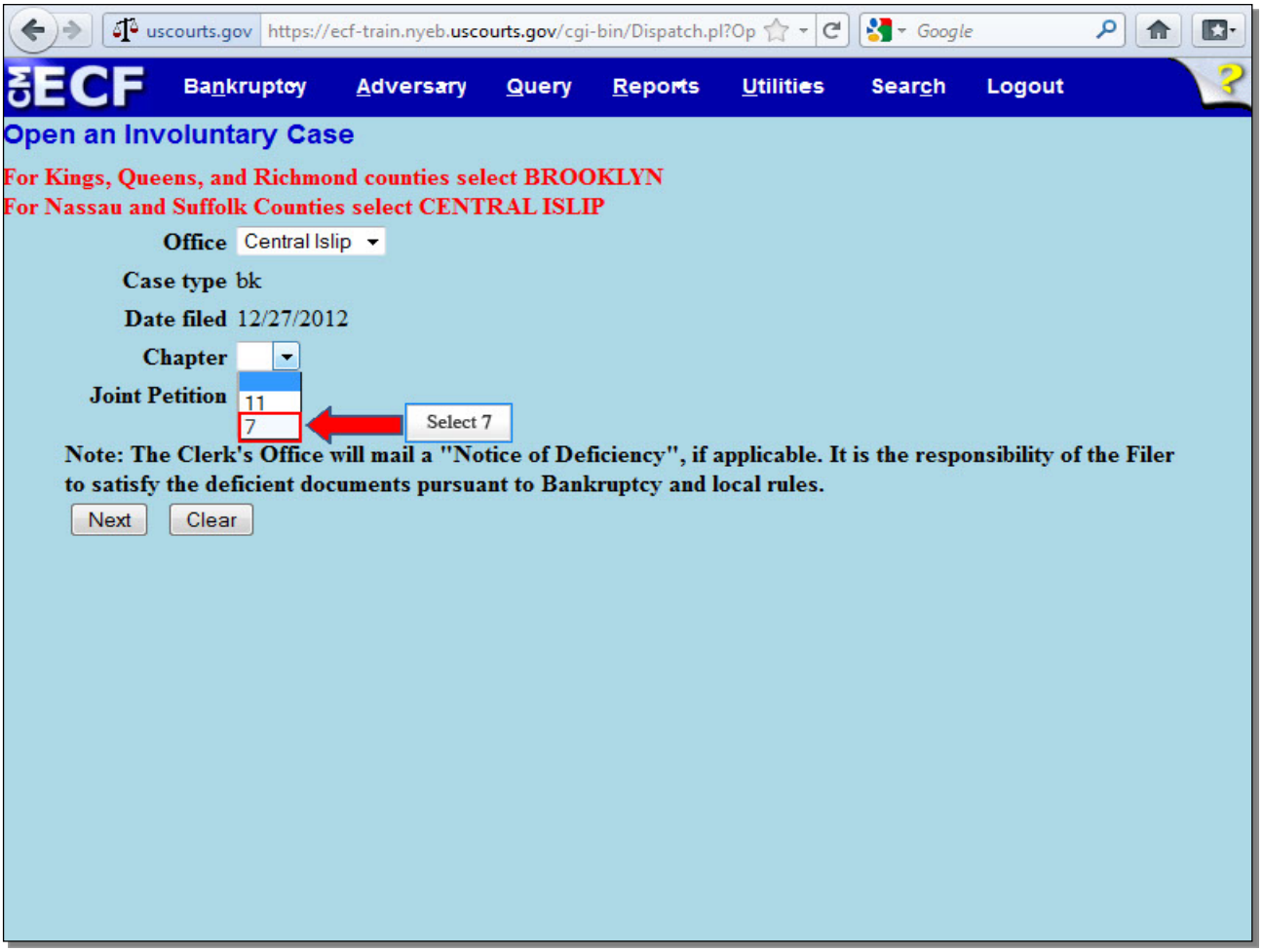
From the list of **Bankruptcy Events**, select **Open an Involuntary Case**.

Slide 7 - Open an Involuntary Case



The initial screen in the process of opening a new involuntary bankruptcy case displays. Office assignment is generally based on the involuntary Chapter 7 debtor's county of residence or business. The **Office** field defaults to **Brooklyn**. For this lesson, select the drop down arrow to change the **Office** to **Central Islip**.

Slide 7 - Open an Involuntary Case (Cont'd)

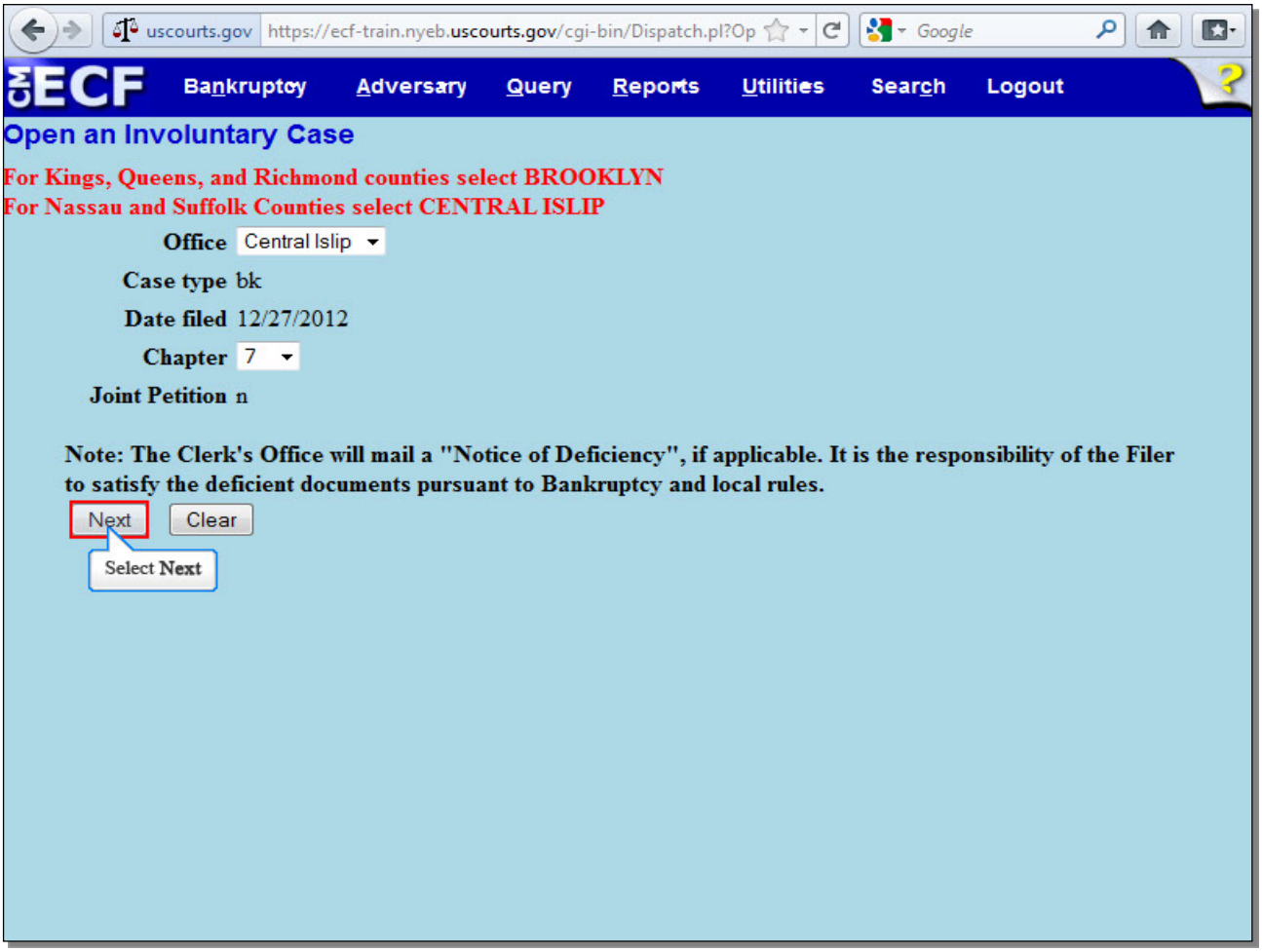


The **Case type** field defaults to **bk** for bankruptcy and cannot be changed.

The **Date filed** field is hard coded and cannot be changed.

Select the drop down arrow next to **Chapter** and select **7**, for a Chapter 7 case.

Slide 7 - Open an Involuntary Case (Cont'd)

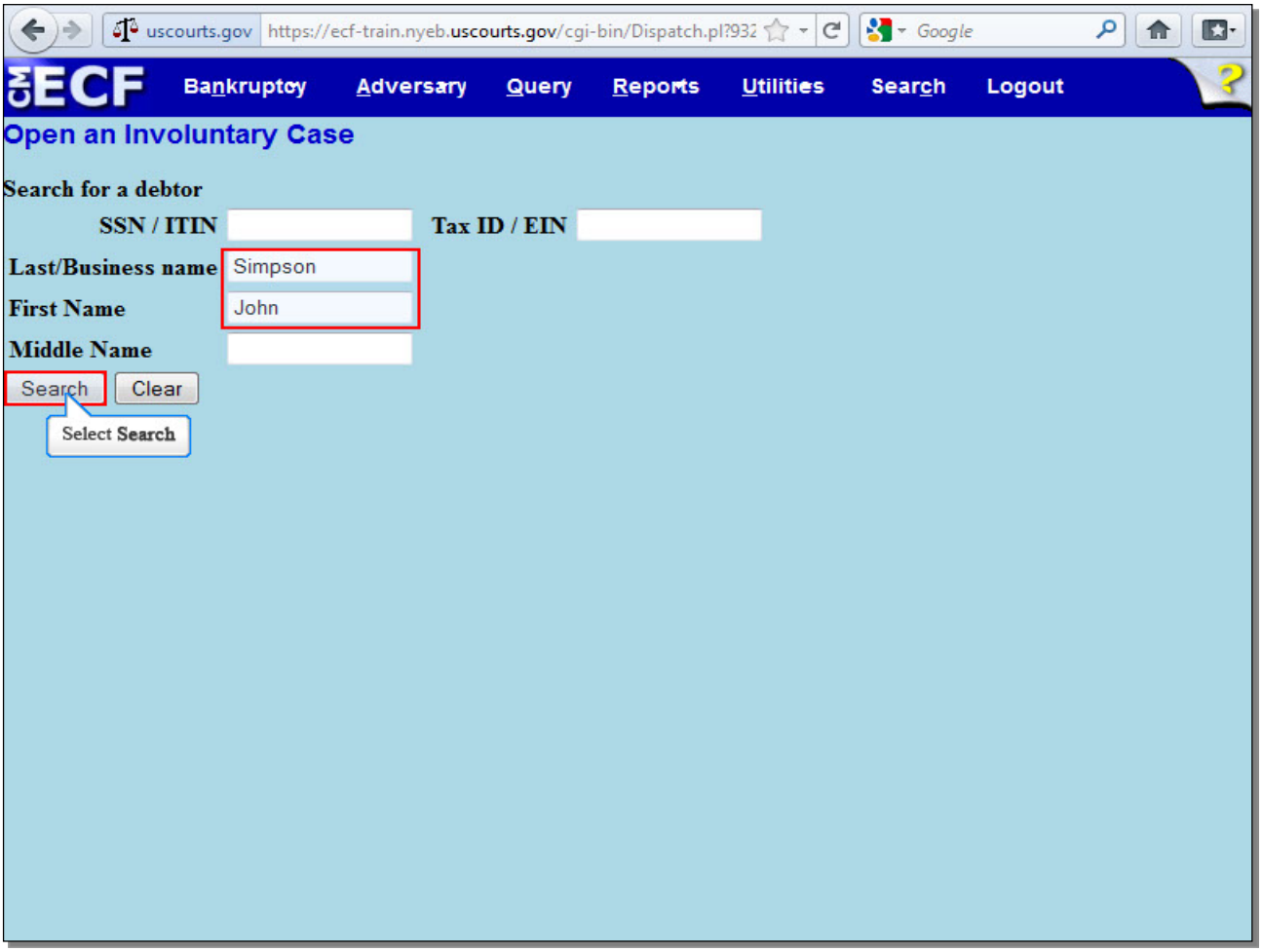


The **Joint Petition** field defaults to **n** for no and cannot be changed.

Select **Next** to continue.

TIP: An Involuntary case may not be filed as a Joint Petition.

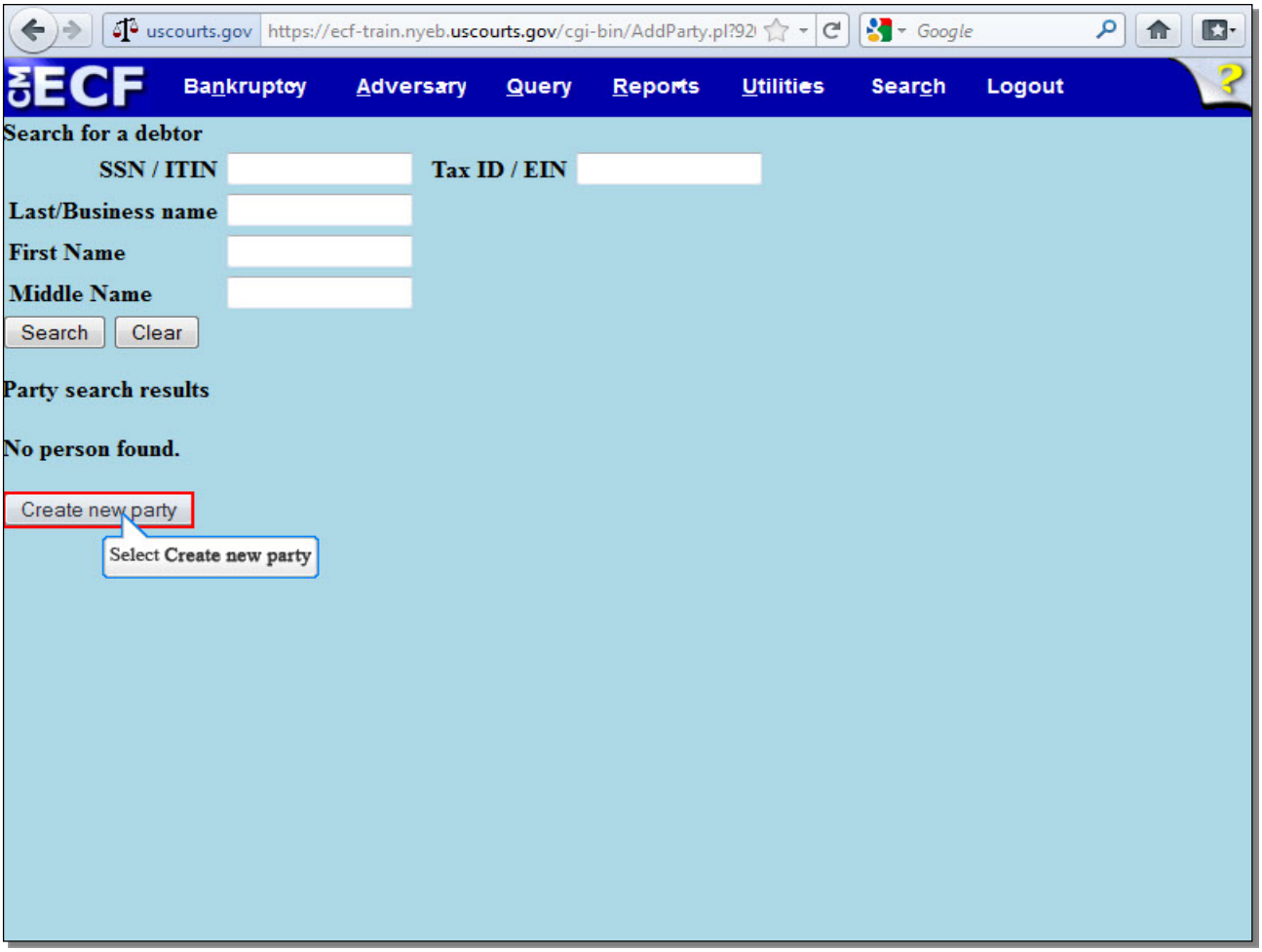
Slide 8 - Search for a Debtor



This screen is used to search for an existing debtor record within the Court's CM/ECF database. A search for prior records should be conducted to avoid creating duplicate profiles in the electronic database. You have the option to search by Social Security Number, Individual Taxpayer Identification Number, or **Tax ID / EIN**, or by using the name fields. Here, we will search by debtor's name, as this Involuntary Petition is being filed against an individual. Enter the first and last names of the debtor in the appropriate fields, and select **Search**.

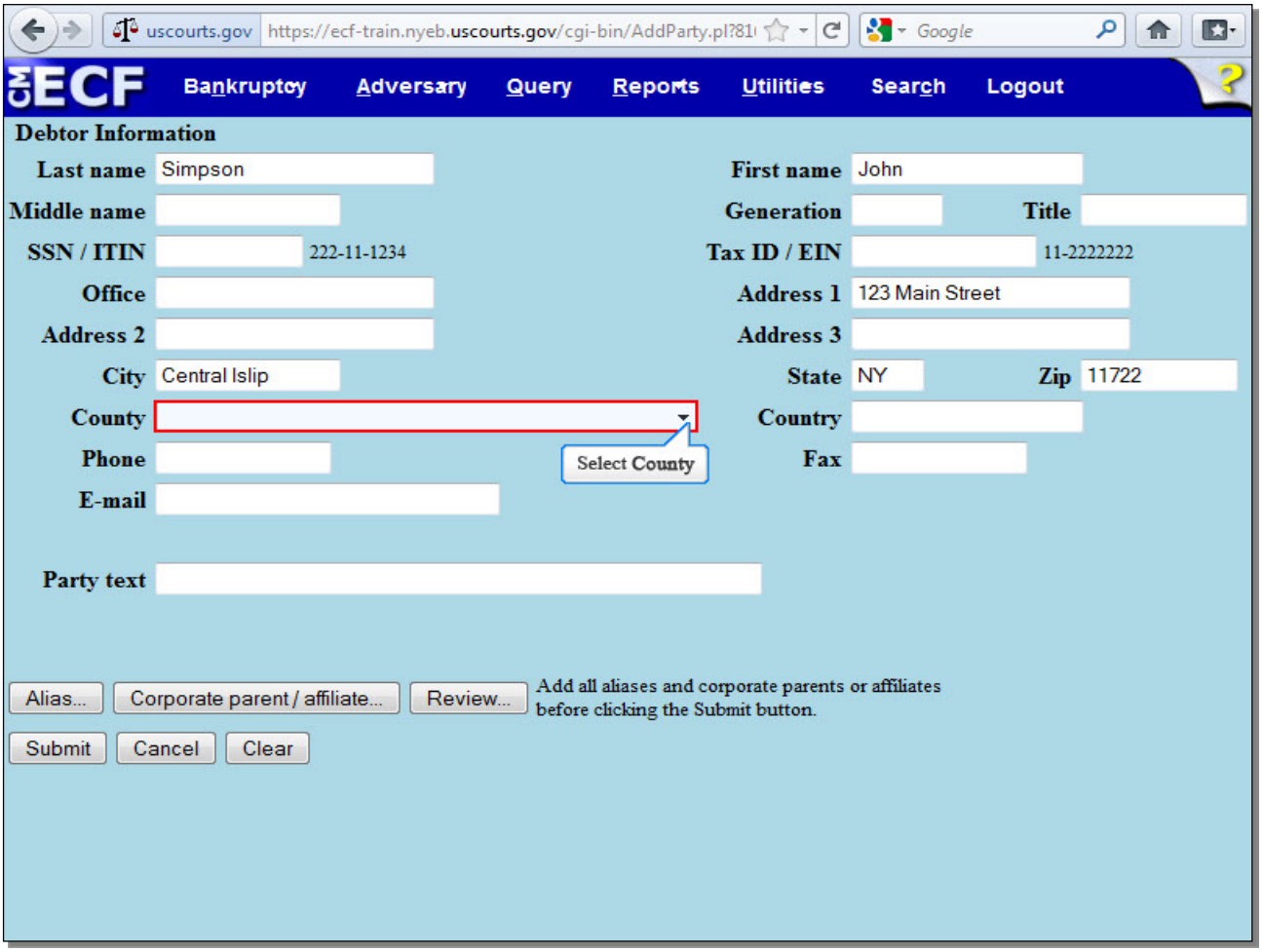
TIP: **SSN / ITIN** is used for an individual type of debtor, while **Tax ID / EIN** is used for a business debtor. However, it is NOT recommended that you use these options to search for a debtor in an involuntary case because of the delay in obtaining this information. You should instead search by debtor's name.

Slide 9 - Search for a Debtor (Cont'd)



When the **Party search results** displays **No person found**, as they do here, select **Create new party** to add debtor's profile. When the debtor is listed in the CM/ECF system, the name appears in the **Party search results**. Select the name if it is identical to the name on the Involuntary Petition. In this case, select **Create new party**.

