



COMPARE YOUR DEBT SOLUTION OPTIONS

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COMPARISON CHART FRAMEWORK

	DO NOTHING	DEBT CONSOLIDATION	BANKRUPTCY: CHAPTER 7	BANKRUPTCY: CHAPTER 13
WHAT IS LIFE LIKE WITH DEBT?	<p>Your life sucks!</p> <p>You are continually trying to stay afloat, while only falling further and further behind. Constant stress, anxiety and frustration fill your days and cause tensions between loved ones in your life. Your credit sucks!</p>	<p>Your life is difficult and painful.</p> <p>You believe you are finally on the path toward debt freedom only to run into more bumps and frustrations along the way. Your credit sucks!</p>	<p>You get your life back!</p> <p>Your overwhelming debt is gone, your slate is clean. You can begin the rebuilding phase without the pressure of constantly being behind.</p>	<p>Your life is under control again!</p> <p>You have an affordable plan to repay what you can afford. You are making timely and affordable monthly payments, like you've been trying to do for months, or maybe even years.</p>
EFFECT ON CREDIT	<p>Negative.</p> <p>Your inability to make payments is decreasing your credit score every day.</p>	<p>Negative.</p> <p>Until your debt is paid off. Your credit score will continue to suffer.</p>	<p>Positive!</p> <p>Now that you have eliminated your debt your credit score improves! Just ask our former clients!</p>	<p>Positive!</p> <p>When your repayment period is complete your credit scores improves because you have no debt!</p>
ROLE OF YOUR CREDITORS	<p>Creditors are in control. They have the power to collect on your debts, through debt collection, garnishments, levies, foreclosures and more.</p>	<p>Creditors are in control. They can choose whether or not they want to participate in a debt consolidation program. They also control the size of your payment.</p>	<p>You are in control and have the court on your side. Creditors must participate according to bankruptcy code.</p>	<p>You are in control and have the court on your side. Creditors must participate according to bankruptcy code.</p>
PROTECTION PRIORITIES	<p>Creditors come first, your family needs come second.</p>	<p>Creditors come first, your family needs come second.</p>	<p>Your family comes first, your creditors second. This means you get to take care of your family by eliminating your debt.</p>	<p>Your family comes first, creditors second. Your affordable monthly payments are calculated after your family's needs are met.</p>

<p>Cost</p>	<p>Garnishment & Levies</p>	<p>Large (generally unaffordable) Debt Consolidation Payments</p>	<p>Attorney Fees</p>	<p>Low (affordable) Monthly Payment for a 3- or 5-year span of time</p>
<p>Timeline</p>	<p>Long; it is based on when your creditors decide to take action against you.</p>	<p>Long; based on the negotiation between your debt consolidation company and your creditors.</p>	<p>Fast relief; Petition filed within a few days of meeting with a K&S lawyer. Debt is discharged within 4 months.</p>	<p>Fast relief; Petition is filed within a few days of meeting with a K&S Lawyer. Repayment period lasts 3 or 5 years; when complete-remaining unpaid debt is discharged.</p>
<p>Does it solve my overwhelming debt problem once and for all?</p>	<p>No</p>	<p>Maybe</p>	<p>Yes</p>	<p>Yes</p>
<p>Support</p>	<p>n/a</p>	<p>n/a</p>	<p>Bankruptcy Attorney</p>	<p>Bankruptcy Attorney</p>
<p>When Will Relief Kick In?</p>	<p>n/a</p>	<p>n/a</p>	<p>As soon as you decide to file you'll feel the emotional relief kick in; when your discharge is granted you'll have your life back again!</p>	<p>As soon as you decide to file you'll feel the emotional relief kick in; when you file a chapter 13 bankruptcy, with a payment you can afford to pay, you have your life back again!</p>



**A CLOSER LOOK
AT YOUR DEBT OPTIONS**

| DO NOTHING

With a lack of knowledge and fear, doing nothing is a common response when financial struggles begin. Debt can happen to anyone, yet everyone is firmly convinced it can never happen to them. As a result of this belief, it is easy to talk yourself into postponing acceptance of the debt problem, making excuses and planning to catch up with your next big bonus, paycheck, tax return, etc. However, this is the worst possible response when it comes to falling into debt. Denying your reality and avoiding acceptance stalls the recovery process of climbing out of debt and rebuilding credit and causes your family to suffer needlessly. Denying a debt problem only delays getting your life back- which is what this is all about!



THE SNOWBALL EFFECT

The problem with doing nothing is debts' ability to snowball, fast. The longer you wait to react, the further into debt you fall. Let's consider a credit card example. Every month you miss a payment you will be charged a fee. After missing several payments, your charging privileges will be suspended and your interest rate will jump to the default rate of 36%. The late monthly fees and accrued interest adds up very quickly.

