BankruptcyMedia.com, April 9, 2004

BANKRUPTCY JUDGE'S OPEN LETTER TO DEBTORS AND THEIR ATTORNEYS

Northern District of California, Santa Rosa Division

I have noticed a disturbing trend among debtors and their counsel to treat the schedules and statement of affairs as "working papers" which can be freely amended as circumstances warrant and need not contain the exact, whole truth. Notwithstanding execution under penalty of perjury, debtors and their counsel seem to think that they are free to argue facts and values not contained in the schedules or even directly contrary to the schedules. Some debtors have felt justified signing a statement that they have only a few, or even a single creditor, in order to file an emergency petition, knowing full well that the statement is false.

Whatever your attitude is toward the schedules, you should know that as far as I am concerned they are the sacred text of any bankruptcy filing. There is no excuse for them not being 100% accurate and complete. Disclosure must be made to a fault. The filing of false schedules is a federal felony, and I do not hesitate to recommend prosecution of anyone who knowingly files a false schedule.

I have no idea where anyone got the idea that amendments can cure false schedules. The debtor has an obligation to correct schedules he or she knows are false, but amendment in no way cures a false filing. Any court may properly disregard subsequent sworn statements at odds with previous sworn statements. I give no weight at all to amendments filed after an issue has been raised. As a practical matter, where false statements or omissions have come to light due to investigation by a creditor or trustee, it is virtually impossible for the debtor to demonstrate good faith in a Chapter 13 case or

entitlement to a discharge in a Chapter 7 case. I strongly recommend that any of you harboring a cavalier attitude toward the schedules replace it with a good healthy dose of paranoia.

Dated: September 10, 1997 Alan Jaroslovsky U.S. Bankruptcy Judge