Slide 10 - Debtor Information

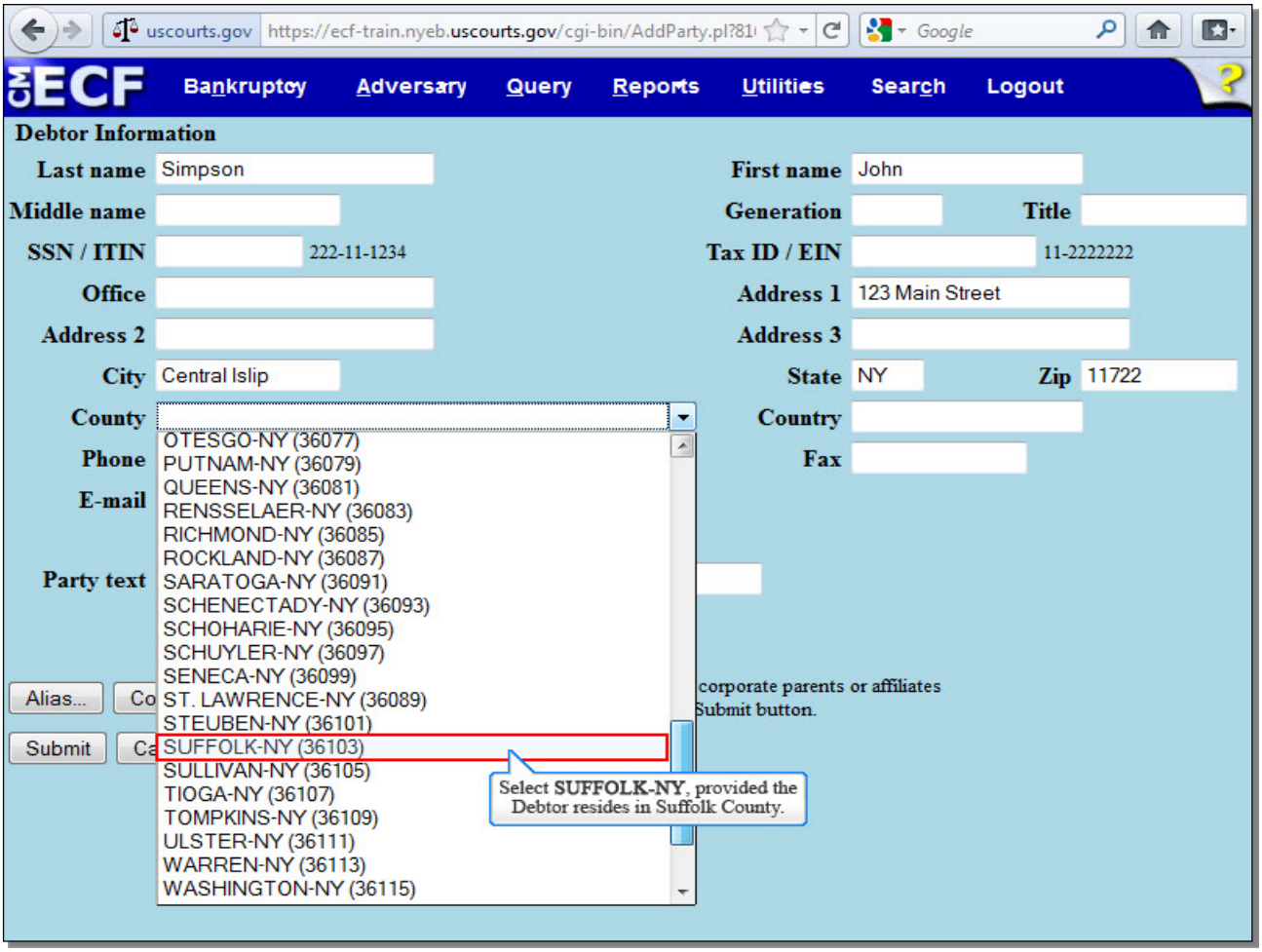


The information used on the previous **Search for a debtor** screen populates the **Debtor Information** screen to create a party of record in the CM/ECF database. You would now proceed to enter the necessary information such as the debtor's **Middle name**, **Generation**, **Title**, and mailing address. The **Generation** field is used to enter generation suffixes such as Jr. or Sr., while **Title** is used for suffixes such as M.D. Enter the debtor's complete mailing address, using the **Address 2** and **Address 3** fields if needed. Keep in mind that the address entered in the **Debtor Information** screen will be the address used for noticing.

The **County** field, which contains the debtor's county of record, is a required field. Select the drop-down arrow to view a list of options, and scroll down until you see the debtor's county.

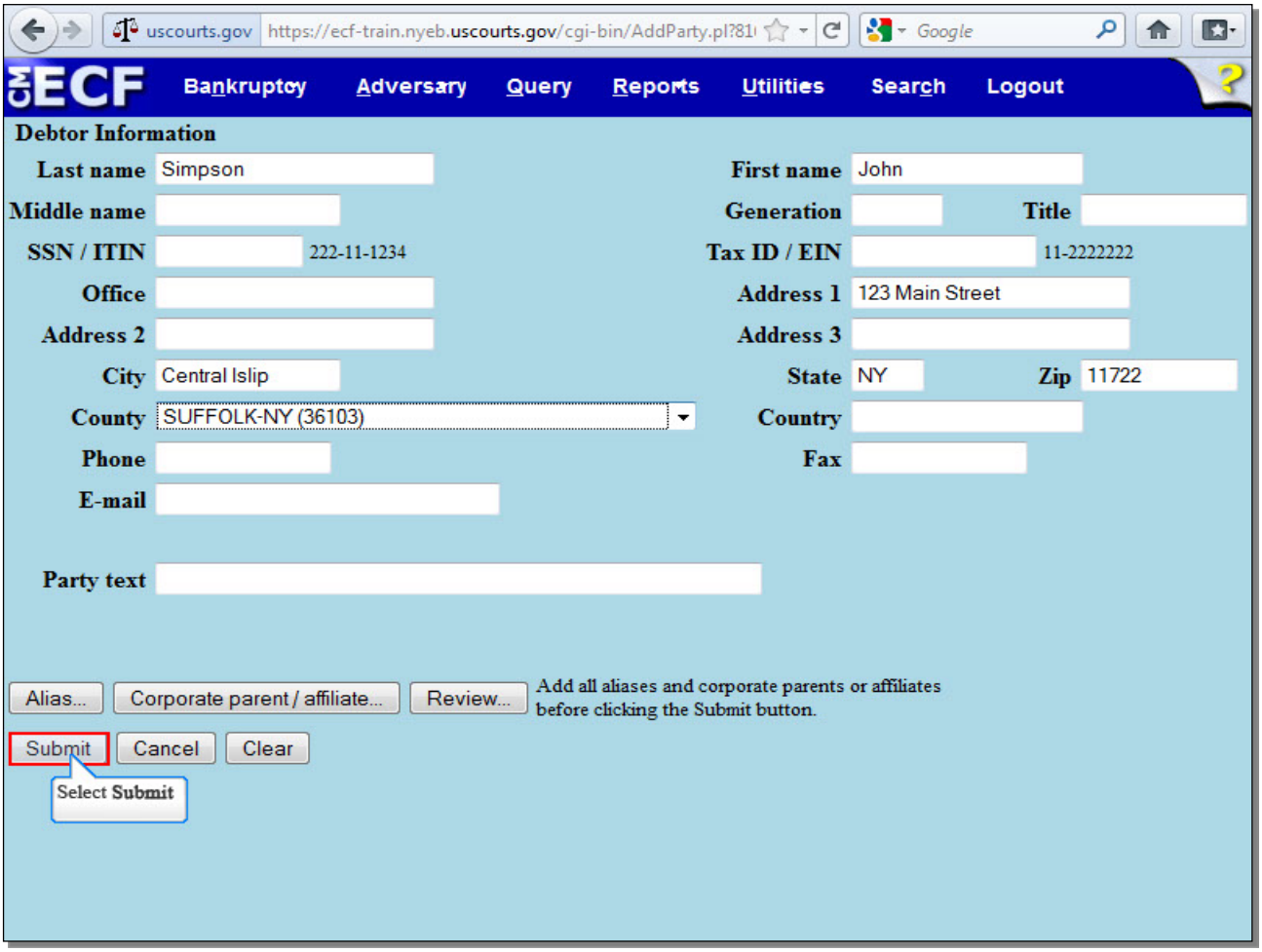
TIP: **Generation** and **Title** would be used for individual type of debtor.

Slide 11 - Debtor Information (Cont'd)



In our example we selected Suffolk County as the county that corresponds with the debtor's address of Central Islip, NY.

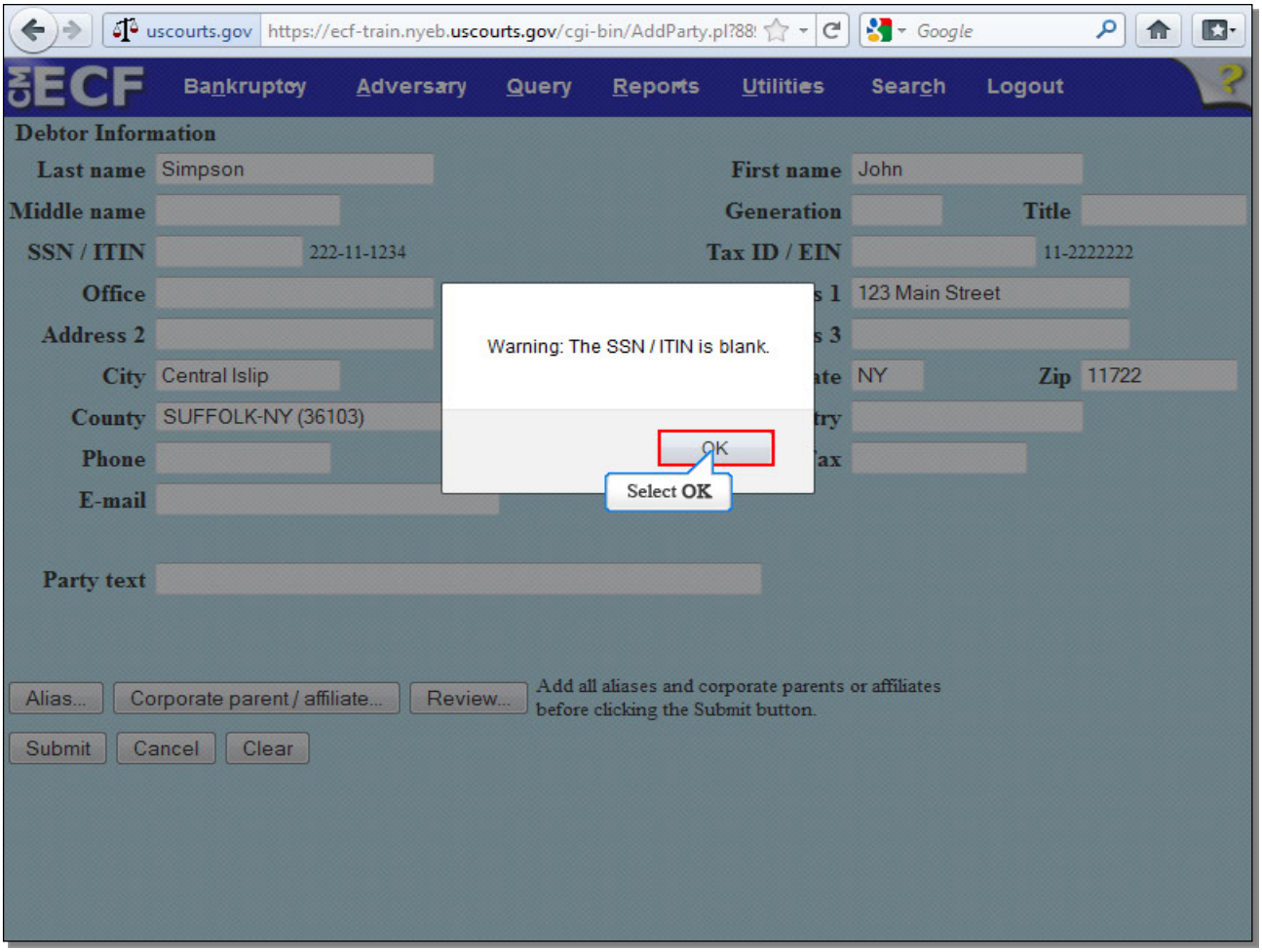
Slide 12 - Debtor Information (Cont'd)



If the **Country** is NOT the USA, enter the name of the country. **Phone**, **Fax**, and **E-mail** fields are not required for debtors. **Party text** should be used only to further identify the type of corporation, for example, "A New York Corporation" or "Guardian of the State." **Party text** may also be used for extra-long names. The **Alias** button should be used to add other names the debtor has used in the last eight years. The **Corporate Parent/affiliate** button is used for business cases if the debtor has a corporate parent or affiliate. The **Review** button allows the filer to verify specific party types added to the case. The **Clear** button erases all information from the **Debtor Information** screen. The **Cancel** button takes the filer back to the **Search for a debtor** screen. Review the information entered on the **Debtor Information** screen, and select **Submit** to continue.

TIP: The petitioning creditor must diligently try to obtain the debtor's information to complete the involuntary petition.

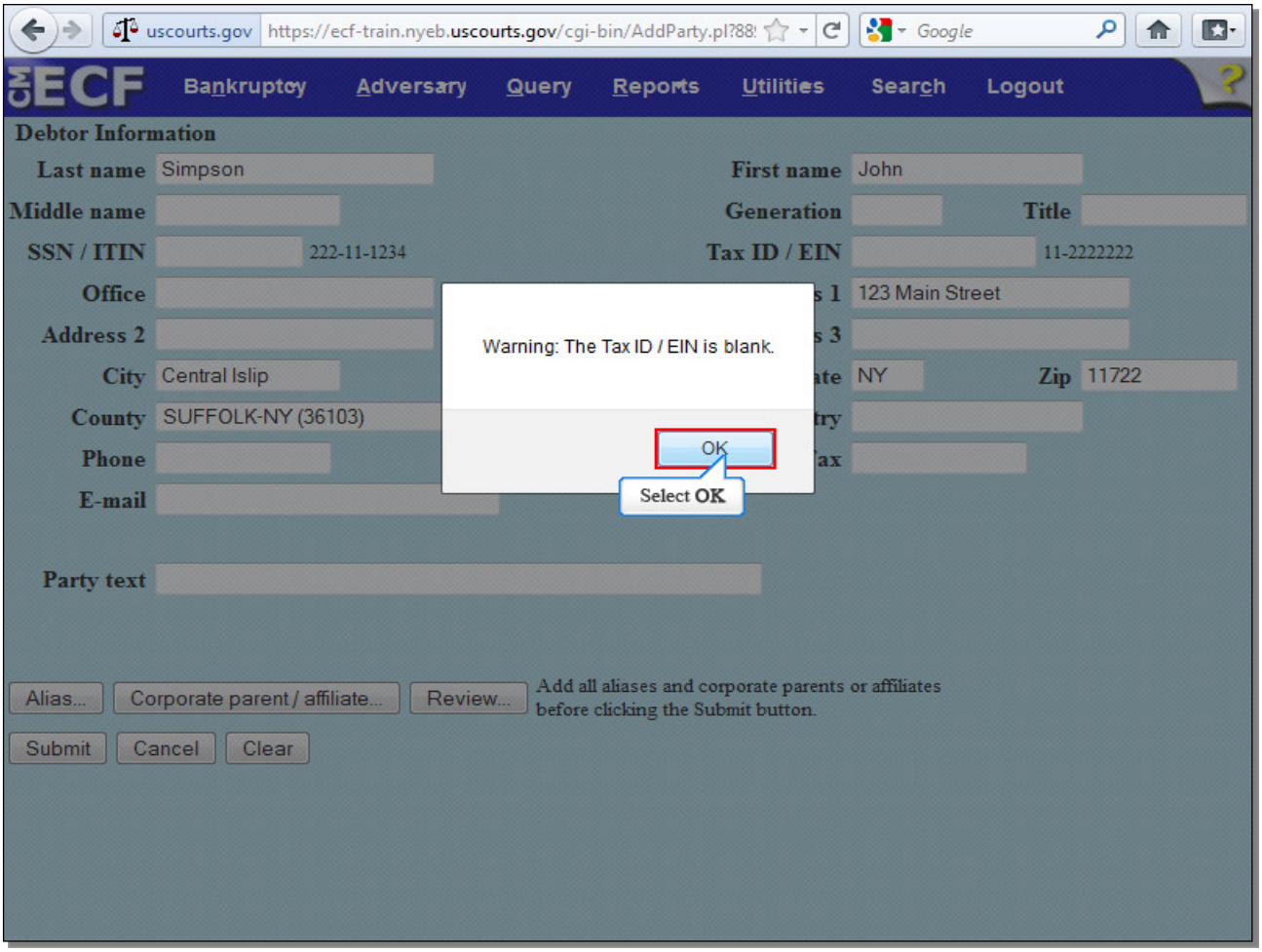
Slide 13 - Debtor Information (Cont'd)



Select **OK** to continue.

TIP: Since you are the petitioning creditor's attorney, it is unlikely that you would have the debtor's **SSN / ITIN** (in the case of an individual type of debtor) when opening the involuntary case.

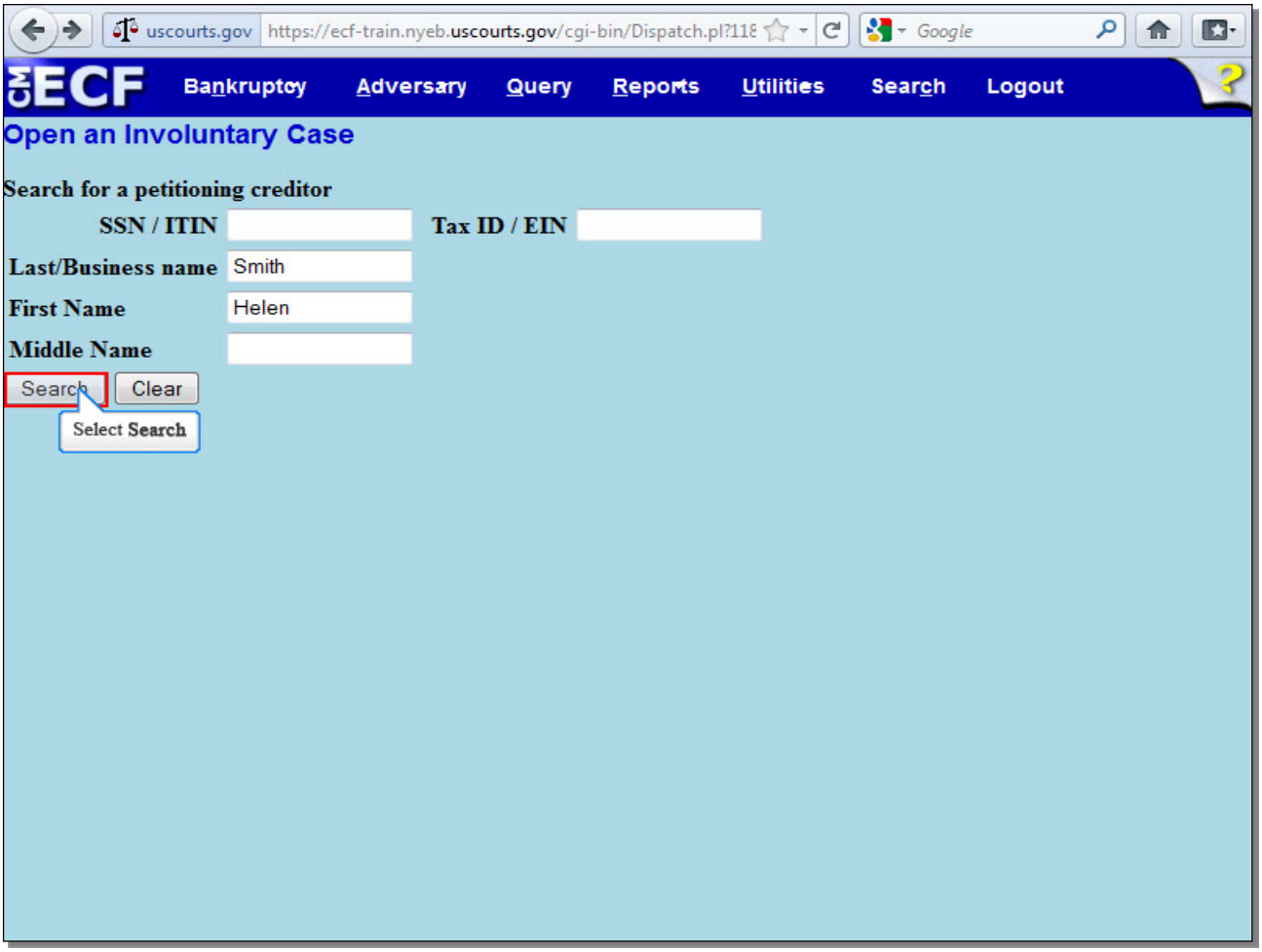
Slide 14 - Debtor Information (Cont'd)



Select **OK** to continue.

TIP: Since you are the petitioning creditor's attorney, it is unlikely that you would have the **Tax ID / EIN** (in the case of a business debtor) when opening the involuntary case.