Late or missed payments impact your credit score negatively. Payments less than 90 days late will temporarily hurt your score. Payments 90 or more days late affect your score for up to seven years.

After missing multiple payments the credit card company will begin to take action to collect on your debt. Often there will be routine phone calls, emails and direct mail attempts to persuade, intimidate or embarrass you into making payments. If you continue to ignore the issue your account will be terminated and your debt will be bought by a collection agency. The collection agency will continue the harassment.

Eventually you will be sued for your initial debt amount, plus principle and interest acquired on the account, plus any attorney fees. Once a judgment is entered, your bank account can be seized and your wages taken to pay off this debt.

Not only is this situation embarrassing but your credit score suffers, your lively-hood thwarted and your initial debt has doubled, tripled or more. Doing nothing heightens the anxiety and impossibility of bouncing back. Doing nothing is a prolonged process that can make your life miserable for years- making your family suffer unnecessarily.



DEBT CONSOLIDATION

Simply put, traditional debt consolidation is a waste of time and money. Why? There are many potential pitfalls to debt consolidation.

First, if you are like us, you are a bit cynical about what people tell you over the phone. People in debt are vulnerable because they want to believe the person over the phone has the answer to their debt problem- hopefully avoiding (yes, you know!) the "B" word. Many of these debt consolidation companies are out of state in places like California or Texas. The representatives can make the plan sound wonderful- but will you still feel that way if one of these creditors decides to garnish your wages instead of accept a lower payment?

Second, often times your payment is so large you cannot afford to pay the debt consolidation payment and your family's reasonable and necessary expenses. Your family suffers while your creditors scream for as much as they can possibly get out of you.

Third, in traditional debt consolidation, you will pay most of your debt in full. Even if they reduce the principal balance owed on the debt, you will have to pay taxes on any debt forgiven. This is not true in bankruptcy.

Fourth, dealing with out of state debt consolidation companies can be easy at the outset- they want you to sign up of course, and difficult in the end, when the plan may not be working out as promised. In debt consolidation, getting someone to answer questions when there are problems all of a sudden becomes more difficult. There is an easier way.

CHAPTER 7

You can feel yourself starting to get your life back the day you decide to file Chapter 7 bankruptcy. Taking action against your debts will take some of the pressure off – but taking action to abolish your debt will have you sleeping peacefully at night.

The minute you decide to file Chapter 7, the light at the end of the tunnel appears. Your financial troubles will be over in approximately three to four months. If you don't make the decision to file, your financial troubles may extend for years.

Additionally, if you choose to file with an experienced bankruptcy attorney on your side, your stress could be nearly non-existent. An experienced bankruptcy attorney can guide you through the application process, prepare you for your meeting of creditors and be by your side through all proceedings. They offer experience and legal expertise that is impossible to achieve without working with an attorney.



AS SOON AS YOU FILE A CHAPTER 7 BANKRUPTCY PETITION...

An "automatic stay" is put in place the minute you file Chapter 7. The automatic stay prohibits creditors from continuing any collection or harassment actions against you. This includes all non-initiated and future lawsuits, wage garnishments, bank levies, telephone calls, and more. The pressure creditors can apply, whether you realize it or not, can be tremendous. Removing this source of stress from your life will lift a large weight and allow you to focus on moving forward instead of constantly trying to catch up. Bankruptcy is an incredible gift to you and your family.

CASE CLOSED

A discharge order – eliminating liability for repaying your debts and stopping any future creditors' collection actions on this debt – will be issued approximately 60 days after your meeting with creditors (who typically never appear at the meeting). The vast majority of debtors who file Chapter 7 cases receive discharges.

CHAPTER 13

Chapter 13 bankruptcy, also called a “wage-earners” bankruptcy, is essentially a repayment plan based on what you can afford. It allows you to make payments based on your income. This plan is best for those who need to get their financial situation under control.

In a Chapter 13 you will create and propose a repayment plan that will span three to five years with monthly installments based on your ability to pay. Essentially, Chapter 13 acts like a consolidation loan by consolidating all of your debt and allowing you to make one payment. The added benefits include:

- 1. COSTS LESS THAN DEBT CONSOLIDATION**
- 2. GETS COMPLETED FASTER & TIMELINE IS SET**
- 3. MONTHLY PAYMENTS ARE SET BASED ON WHAT YOU CAN AFFORD**
- 4. CREDIT SCORE IMPROVES UPON DISCHARGE!**
- 5. REQUIRES CREDITOR COMPLIANCE**
- 6. REPUTABLE HELP**
- 7. UNPAID DEBT IS ERASED FOREVER**
- 8. PROTECTED IN THE FUTURE**

1. COSTS LESS THAN DEBT CONSOLIDATION

In traditional debt consolidation plans, most of your debt gets paid in full. For example, if you owe \$50,000.00 in credit card debt, you might end up paying \$50,000.00 plus some interest or \$60,000.00.

