

Askee: Marlene

QUESTION: I just received bankruptcy papers yesterday, the notice states, "Please do not file a Proof of Claim unless you receive a notice to do so". Is this correct or should I move forward?

RESPONSE: It is typical in liquidation (Chapters 7 or 13) that a trustee or someone similar says "don't file a Proof of Claim". I recommend that creditors ALWAYS FILE A PROOF OF CLAIM, regardless what they say or recommend. The reason is, if by chance there is a liquidating distribution or dividend, it is calculated based on a pro-rata value of the amount owed to all creditors. So, if there is no record of the amount owed to you or the amount listed as owed to you is wrong, you will not get paid or you may get paid an incorrect amount. By going on record with a Proof of Claim, even in liquidation, it forces the bankruptcy court or trustee to reconcile your company's claim in bankruptcy liquidation. They may not like it, but I say, "Too Bad"!