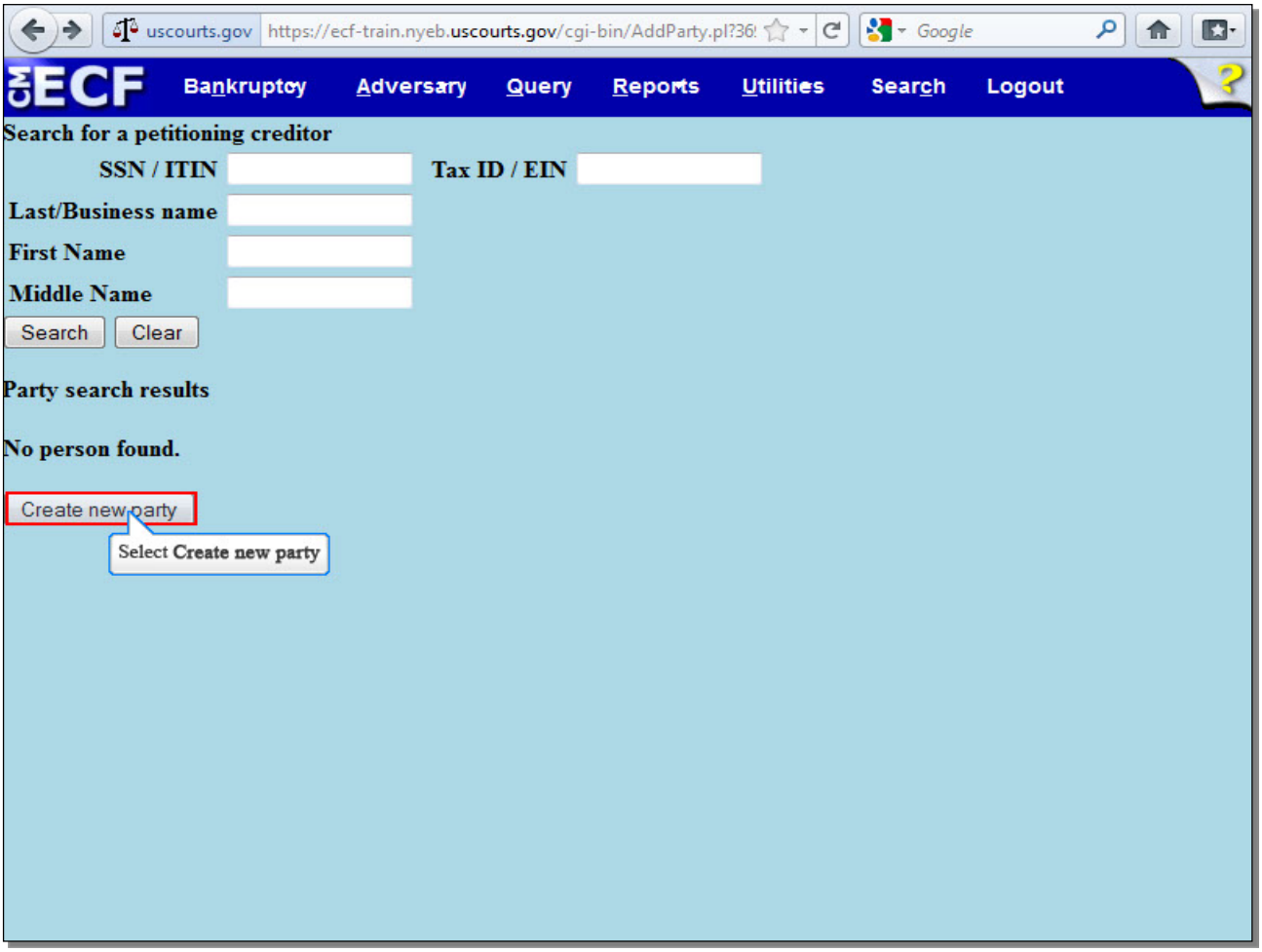
Slide 15 - Search for a Petitioning Creditor



In an involuntary case, the petitioning creditor(s), rather than the debtor, file the petition. On this screen, you would search for your petitioning creditor's existing party record much the same way you did for the debtor earlier. In this example, we have entered the petitioning creditor's first and last name, so we will now select **Search**.

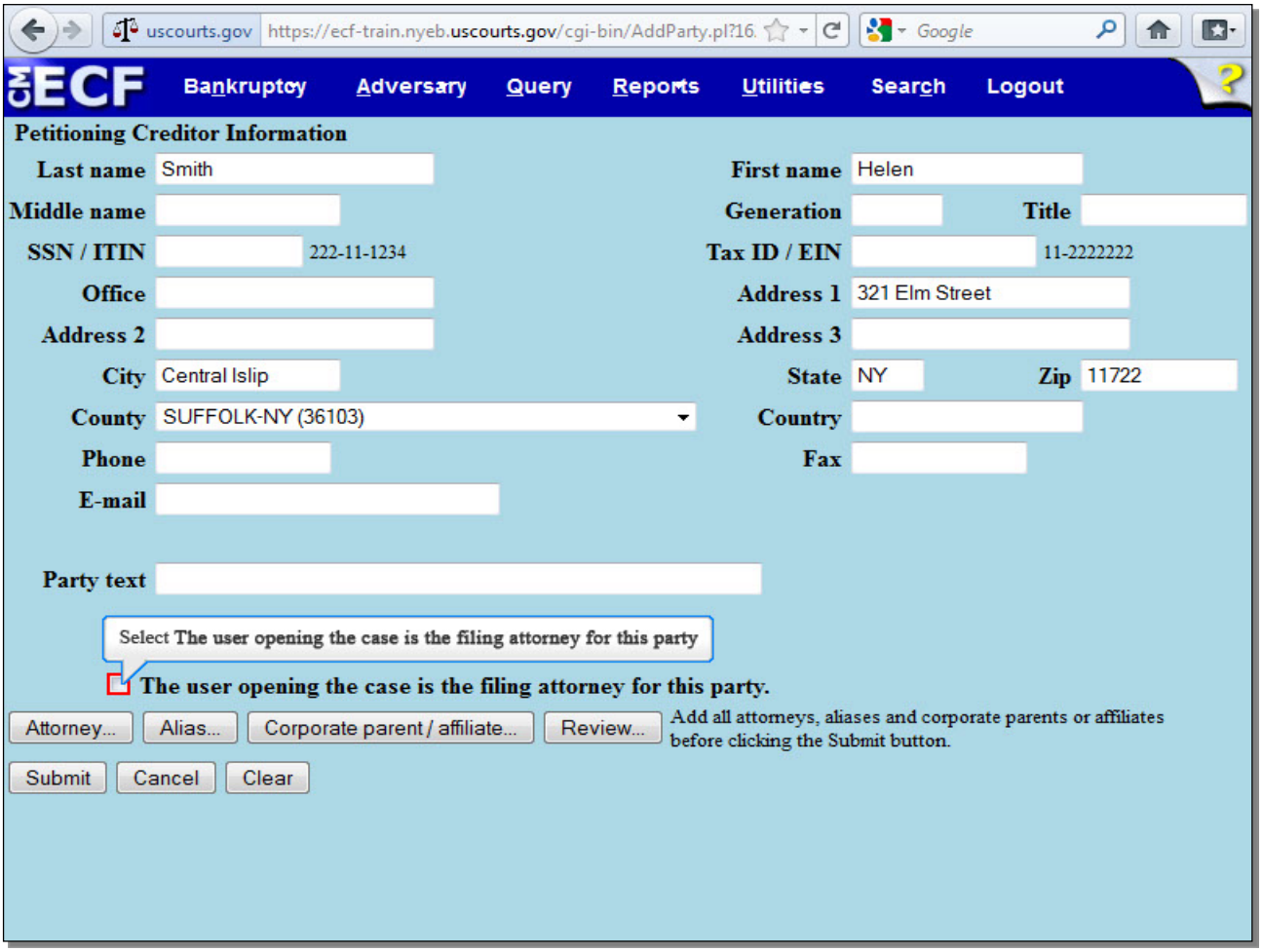
TIP: Often, more than one petitioning creditor will file the petition.

Slide 16 - Search for a Petitioning Creditor (Cont'd)



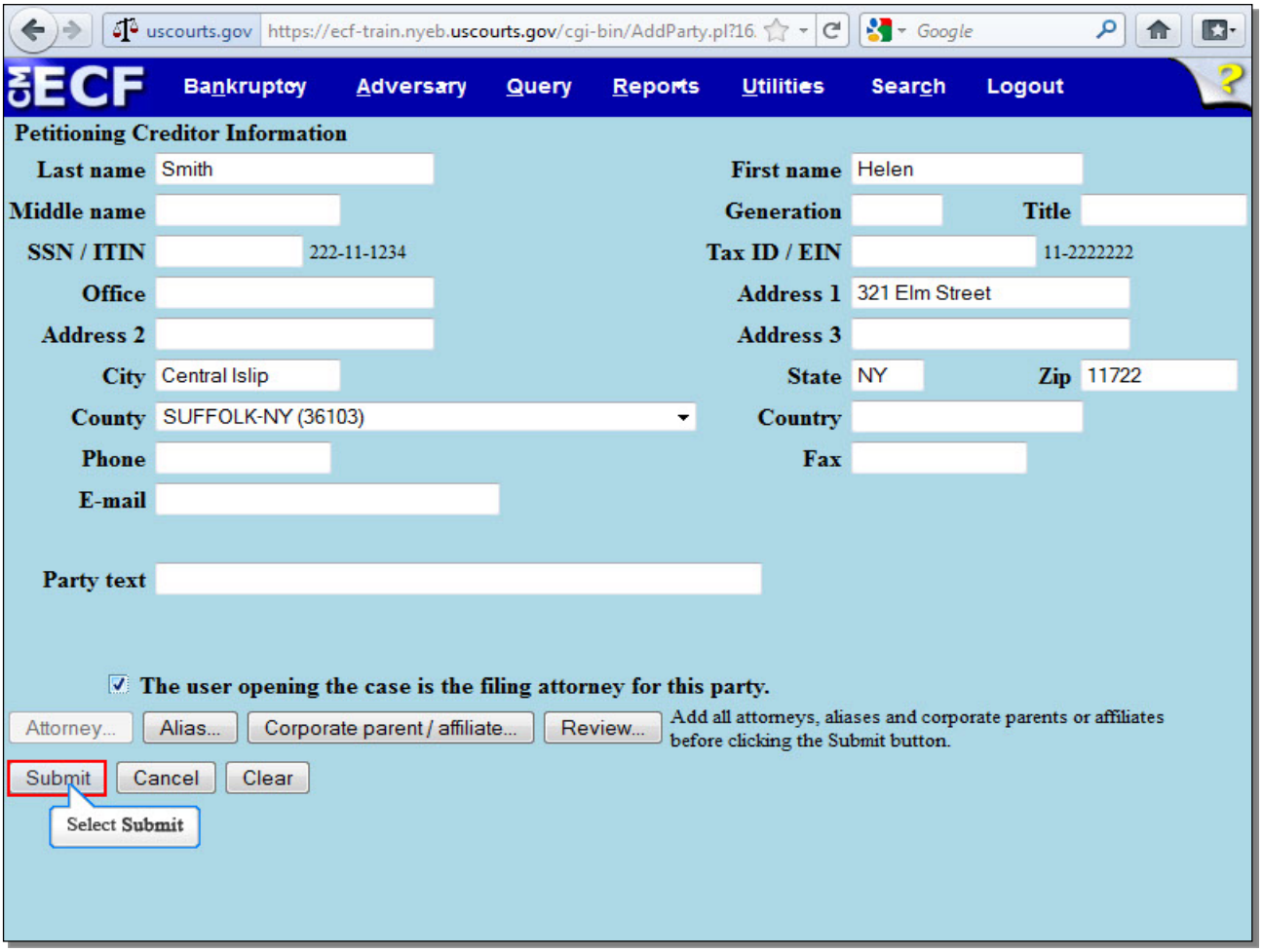
Just as when you searched for the debtor earlier, no person was found matching the name entered for the petitioning creditor. Select **Create new party** to continue.

Slide 17 - Petitioning Creditor Information



The information on the previous Search for a petitioning creditor screen populates the **Petitioning Creditor Information** screen. Enter the petitioning creditor's information, such as **Middle name**, **Generation**, **Title**, **Address**, and **County**. If you are the filing attorney for this petitioning creditor, place a check in the corresponding box.

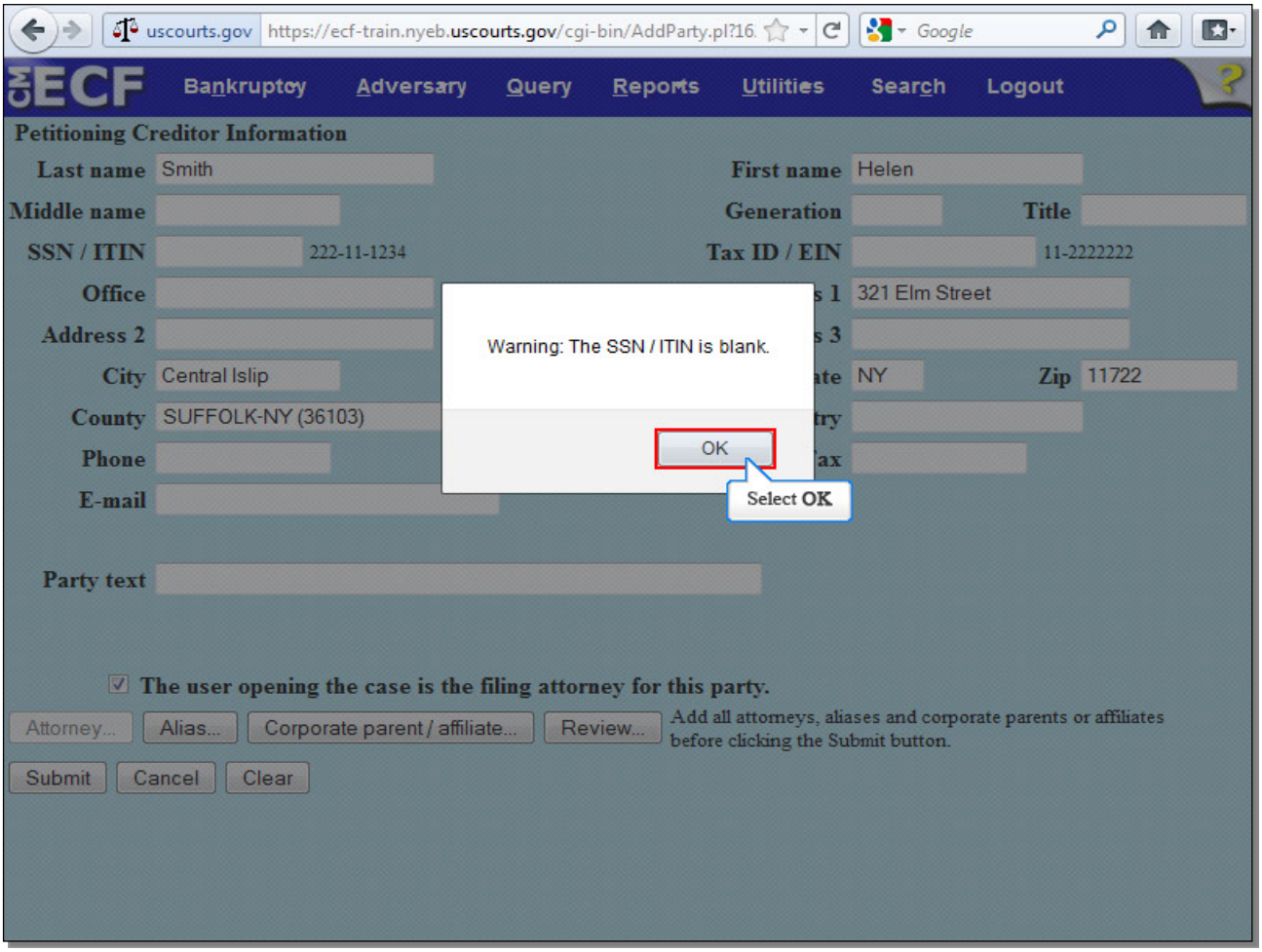
Slide 18 - Petitioning Creditor Information (Cont'd)



Notice how the **Attorney...** button, which would be used to add attorneys to the case, becomes gray and cannot be selected when you place a check in the box, since you have just indicated that you are this petitioning creditor's attorney.

Select **Submit** to continue.

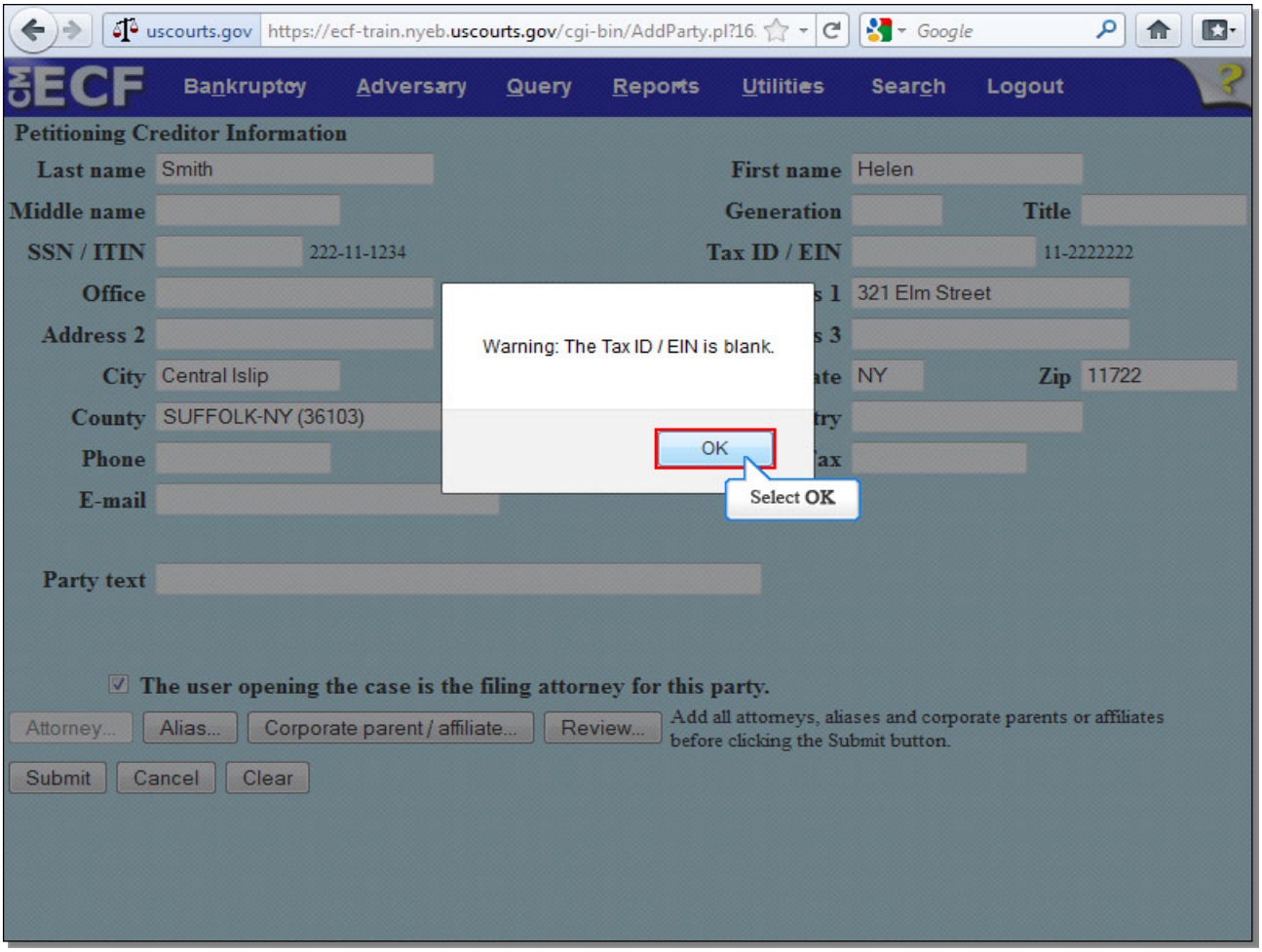
Slide 19 - Petitioning Creditor Information (Cont'd)



Select **OK** to continue.

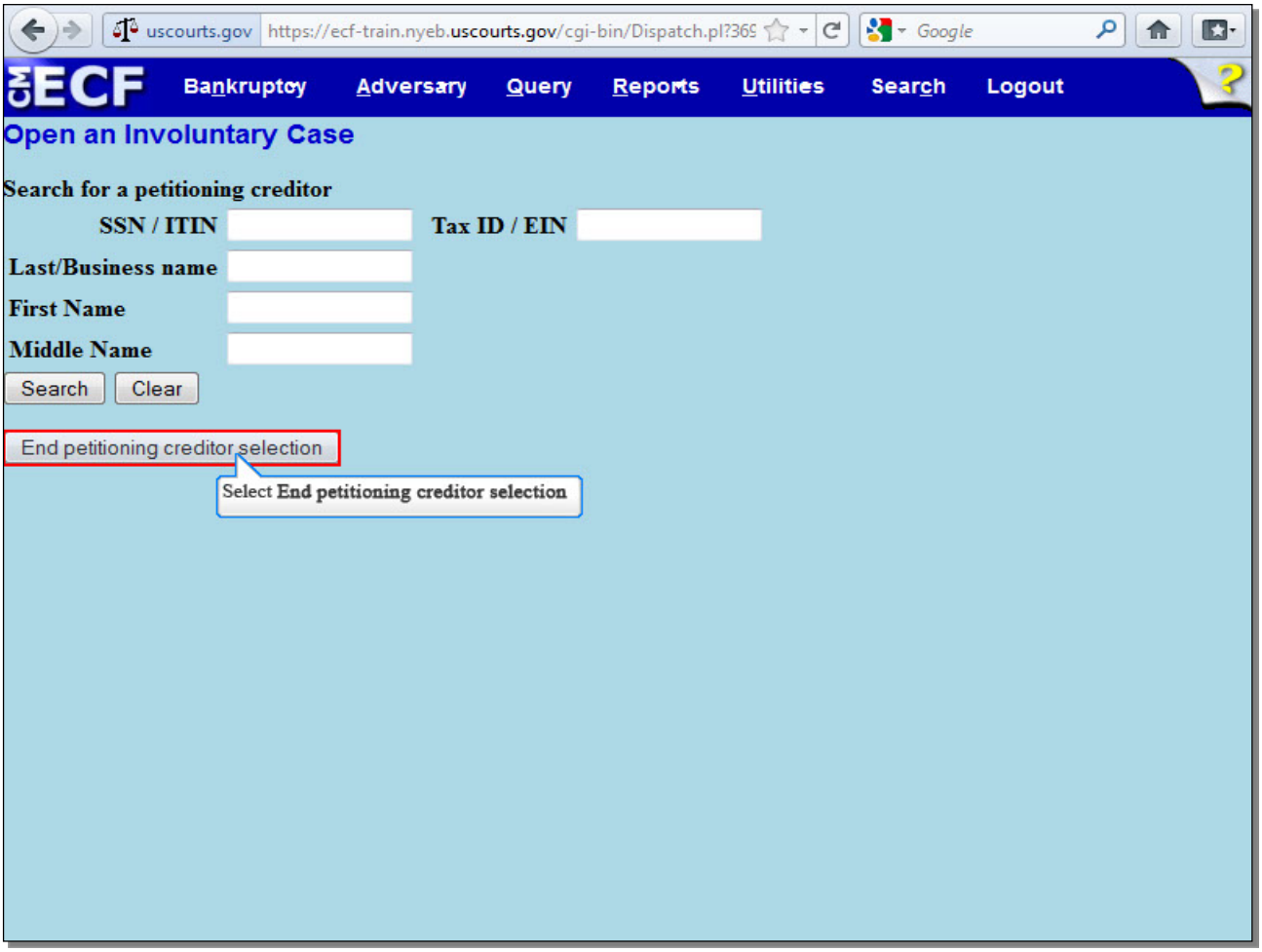
TIP: Do not enter petitioning creditor's **SSN/ITIN**, as the Clerk's Office only maintains records of debtors' **SSN/ITIN**.