In a Chapter 13 bankruptcy, if you owe \$50,000.00 in debt but can only afford to pay \$200.00 a month for 36 months (plan payments are based on your budget- your family eats first)(plan length is typically 36 months unless gross family income exceeds the median income then the plan length is 60 months), then your total payments into the plan is \$7,200.00. What happens to the \$42,800.00 that did not get paid off? That remaining debt is wiped out, forever, upon your discharge. Plus, any forgiven debt is not taxable in a Chapter 13 bankruptcy.

Why would anyone do traditional debt consolidation after reading this? We wonder ourselves!



2. GETS COMPLETED FASTER & TIMELINE IS SET

As soon as you see the benefit of filing a Chapter 13 bankruptcy vs debt consolidation, relief is literally only days away!

As soon as you file a Chapter 13 bankruptcy, your creditors are barred from collecting from you while you are in the bankruptcy.

Your Chapter 13 bankruptcy payment is based on what you can afford to pay creditors, not what they want you to pay them. So, your family eats first, your creditors second.

Once filed, you feel your life becoming manageable again because the payment made to creditors is controlled by rules set by the government, not creditors. This results in a plan payment you can live with.

3. MONTHLY PAYMENTS ARE SET BASED ON WHAT YOU CAN AFFORD

Want to make one payment back to your creditors based on what you can afford to pay? If so, a Chapter 13 bankruptcy is for you. Not only do you make a payment you can afford to pay comfortably, any remaining debt not paid off at the end, gets wiped out, forever, tax free! Now folks, this is the type of relief clients are looking for.

4. CREDIT SCORE IMPROVES UPON DISCHARGE!

Most people who file bankruptcy experience AN INCREASE in their credit score upon discharge. Why? Because when you receive a discharge, you have received a court order making you not liable for most unsecured debt. Thus, with less debt, your credit score rises immediately.

5. REQUIRES CREDITOR COMPLIANCE

Want to make one payment back to your creditors based on what you can afford to pay? If so, a Chapter 13 bankruptcy is for you. Not only do you make a payment you can afford to pay comfortably, any remaining debt not paid off at the end, gets wiped out, forever, tax free! Now folks, this is the type of relief clients are looking for.

6. REPUTABLE HELP

Unlike debt consolidation companies, there doesn't have to be any concern or hesitation when hiring help for debt relief when you turn to an attorney, one who focuses 100 percent on bankruptcy. All bankruptcy attorneys are regulated by the State Bar. You can be assured a bankruptcy attorney will act in your best interests. An attorney focused 100 percent on bankruptcy, will keep you involved every step of the way so you retain most decision making authority when it comes to your finances and your future.



7. UNPAID DEBT IS ERASED FOREVER

At the end of your repayment period, if any debt remains, it is eliminated*. If your monthly payments don't fully pay off all your creditors, you don't have to continue to make payments to them. When you've successfully completed your repayment period your liability for any unpaid debt disappears, forever, tax free!

In traditional debt consolidation, you either pay the debt in full, or pay taxes on any debt forgiven. Either way, your credit is bruised.

*NON-DISCHARGEABLE DEBTS INCLUDE CHILD SUPPORT, STUDENT LOANS, CRIMINAL FINES
AND OTHER SPECIFIC EXCLUSIONS OUTLINED IN THE BANKRUPTCY CODE.

8. PROTECTED IN THE FUTURE

The court protects you from creditor collection in the future. Filing bankruptcy is a legal procedure and therefore your creditors are legally bound to the outcome of your case. A court order will be issued to your creditors preventing them from collecting on your debt after your repayment period ends. Your creditors may NEVER, in the future, try to collect on a discharged debt; now that is peace of mind!