Slide 20 - Petitioning Creditor Information (Cont'd)



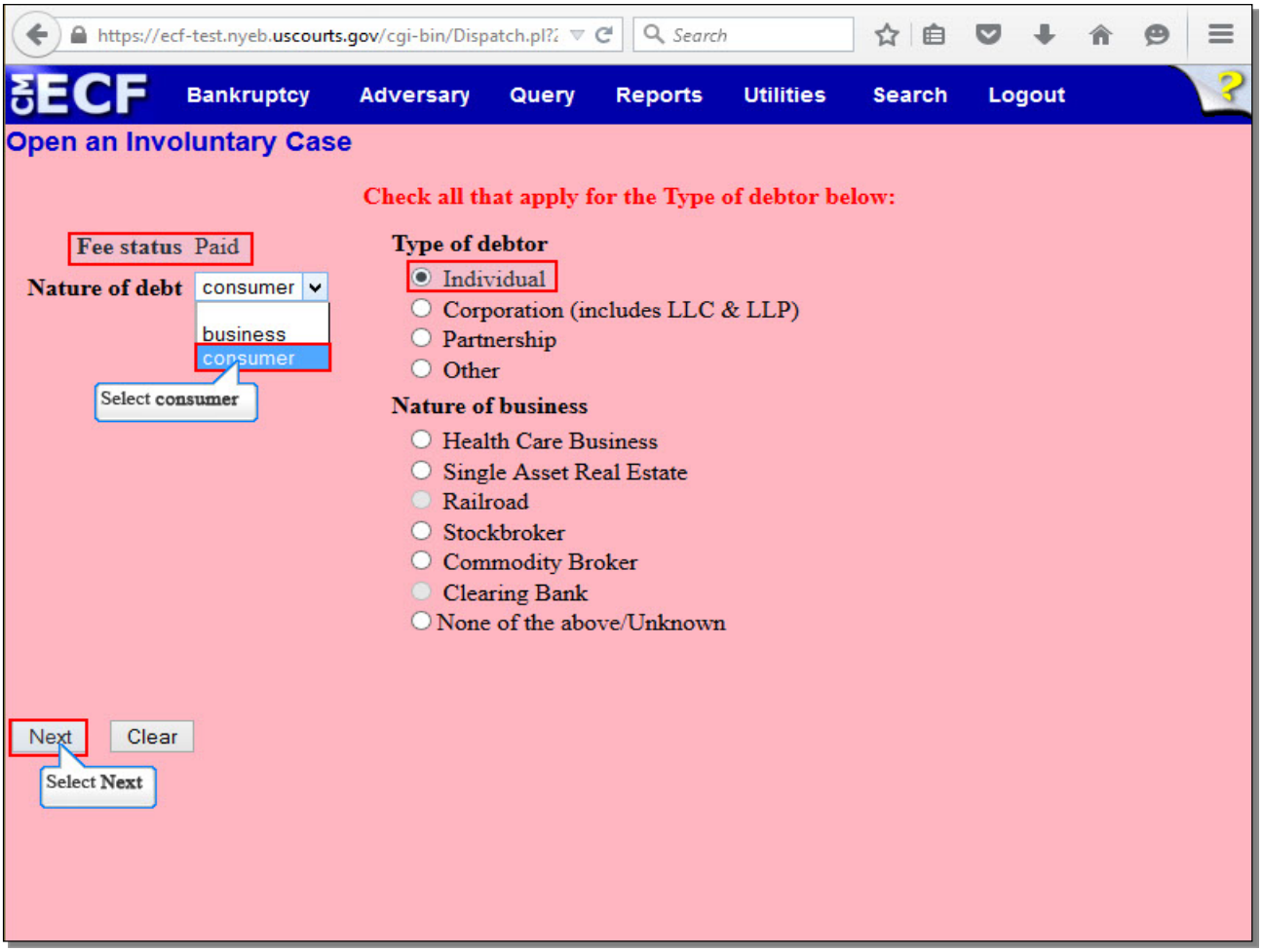
Select **OK** to continue.

Slide 21 – Search for a Petitioning Creditor (Cont'd)



If there were more petitioning creditors, you would search for them here as was demonstrated earlier. In this lesson, there is only one petitioning creditor on the case, so select **End petitioning creditor** selection.

Slide 22 - Statistical and Report Data (SARD)

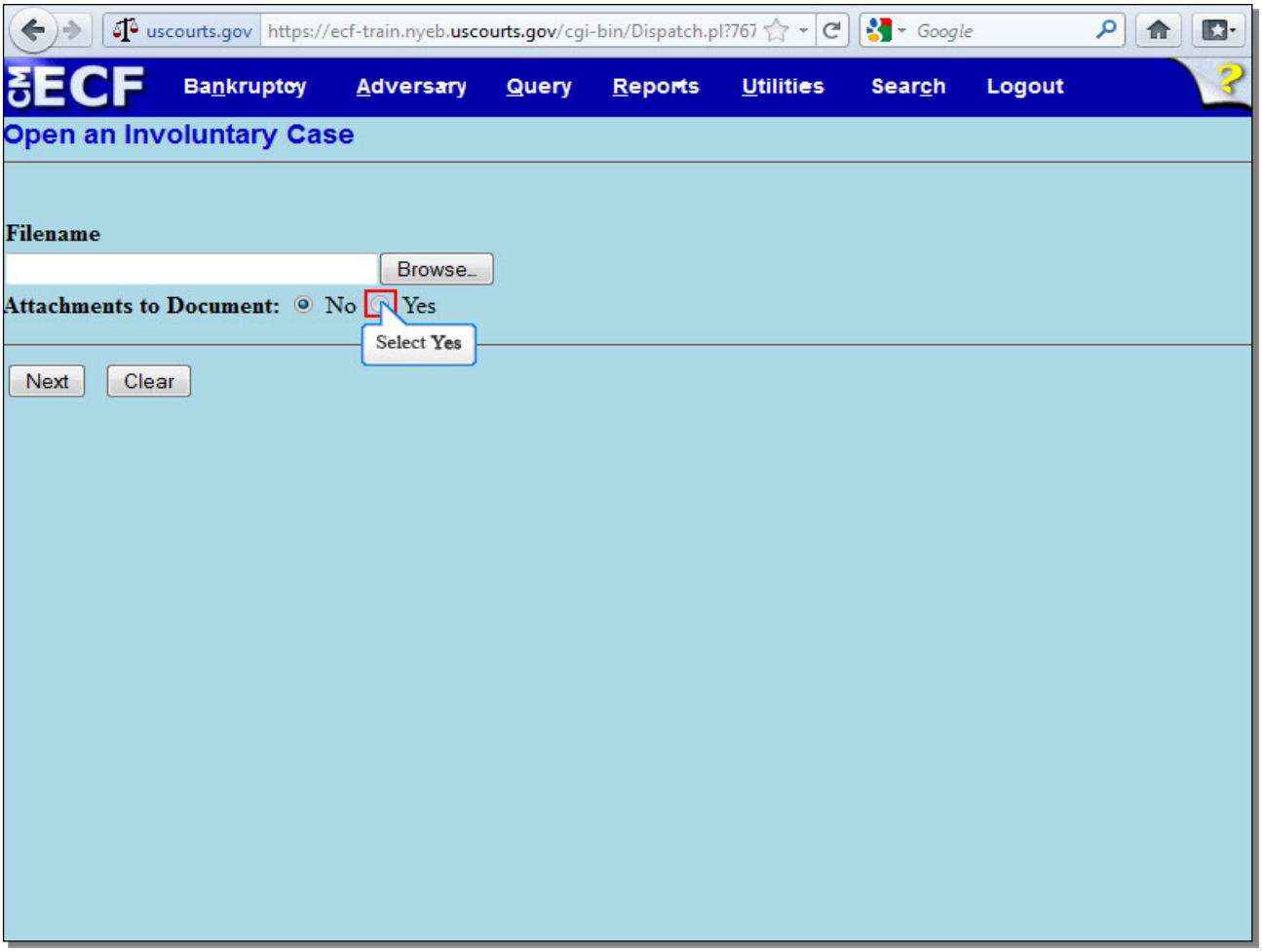


This screen is known as the Statistical and Report Data (SARD) screen. The **Fee status** defaults to Paid and cannot be changed since the fee for an Involuntary Chapter 7 case must be paid at the time of filing.

The options in the **Nature of debt** field are business and consumer. In this lesson, the type of debtor is an Individual who has primarily consumer debts, so select **consumer** as the **Nature of Debt**, leave the **Type of debtor** at the default selection of **Individual**, and do not select a **Nature of business**. If, however, the debtor were a business or an individual with business debts, you would select **business** as the **Nature of Debt**, make the appropriate selection for **Type of debtor**, and select the appropriate **Nature of business**.

The Statistical and Report Data (SARD) Screen is now complete. Select **Next** to continue.

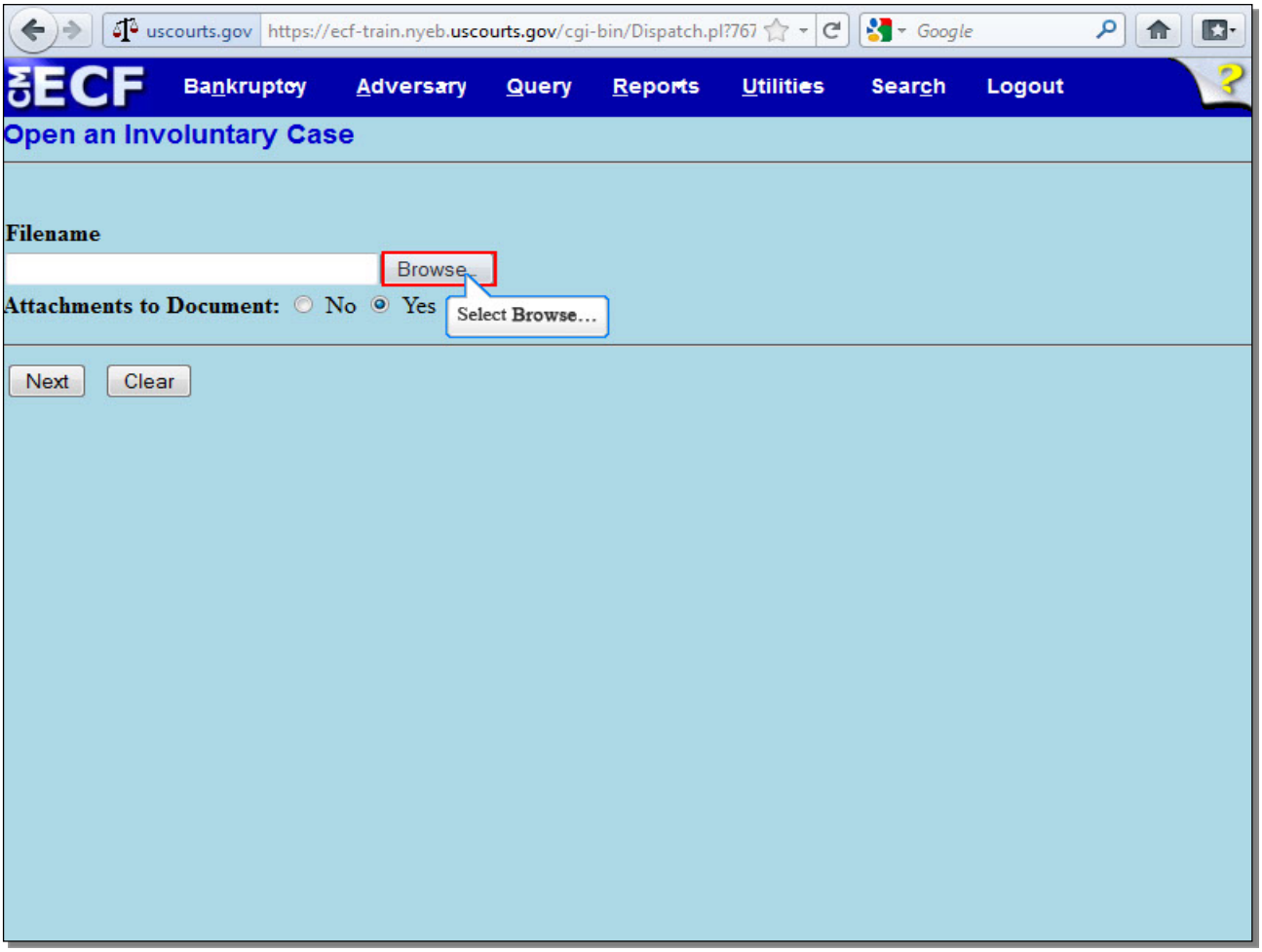
Slide 23 - Upload Petition



On this screen, it is recommended that you select the radio button next to **Yes** prior to selecting **Browse...** if you know you will be uploading attachments to the main document, such as the Statement LR1073-2(b), which should accompany ANY petition, voluntary or involuntary. As the Statement LR1073 will be uploaded in this lesson, select **Yes**.

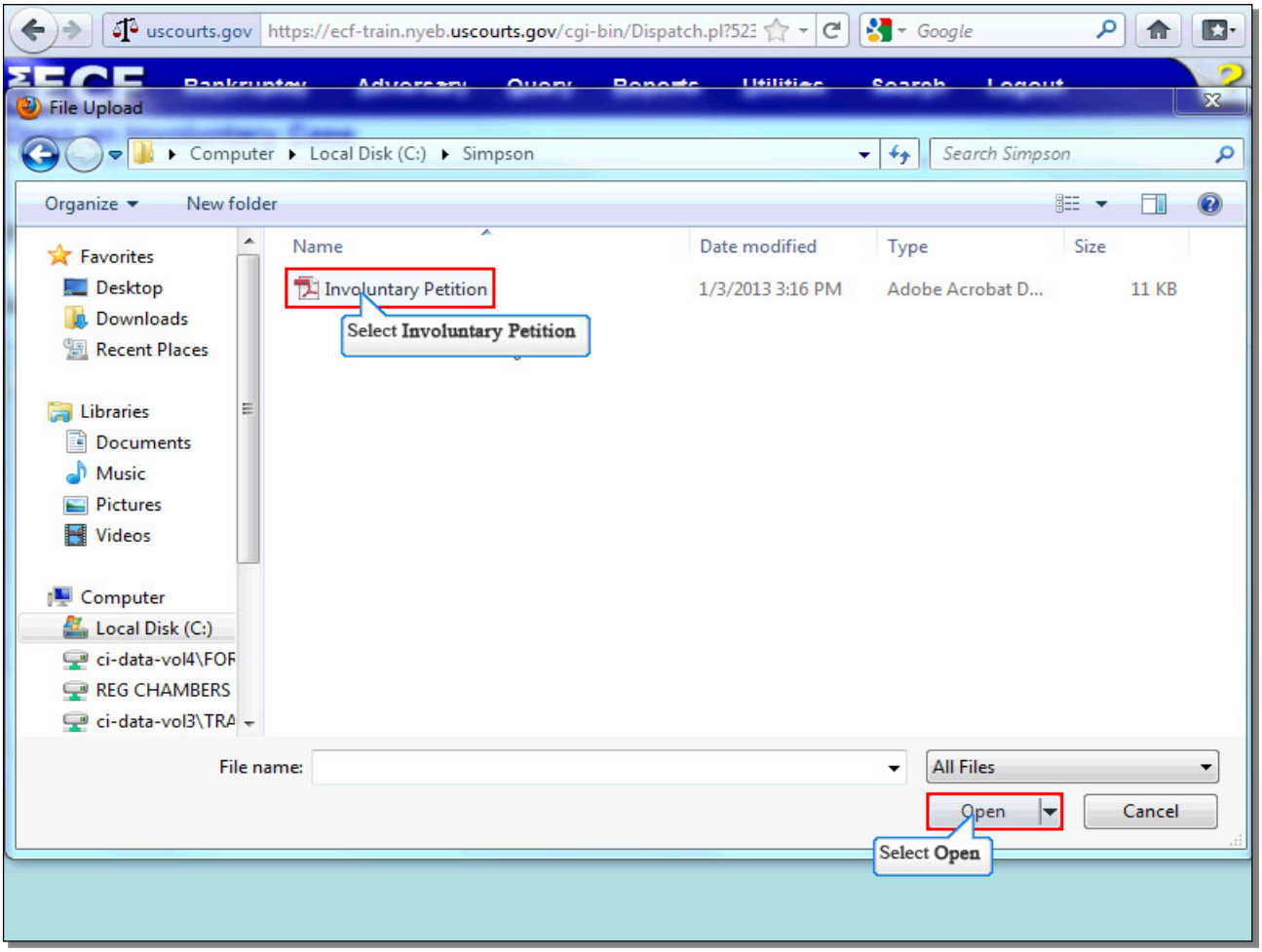
TIP: The Statement LR1073-2(b) may also be docketed as a single docket entry.

Slide 24 - Upload Petition (Cont'd)



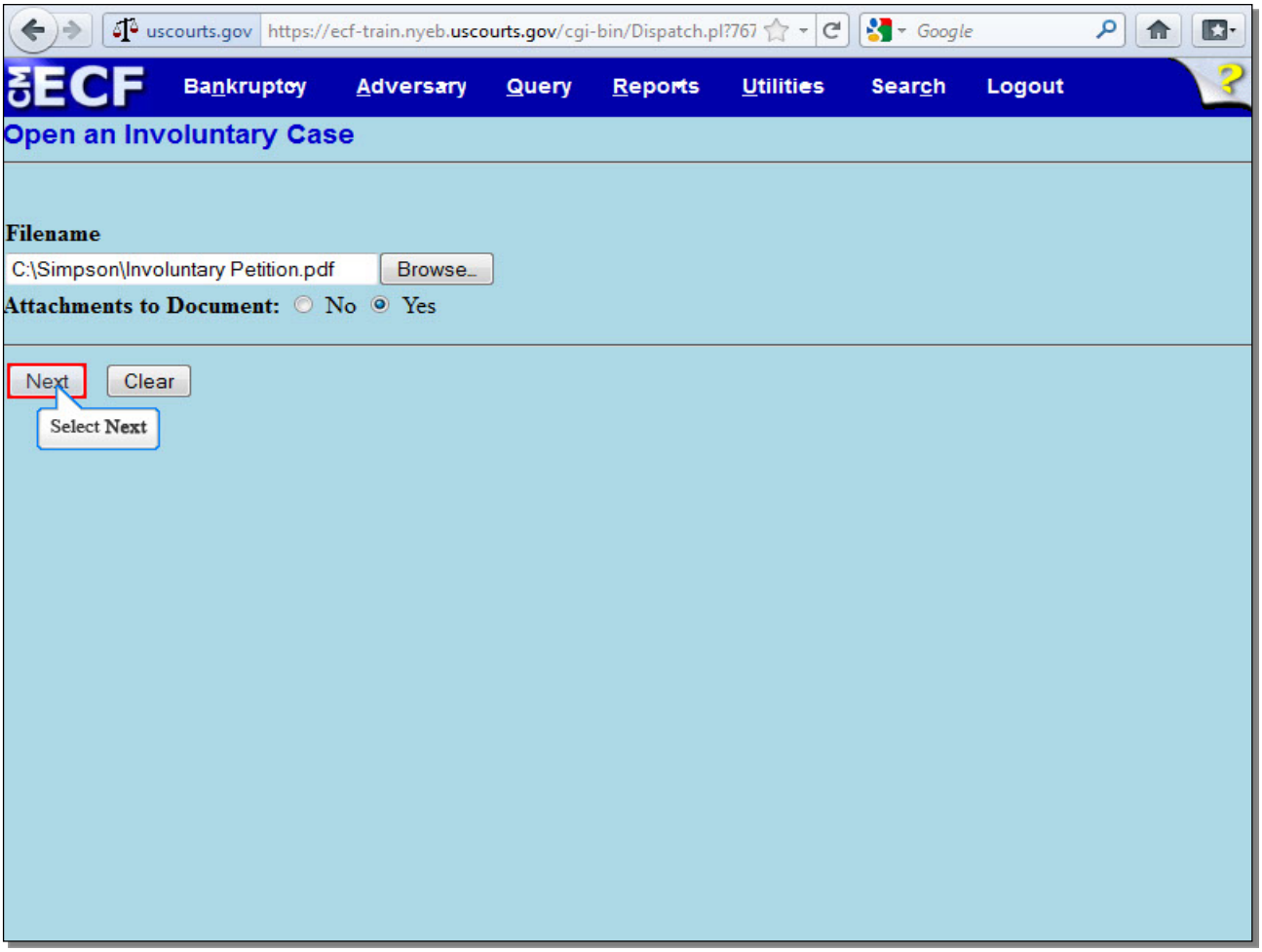
Select **Browse...** to upload the involuntary petition in PDF.

Slide 25 - Upload Petition (Cont'd)



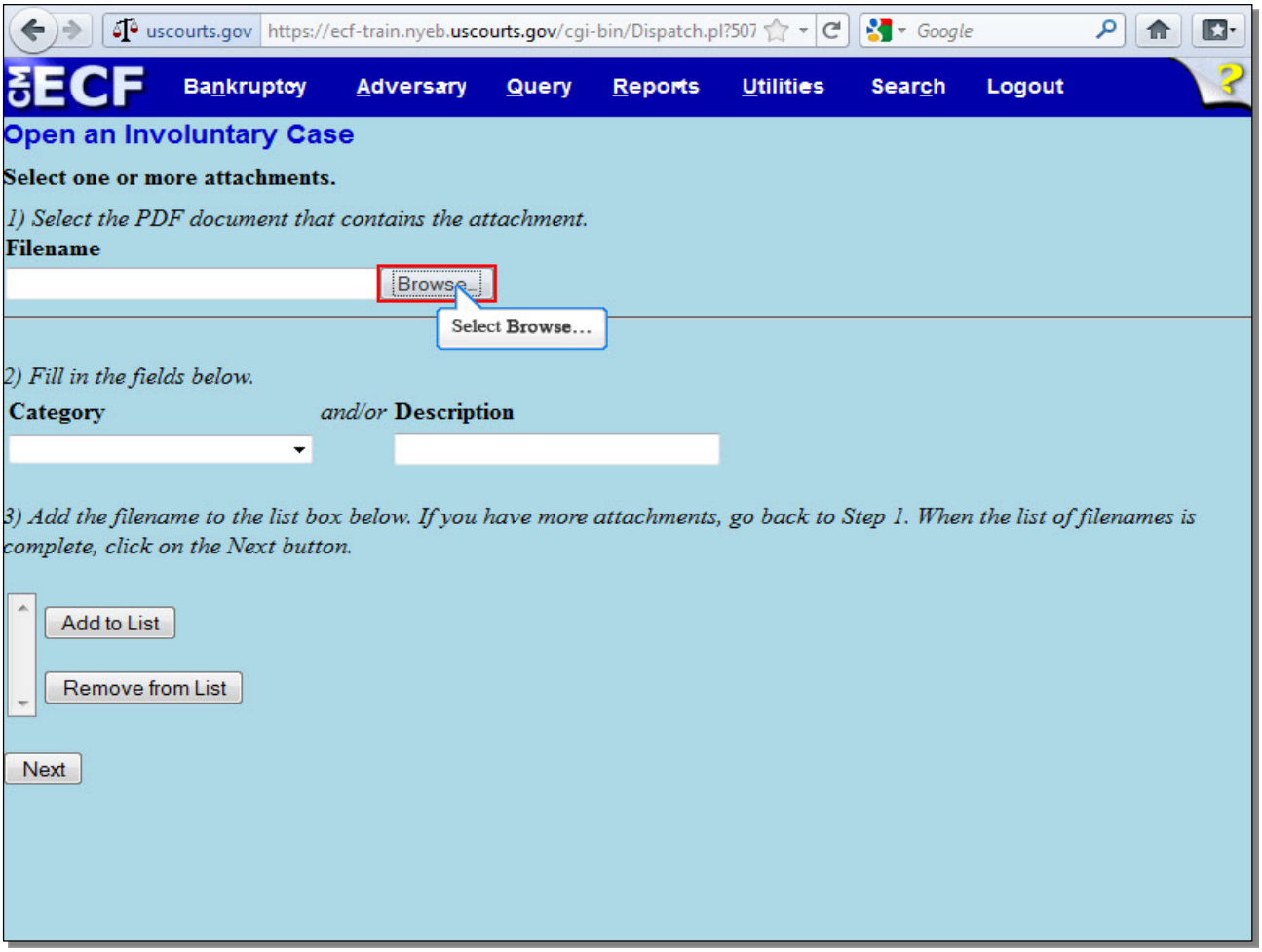
The **File Upload** screen appears. Select the **Involuntary Petition**. It is highly recommended that you first right click to open and view any file you are uploading to confirm that it is the correct document. Select **Open** to upload the **Involuntary Petition**.

Slide 26 - Upload Petition (Cont'd)



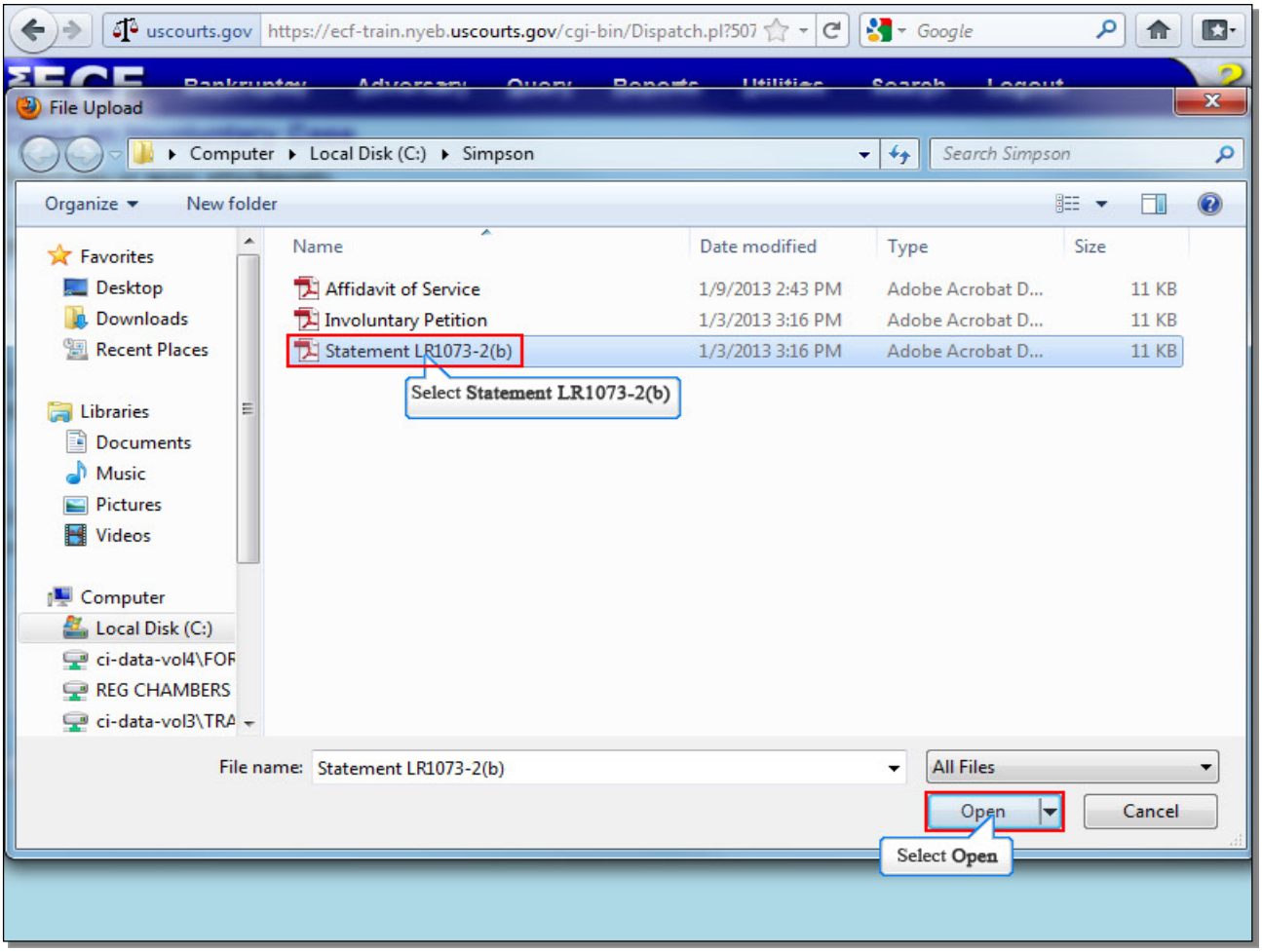
The complete filename displays in the **Filename** field. Since we indicated that we were going to add attachments, select **Next** to continue.

Slide 27 - Additional Attachments



Here, we will attach the Statement LR1073. Select **Browse...**

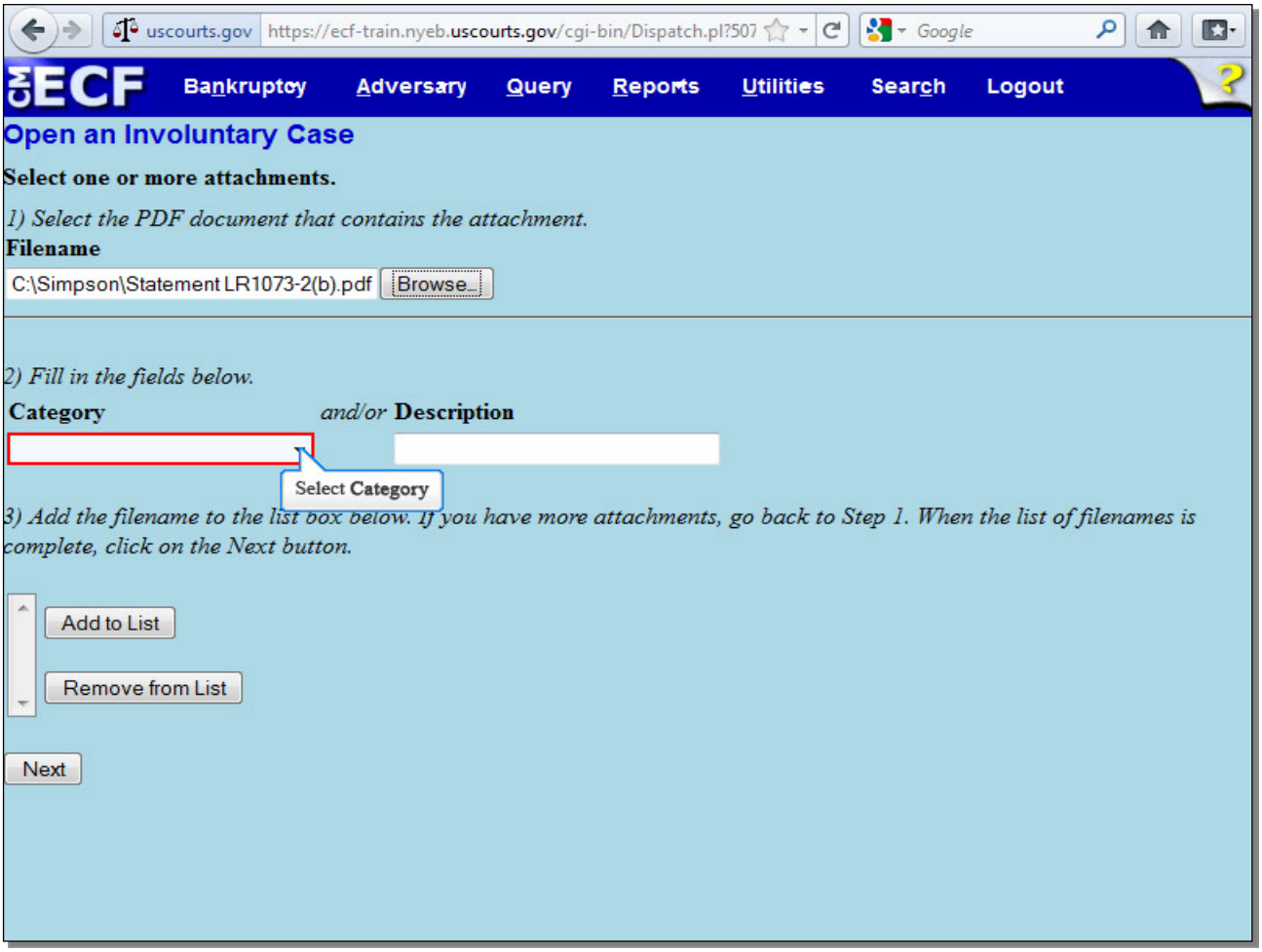
Slide 28 - Additional Attachments (Cont'd)



Select the **Statement LR1073-2(b)**, and then select **Open** to upload the Statement.

TIP: It is highly recommended that you first right click to open and view any file you are uploading to confirm that it is the correct document.

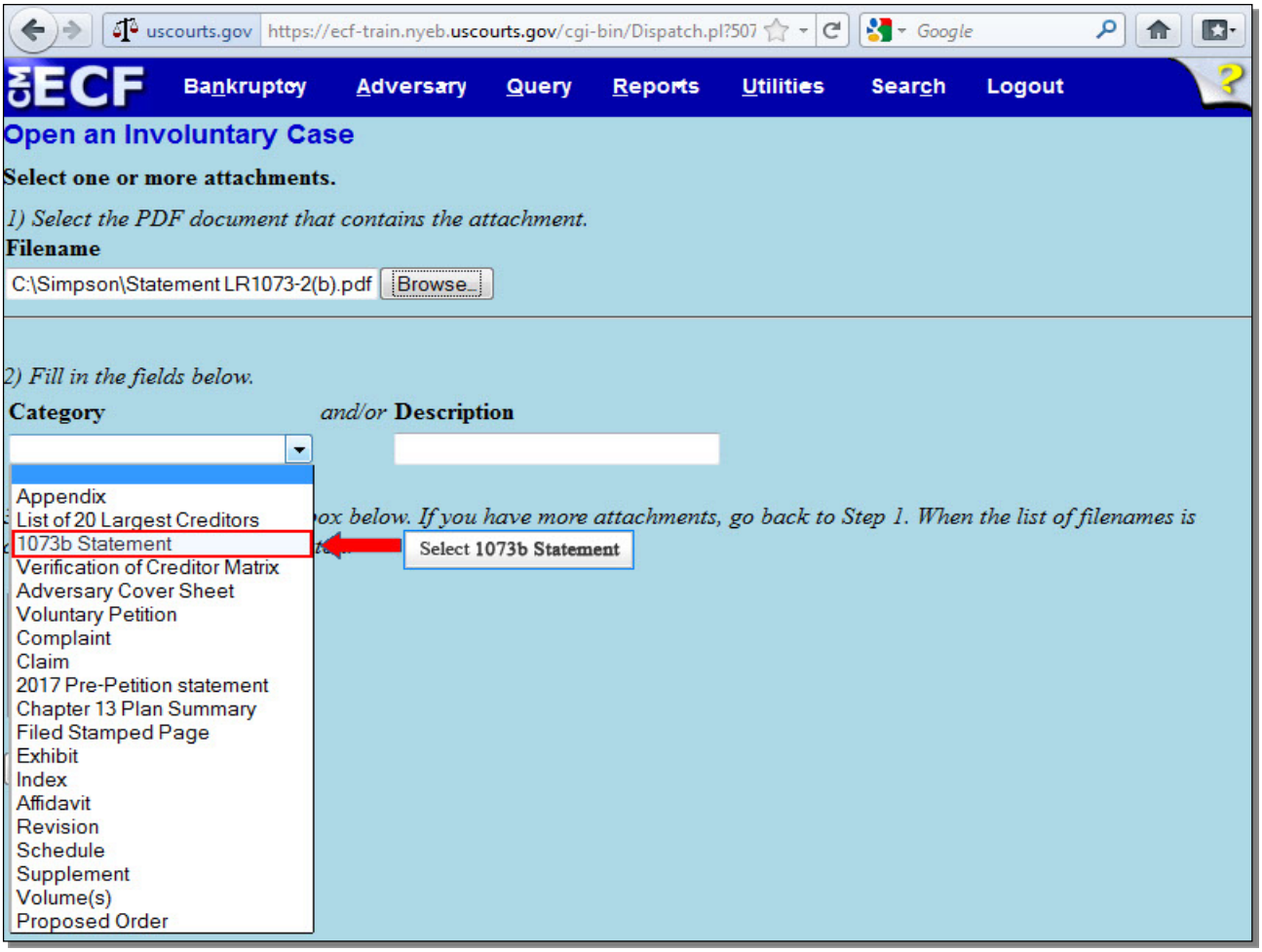
Slide 29 - Additional Attachments (Cont'd)



The complete filename displays in the **Filename** field.

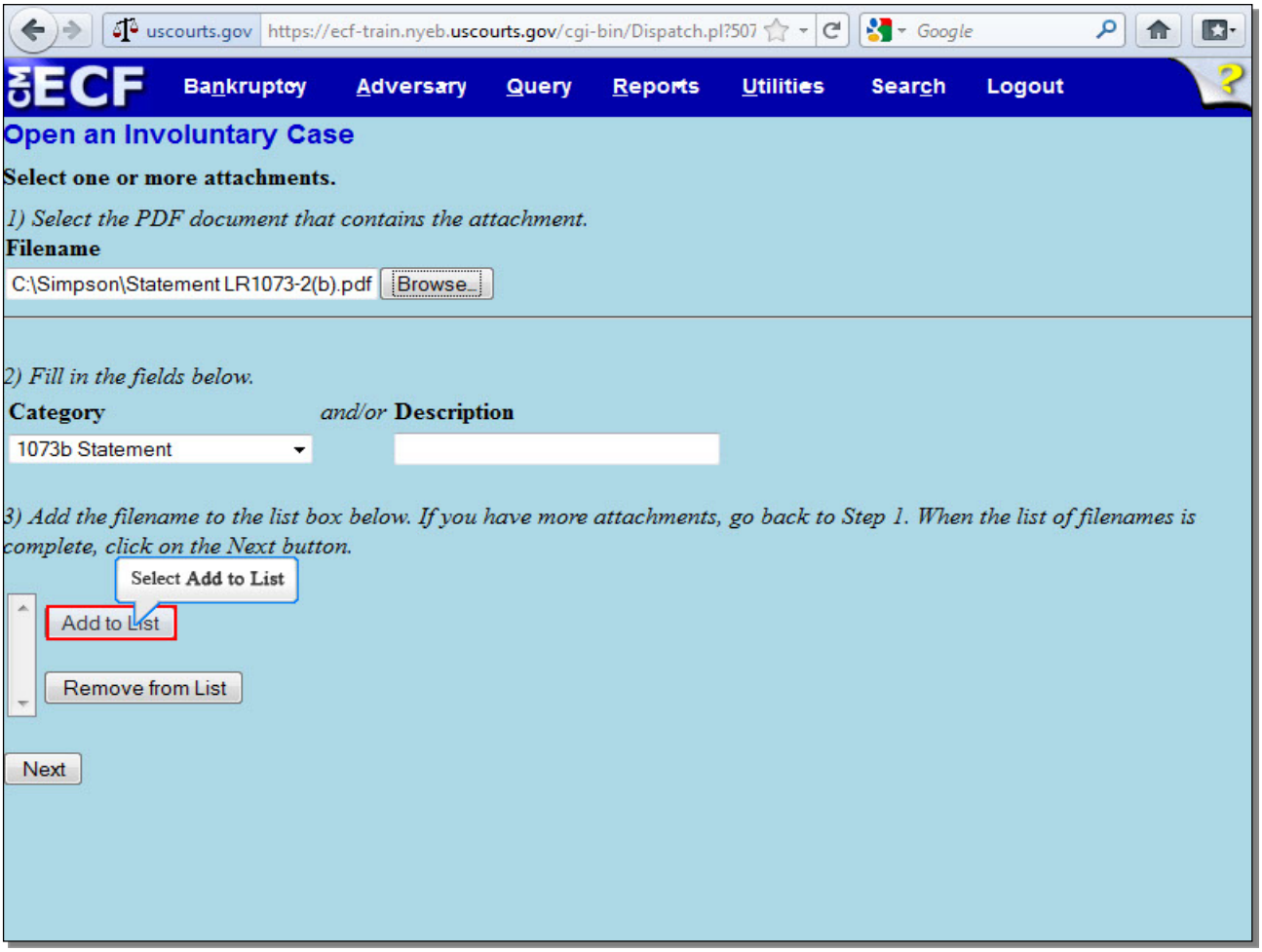
The next step in adding an attachment is to name it. Select the drop down arrow to view a list of categories.

Slide 30 - Additional Attachments (Cont'd)



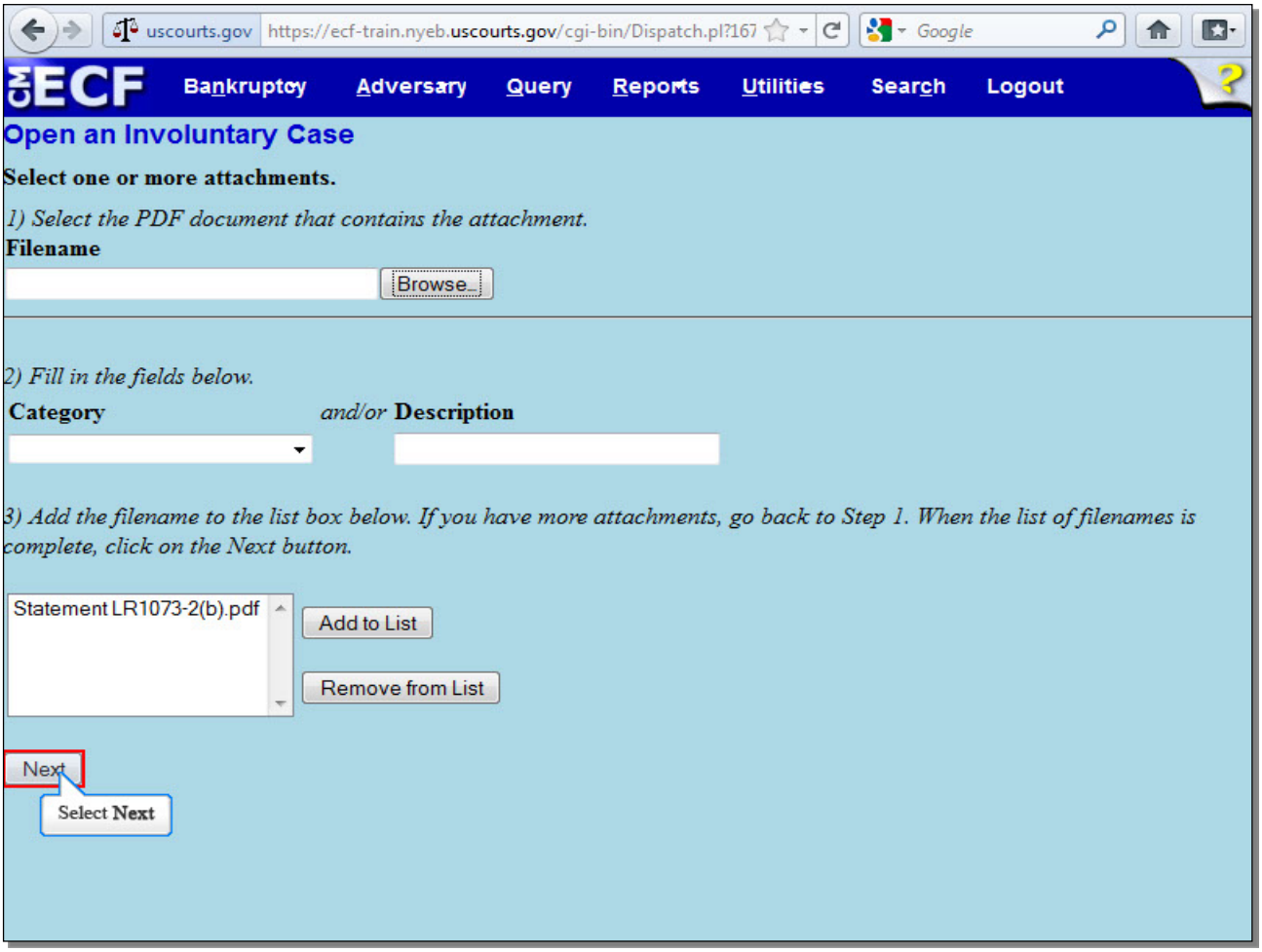
A list of categories appears. Select **1073b Statement** from the **Category** list. If the category for your attachment is not listed in the Category list, you can enter a brief description in the **Description** field, or you may use this **Description** field to further describe a chosen **Category**, such as an Exhibit.

Slide 31 - Additional Attachments (Cont'd)



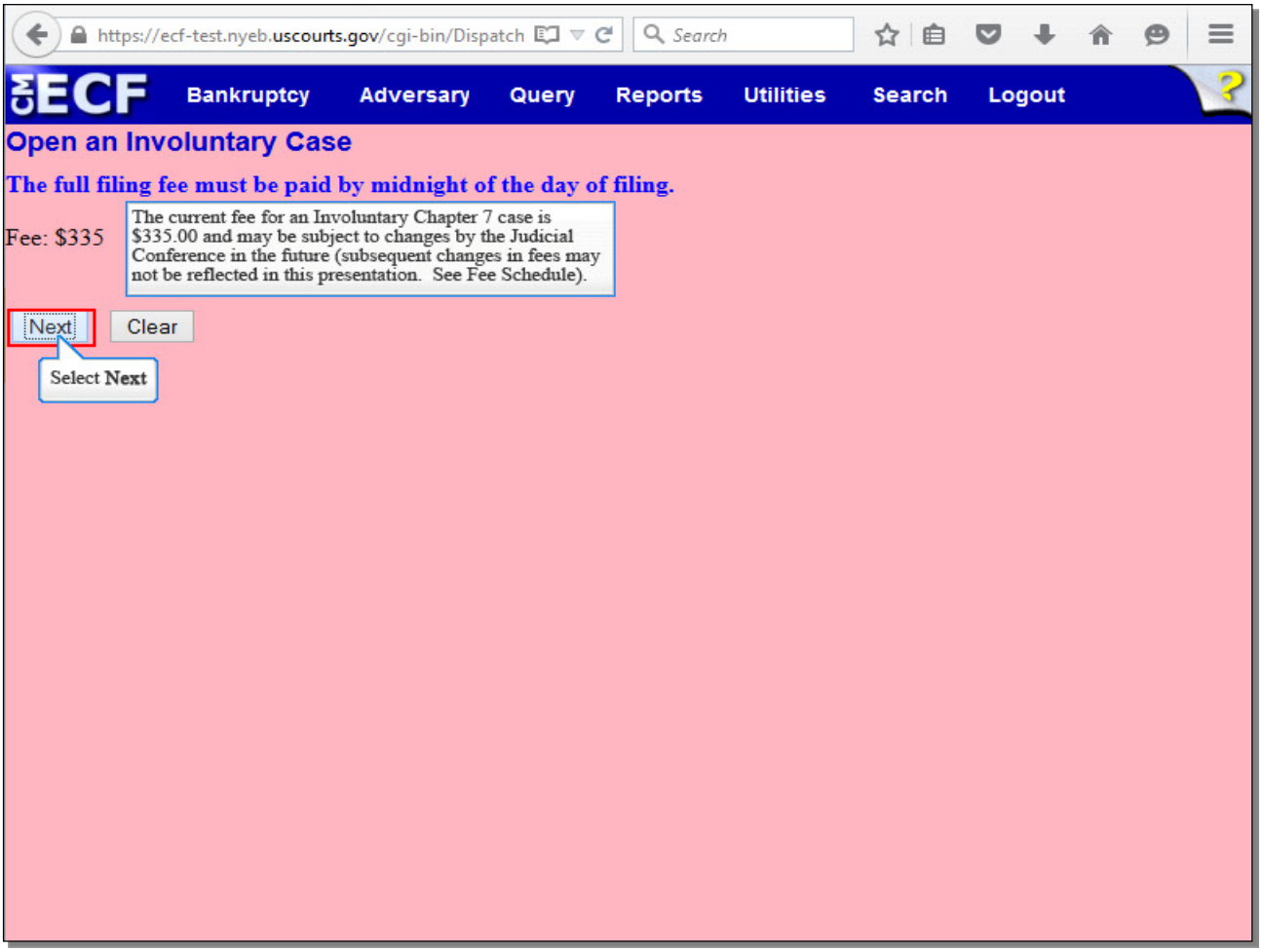
Select **Add to List** to add the attachment to the Add to List box.

Slide 32 - Additional Attachments (Cont'd)



If you have more attachments, select **Browse...** and repeat the process of adding additional attachments until all attachments are listed and properly identified. In this lesson, there are no more additional attachments. Select **Next** to continue.

Slide 33 - Filing Fee

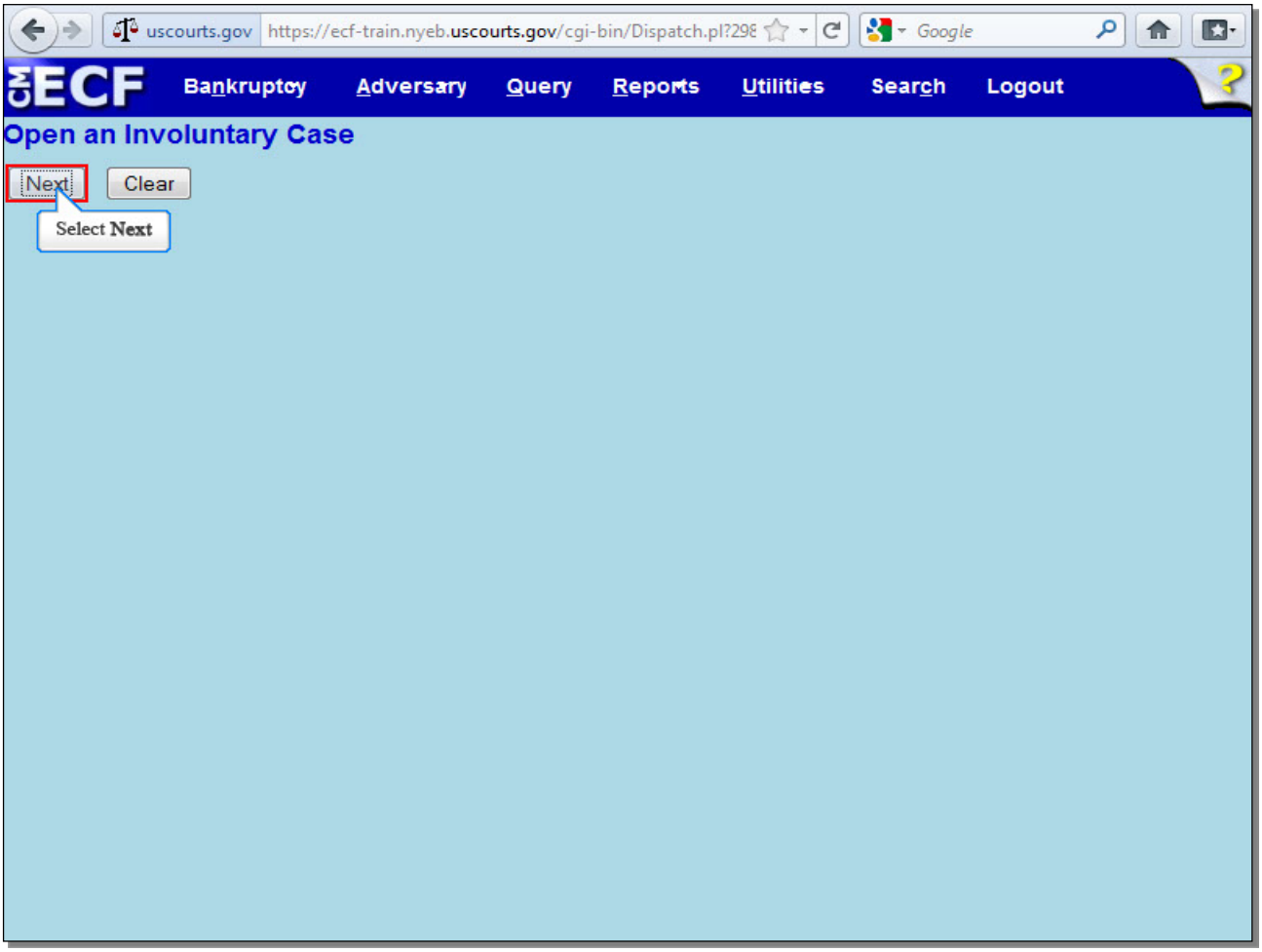


The **Fee** displayed is for an Involuntary Chapter 7 filing and should not be changed. The current fee for an Involuntary Chapter 7 case is $335.00 and may be subject to changes by the Judicial Conference in the future (subsequent changes in fees may not be reflected in this presentation. See Fee Schedule).

Please be aware that **the full filing fee must be paid by midnight of the day of filing**.

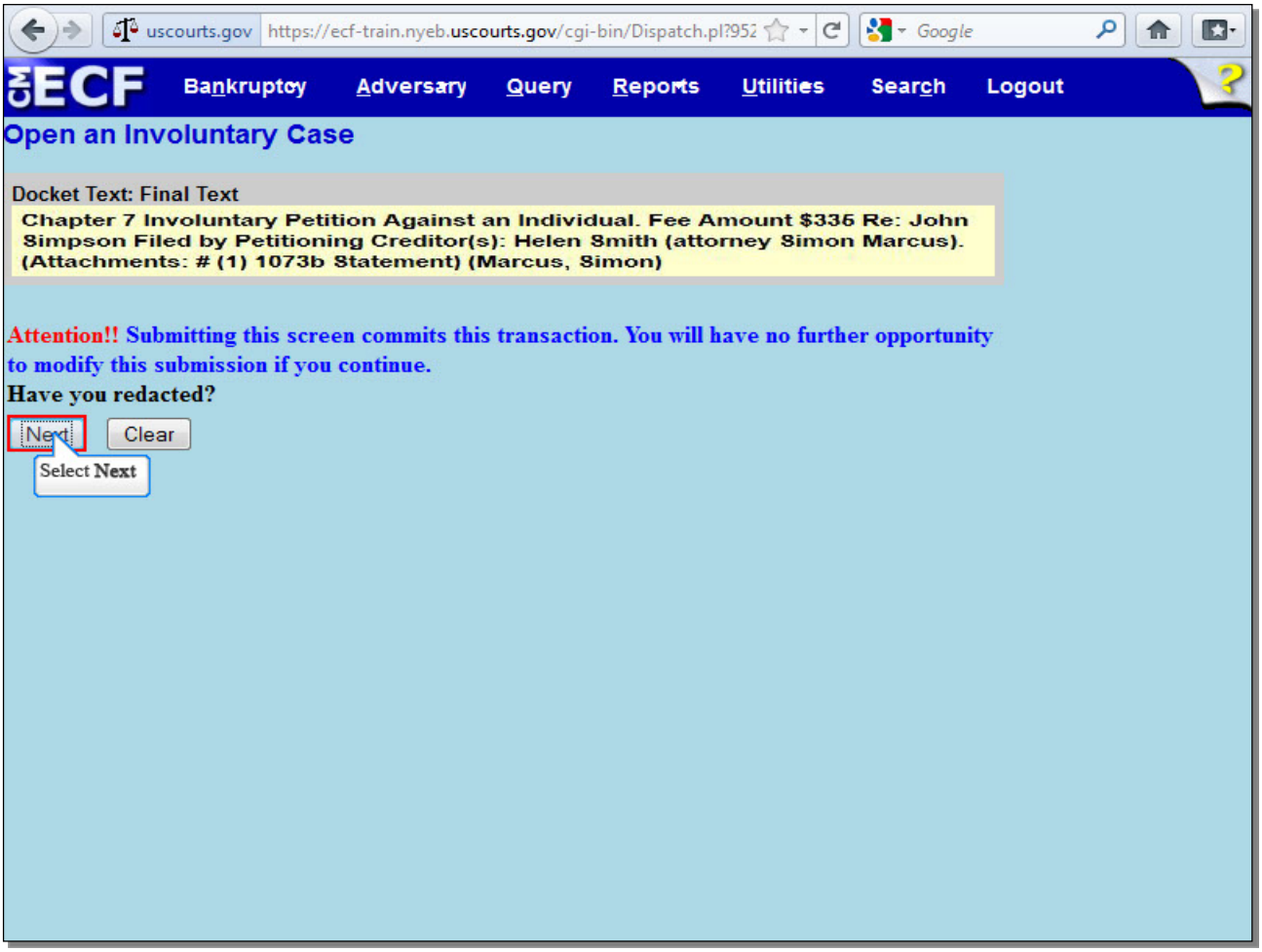
Select **Next** to continue.

Slide 34 - Filing Fee (Cont'd)



Select **Next** to continue.

Slide 35 - Final Docket Text

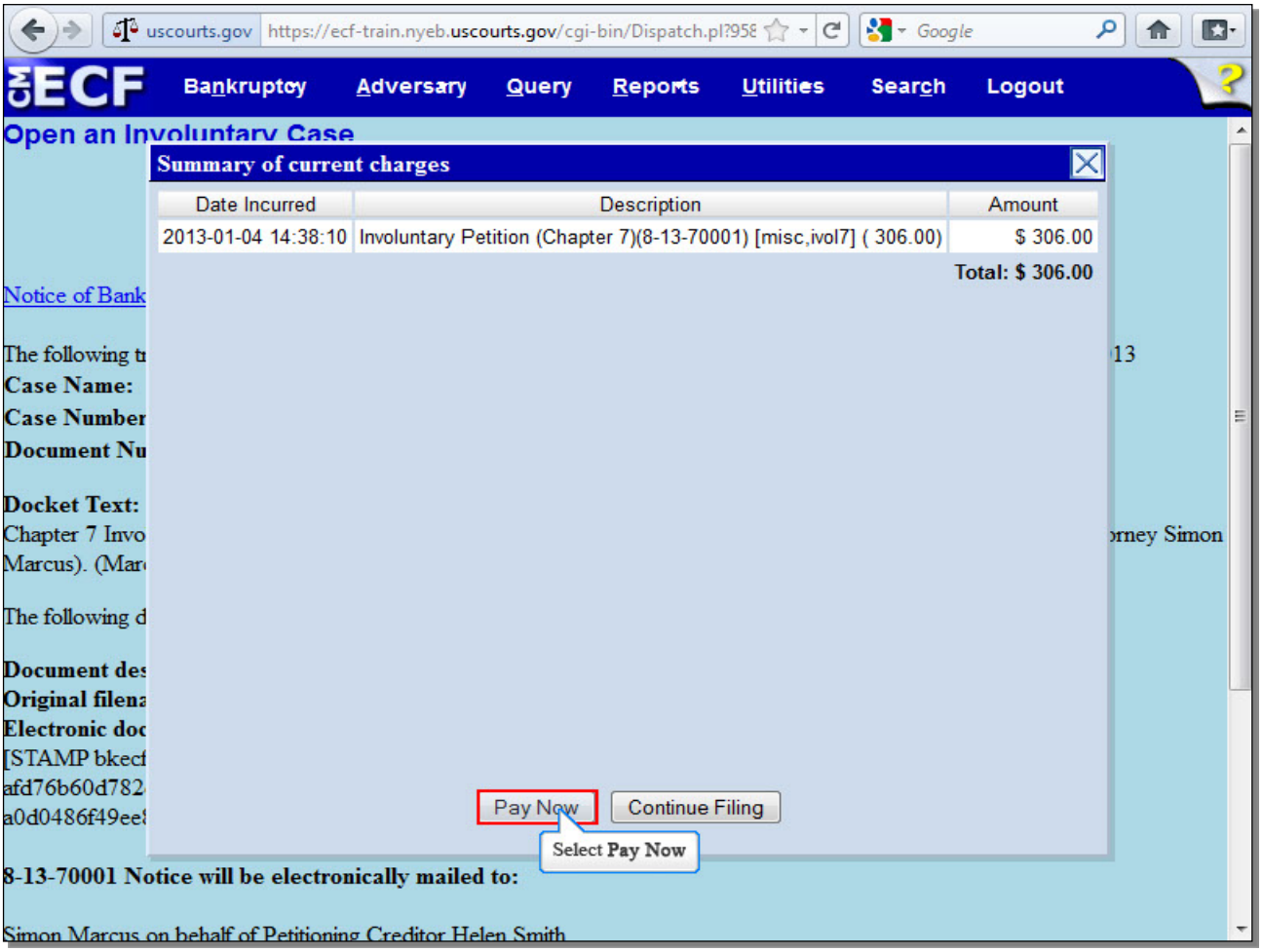


Review the Final **Docket Text** before submitting. By selecting **Next**, the filer commits the transaction and will have no further opportunity to modify the submission.

Have you redacted? This question refers to the filer's uploaded documents and not the data entries. This is a final reminder to comply with the Redaction Requirements (Fed. R. Bankr. P. 9037). The Electronic Case Filing system does not redact the content of any document uploaded by the filer.

Select **Next** to continue.

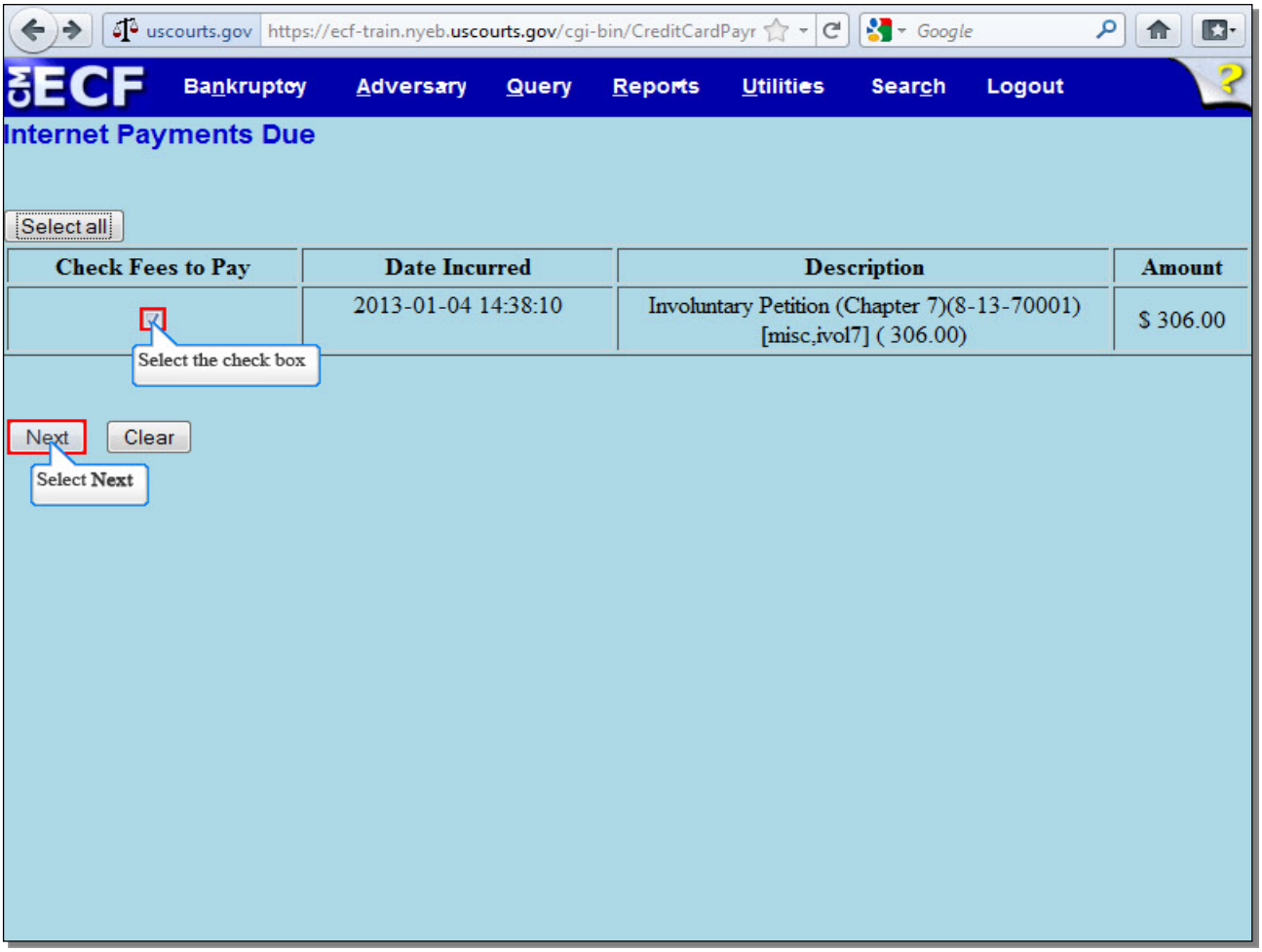
Slide 36 - Summary of Current Charges



The **Summary of current charges** appears with the **Notice of Electronic Filing** in the background. If the **Summary of current charges** did not appear, go to the ECF menu bar and select **Utilities**, then select **Internet Payment Due** to make a payment. If you have more filings that require a fee, it is recommended that you select **Continue Filing**. For this lesson, select **Pay Now**.

TIP: If you select **Continue Filing**, the **Notice of Electronic Filing** will appear. If you select **Pay Now**, you will not be able to see the **Notice of Electronic Filing** on ECF, but will still receive it via e-mail.

Slide 37 - Internet Payments Due

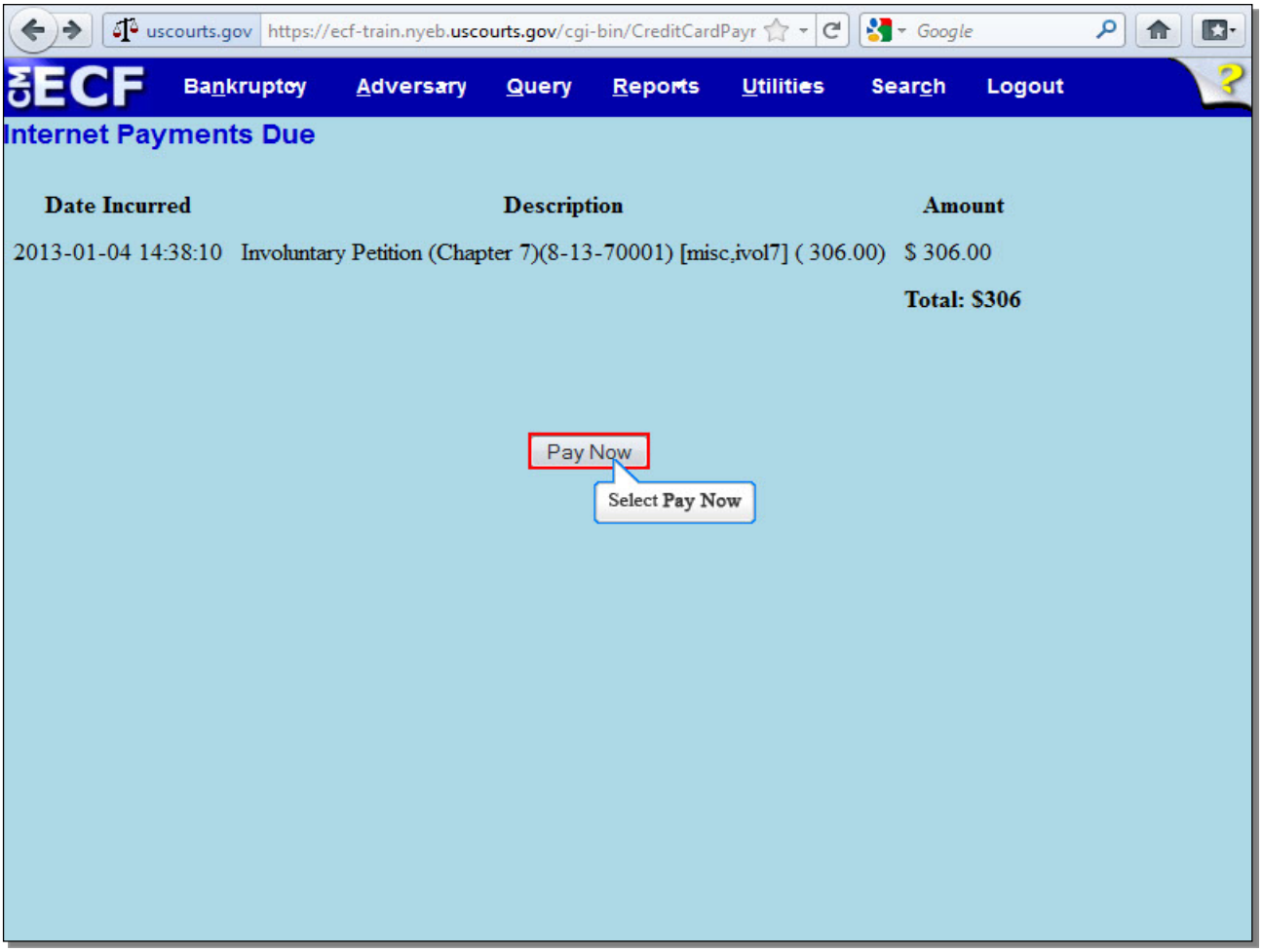


On the **Internet Payments Due** screen, the outstanding fee is displayed, along with a check box for the fee.

You can **Select all** to pay the fee, or place a check in the box next to the desired fee. For this lesson, we will place a check in the box to pay the fee incurred.

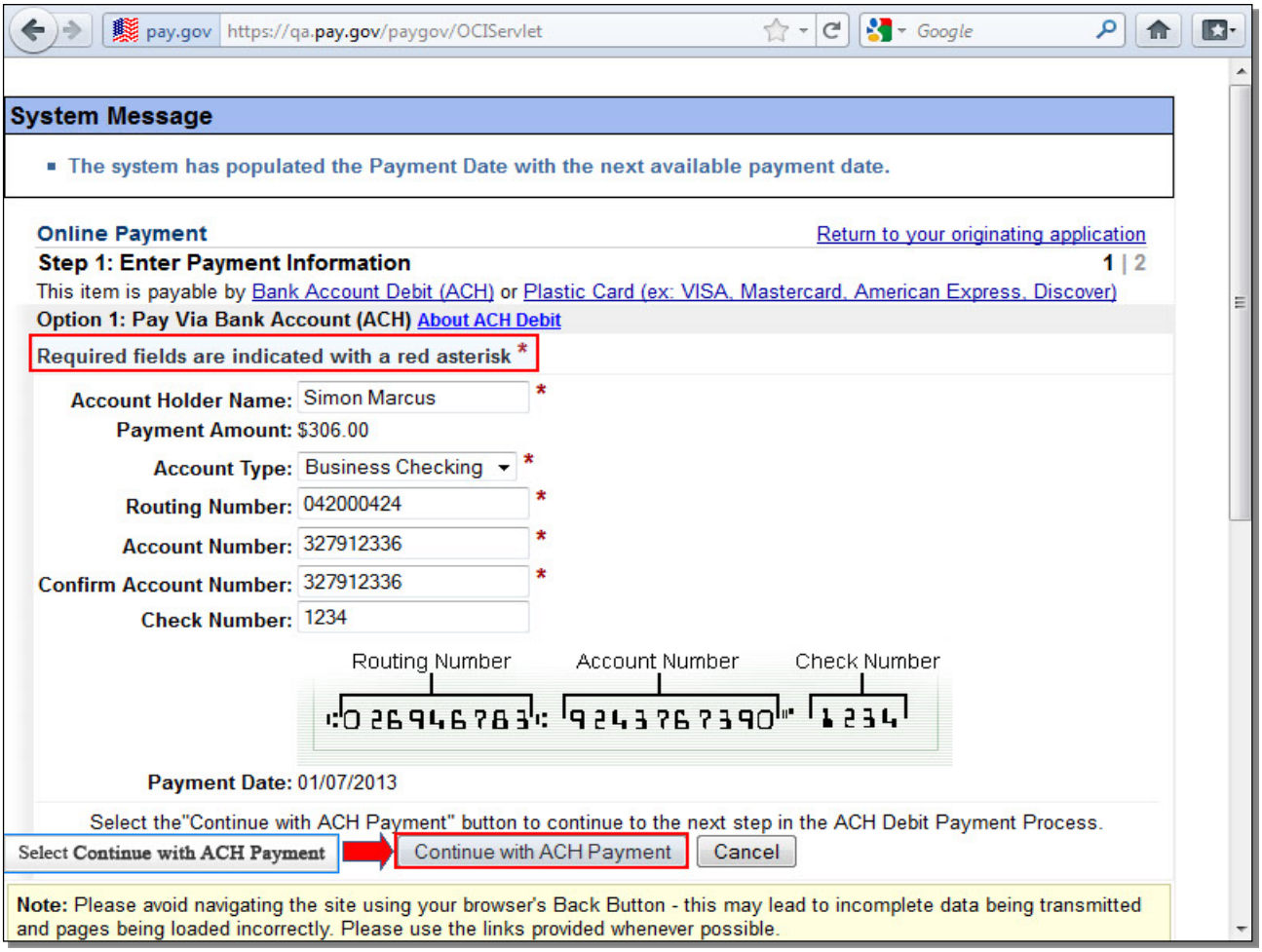
Select **Next** to continue.

Slide 38 - Internet Payments Due (Cont'd)



Select **Pay Now** to open a panel that allows payment.

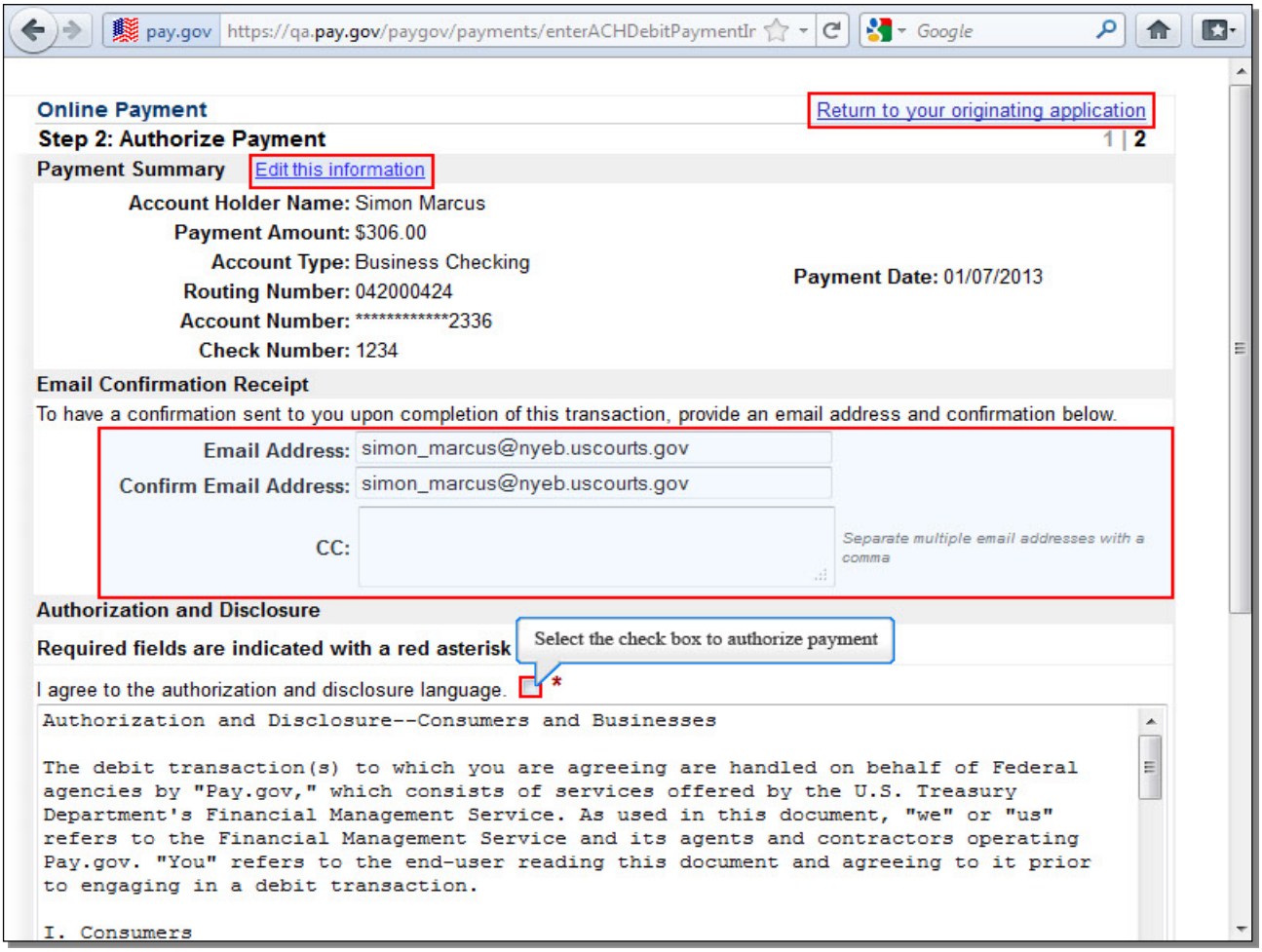
Slide 39 - Debit Option



Filers paying filing fees over the Internet have the option of paying fees either by credit card or by Bank Account Debit. The first option presented is having fees debited directly from your bank account through an Automated Clearing House debit.

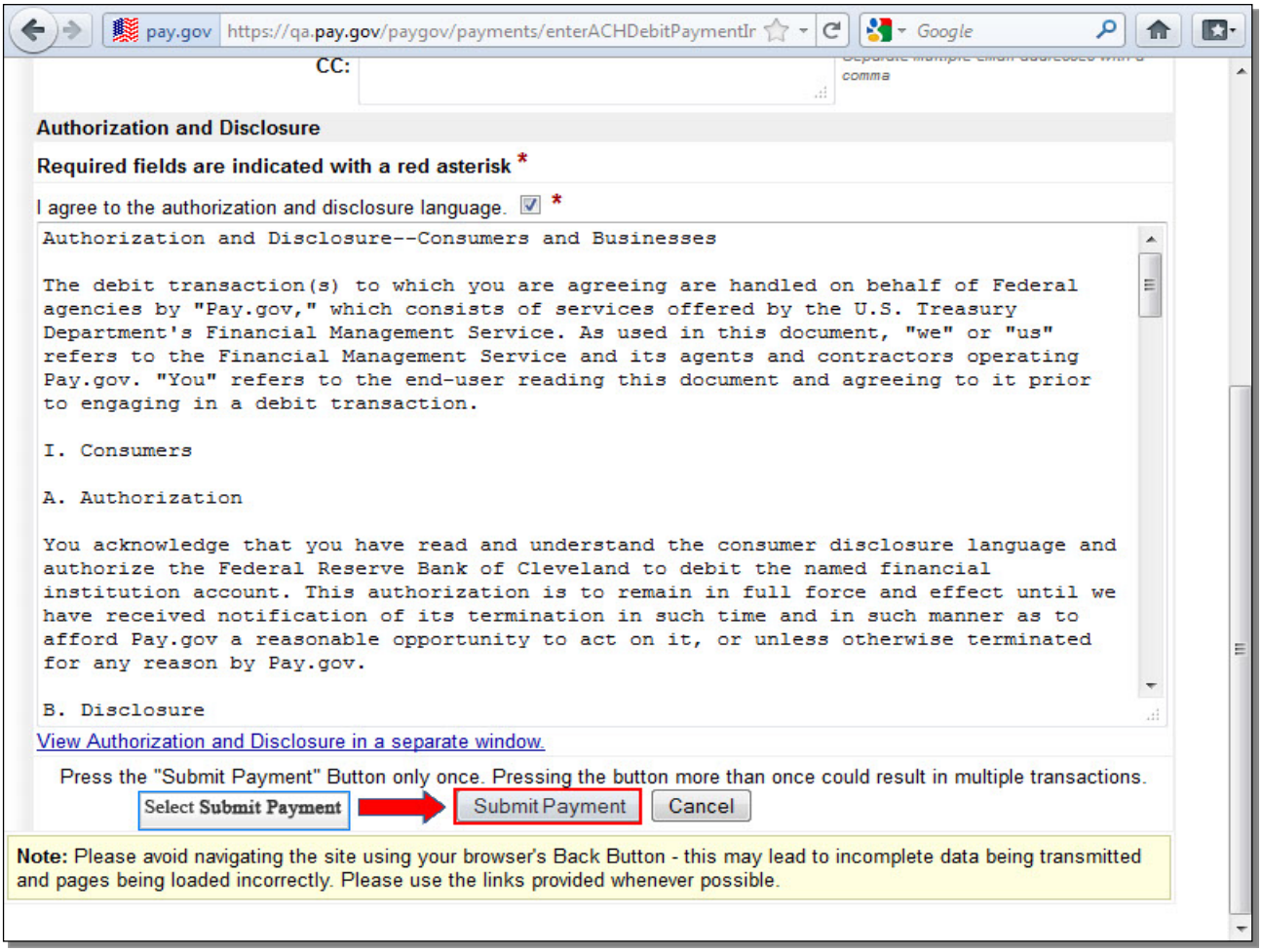
If you were paying by the bank account debit option, you would enter the required information and select **Continue with ACH Payment**.

Slide 40 - Debit Option (Cont'd)



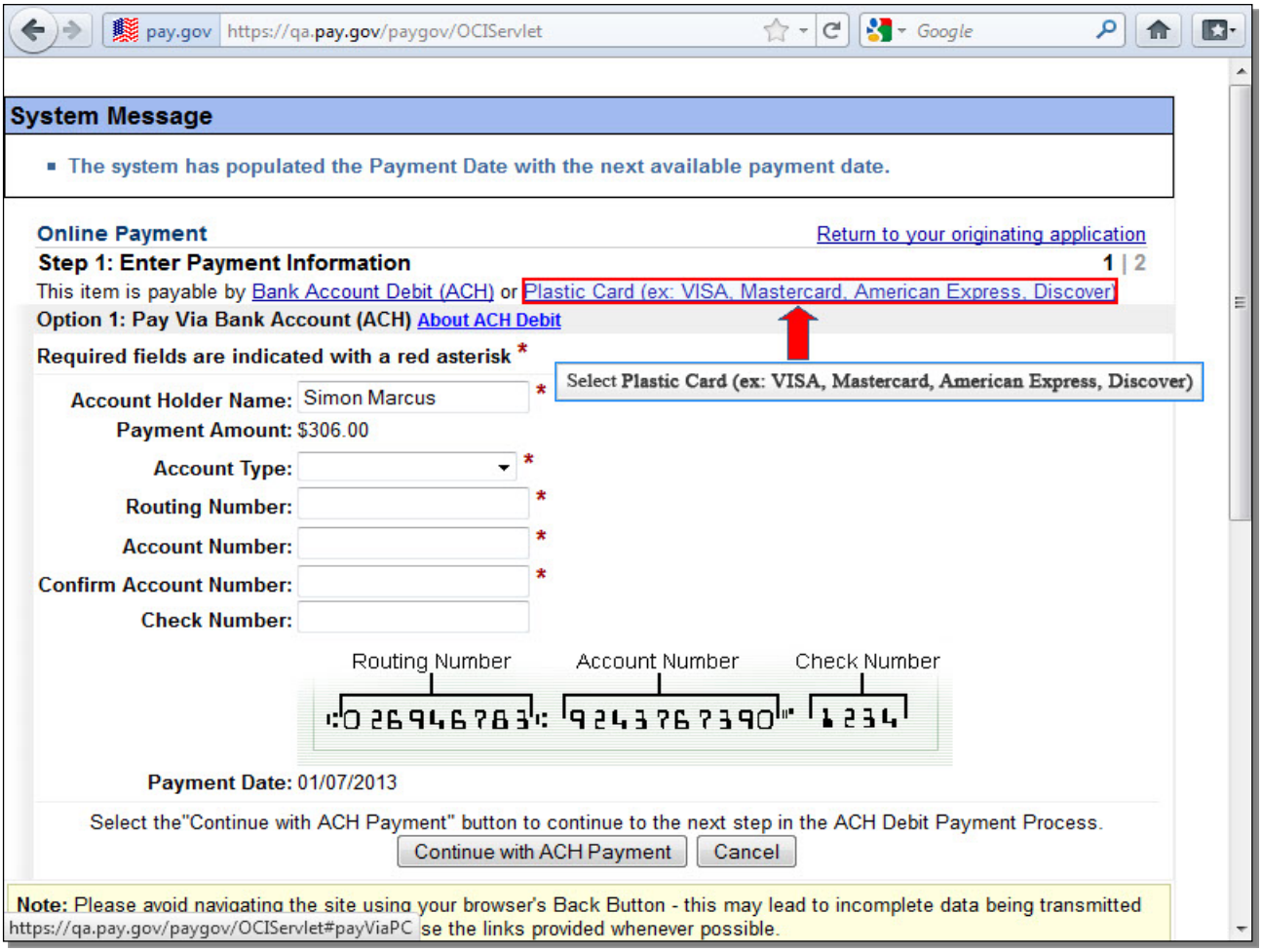
Review the **Payment Summary** for accuracy. Select **Edit this information** to make corrections. If you wish to cancel the transaction, select **Return to your originating application**. To receive confirmation upon completion of this transaction, you will have to provide an e-mail address. Read through the **Authorization and Disclosure** information and place a check in the box to authorize payment.

Slide 41 - Debit Option (Cont'd)



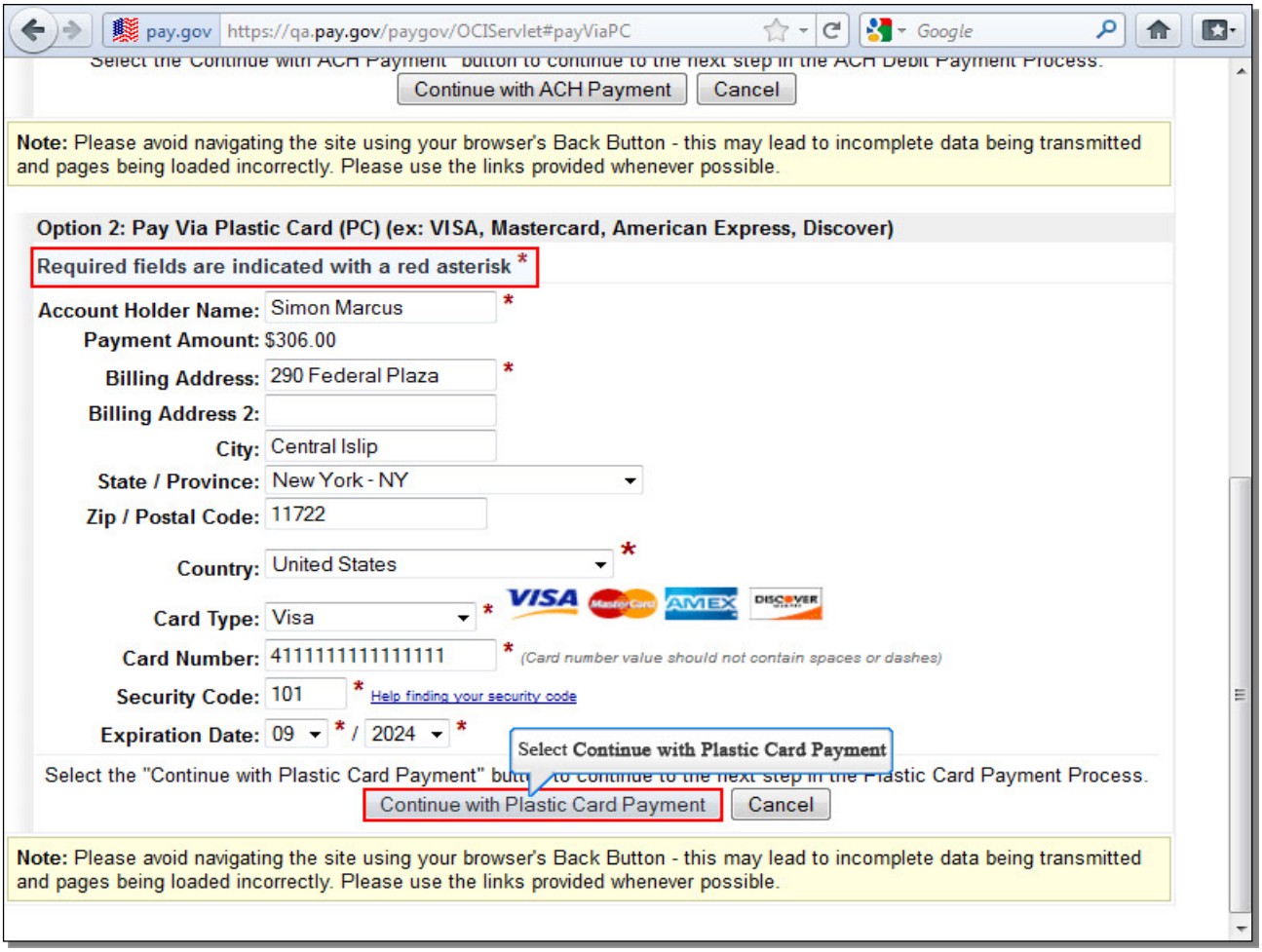
Select **Submit Payment** to submit your ACH Debit transaction.

Slide 42 - Credit Option



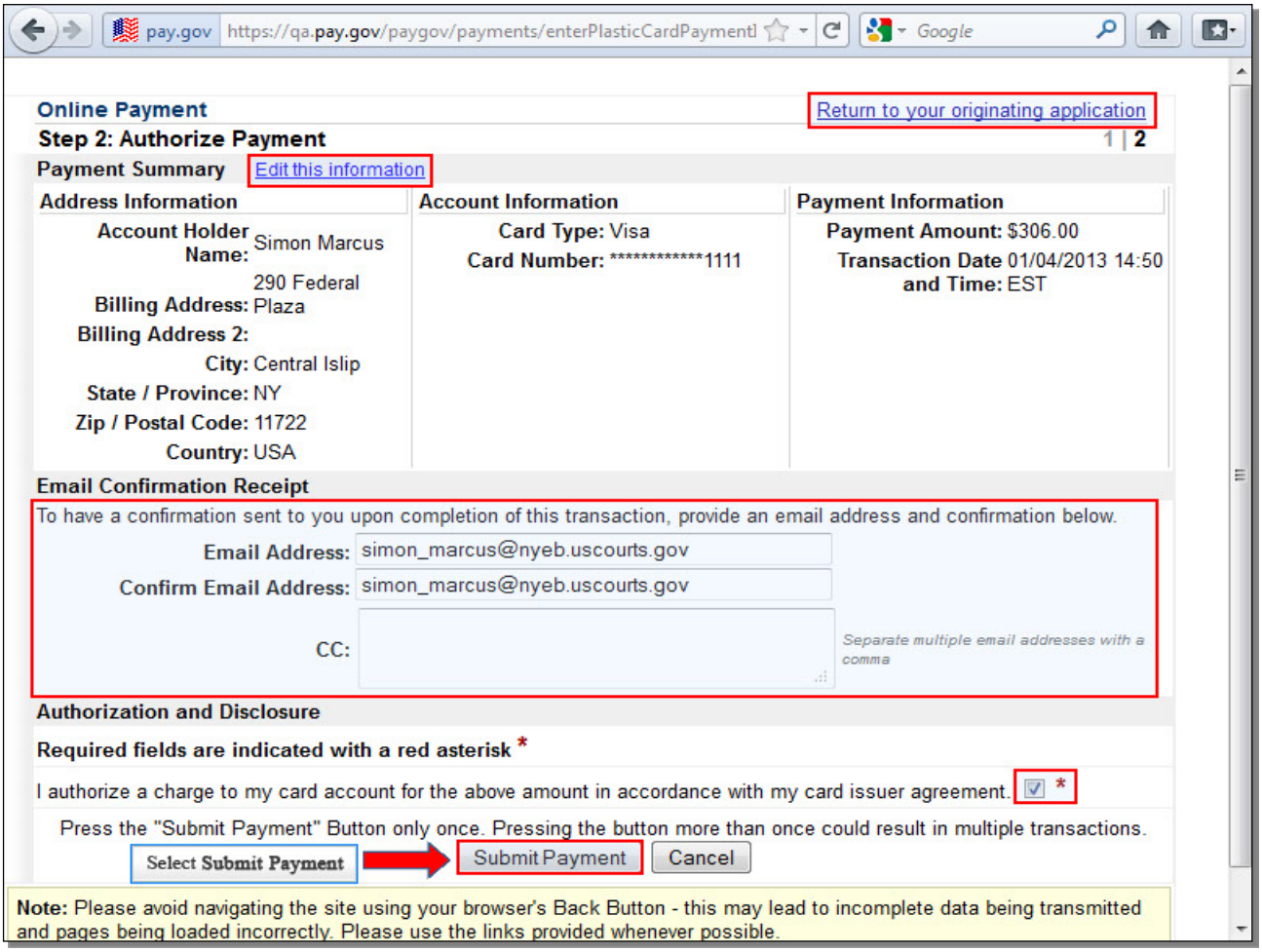
If you were instead paying by the credit card option, you would NOT enter the debit information on the first fee payment screen. Instead, you would select the **Plastic Card** option.

Slide 43 - Credit Option (Cont'd)



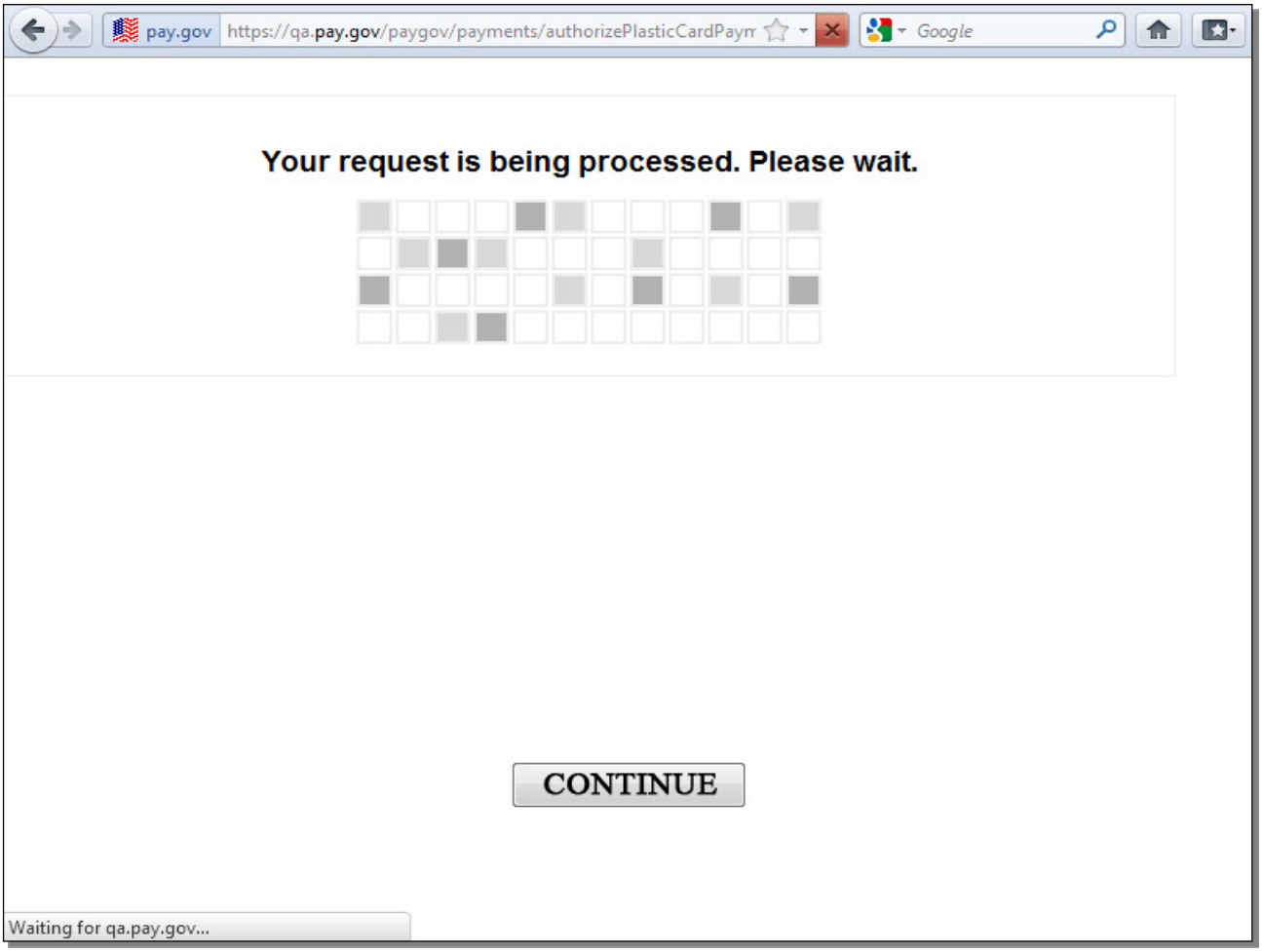
This second payment option is for those using a credit card. To make a payment with a credit card, you will be required to enter your credit card information, which we have already entered on this screen. Once you have entered the required information, select **Continue with Plastic Card Payment**.

Slide 44 - Credit Option (Cont'd)



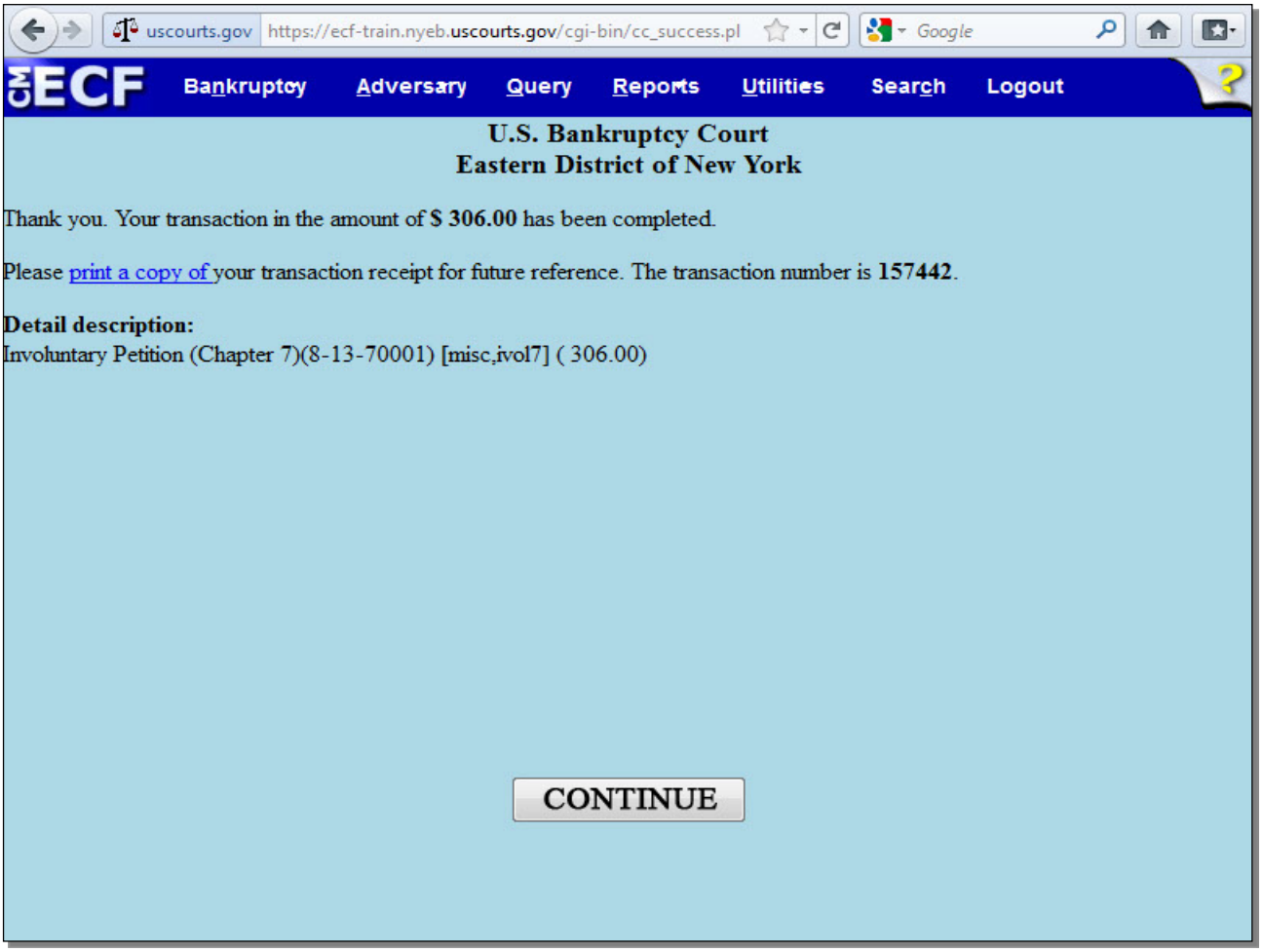
Review the **Payment Summary** for accuracy. Select **Edit this information** to make corrections. If you wish to cancel the transaction, select **Return to your originating application**. To receive confirmation upon completion of this transaction, you will have to provide an email address. Place a check in the box to authorize the charge to the credit card, and select **Submit Payment** to submit your transaction.

Slide 45 - Credit Option (Cont'd)

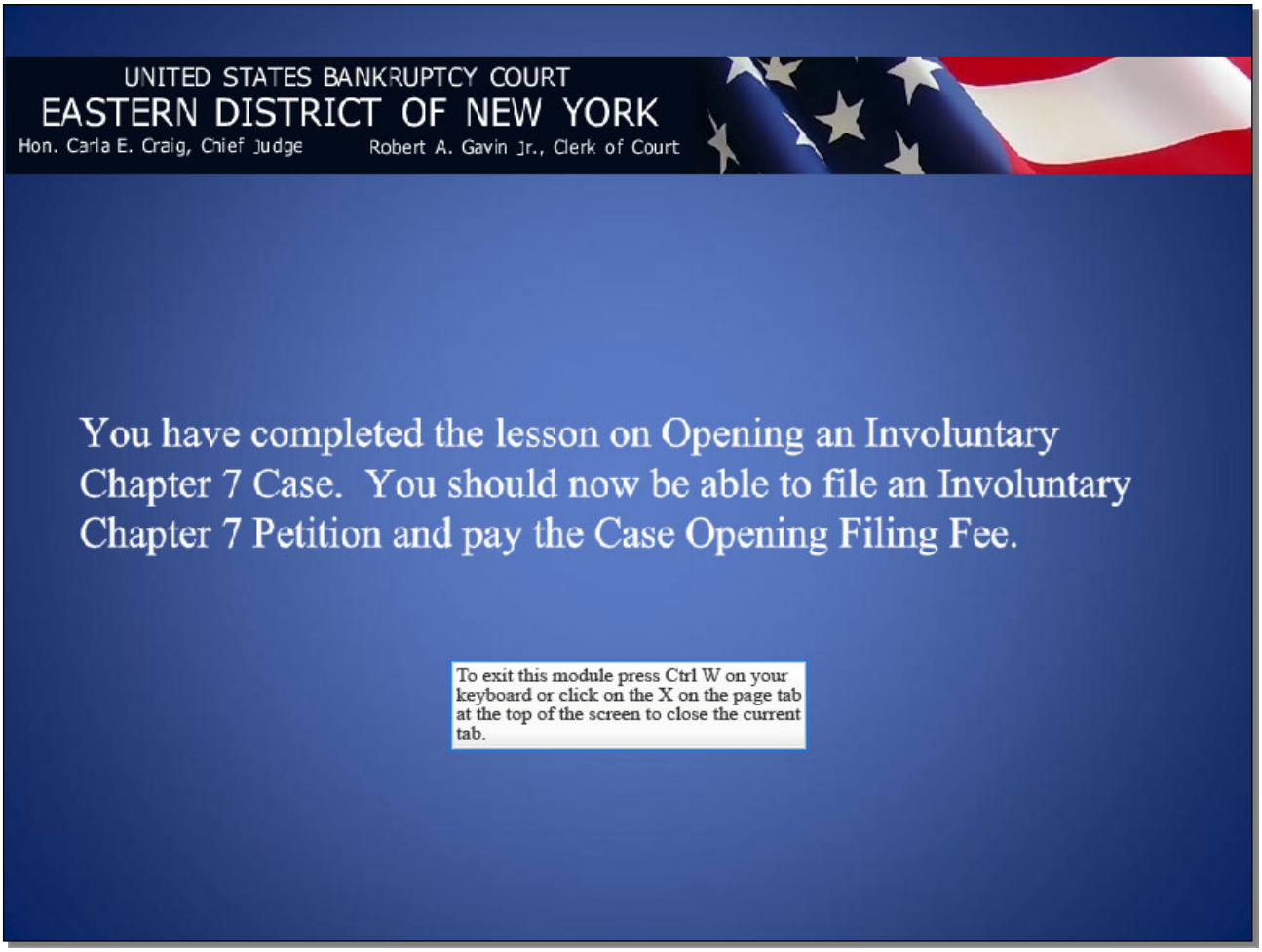


While the request is being processed, please wait. Navigating away from this page may lead to incomplete data being transmitted and pages being loaded incorrectly.

Slide 46 - Transaction Receipt



This receipt provides the **amount** paid, a **transaction number** for your records, and a detailed description of the documents filed that incurred a fee. This description also includes your case number, which you will need to make future filings on the case. You may **print a copy of** your transaction receipt for future reference.

TIP: You will receive this receipt whether you pay the fee by debit or by credit.

Slide 47 - Summary