LAWYER COMPARISON CHART

KAIN & SCOTT

OTHER LAWYERS

AREA OF PRACTICE	100% Bankruptcy	Typically a conglomeration: bankruptcy, divorce, litigation, family, etc.
ONLINE RESOURCES	Our website and online resources are 100% bankruptcy focused so you can find helpful resources when researching options as well as during and after filing for bankruptcy.	If they have a website it is likely to be an online brochure telling you about their services. If you are looking for helpful resources you will have to call, ask and likely pay for them.
PAYMENT	Zero \$\$ Down	Pay your attorney fees up front, before beginning the bankruptcy filing process.
LEGAL FORMS	We help you complete all legal forms fully and accurately. We are in this together- we never send you home with a large packet of forms to fill out that you do not understand.	Send you home with a huge packet of forms to complete- you do most of the work gathering information.
TIMELINE	We can file a bankruptcy for you within days of meeting one of our lawyers.	Takes weeks or even months after your first communication with a lawyer.
EXPERIENCE	Together our attorneys have over 47 years of bankruptcy experience. We have helped thousands of people get their lives back – we can help you too!	Though their experience practicing law may be high, their bankruptcy experience may be limited.
CLIENT SERVICE	From the first to the last time you visit with us you will work with the same lawyer – your lawyer is involved in every phase of your bankruptcy. This not only allows us to be fully prepared, but we get to build a rapport and relationship with you – which will benefit your case and our success in court.	Disjointed client service; many cases get handed off to different staff members, and sometimes even among lawyers, based on availability.

**PREPARATION
PROCESS**

We'll go through all of the documentation page by page with you and we are here to answer any and all of your questions, immediately, whenever they may arise.

You'll meet with your lawyer once before you see him/her in court (if you are lucky). You'll primarily deal with administrative and support staff (and probably not the same person each time). Often times a delay in getting simple questions answered.

**WHAT YOU
(THE CLIENT)
MEANS TO
THE FIRM**

To us you are not just another bankruptcy filing – you are a human being that is struggling financially, for whatever reason, and have the courage to admit it and find a solution to the problem.

Our promise to you is this: we don't judge you, we HELP you get your life back!

Another case filing; another paycheck.



THE KAIN & SCOTT PHILOSOPHY

AREA OF PRACTICE

Would you let your family physician perform heart surgery on you? Of course not. The same should go for the professionals you lean on during your financial illness.

Bankruptcy is not just what we do, it's ALL we do! And because bankruptcy is all we do, we are good at it! Our motto and promise to you is this: we don't judge you, we HELP you get your life back.

ONLINE RESOURCES

We understand the stress and anxiety associated with overwhelming debt, and the added pressure for finding a solution to help you get your life back. For this reason, we want to provide you with as many resources as possible so you have the information and the tools you need to make an educated decision.

There is comfort in knowledge and understanding – it prepares you for what is to come. This is why we take the time to share our experience and expertise with you, in a format that you will feel comfortable using – wherever, whenever.

Choosing the right path to debt freedom is an important one. Although we are here to help whenever you are ready, we hope our online resources provide you with the information to begin your research.



PAYMENT

An attorney that isn't willing to work with you on payments is telling you that you are just another case for them – and their concern for your well-being doesn't extend beyond your ability to pay up.

Our model is to HELP you get your life back by offering no money down on our fees! In a Chapter 13 bankruptcy, you pay the filing fee and credit counseling courses up front, and all of our fees are paid in the plan. For example, if you pay \$200 to the trustee, the trustee disburses some of that money to us to pay our fees.

In a Chapter 7, you can either pay our fees in full or you can pay the Chapter 7 filing fee and credit counseling courses up front and the balance of our fees in incremental payments of \$100-\$200 per month (interest free), with a signed promissory note (like a co-signer).

LEGAL FORMS

The decision to file can be overwhelming to begin with (we know that); so, the last thing you need is to fill out a HUGE packet of information, most of which you don't understand. There is a better way.

We do things differently. We are here to HELP you get your life back. Our staff and attorneys HELP you fill out the necessary forms so you can focus on what is important – your family. At Kain & Scott, YOUR ATTORNEY meets with you and goes over every single page of the petition and schedules to make sure the information contained in all paperwork is correct. You sign the petition and schedules under penalty of perjury. For that reason it is very important to make sure the information is complete and accurate. We believe the more time spent with your lawyer results in a more accurate product – resulting in fewer unwanted surprises. We will NEVER mail the petition and schedules to you and ask you to review and approve them (by signing your name). Clients do not understand the bankruptcy laws or what they are signing. That's why you pay attorney's fees! We will not file your case until we meet with you and answer all your questions.

TIMELINE

Deciding to file bankruptcy is generally a long process; this means your financial situation has had a significant amount of time to escalate. When you do decide on a path to resolution, it is always better if the resolution comes sooner rather than later. By this point you are sick of waiting and watching things in your life go from bad to worse.

At Kain & Scott, we don't make you wait to get your life back. We know that once you make the decision to file bankruptcy, you want to get on with it – to get your life back as quickly as possible. Because bankruptcy is all we do, we can file your bankruptcy case within days of meeting you, not weeks or months.

EXPERIENCE

Your financial situation and future is not something to hand over to just anyone. Experienced attorneys know what they are doing – your case won't be our first dance.

The attorneys at Kain & Scott have over 47 years of combined bankruptcy experience. Bankruptcy is not just what we do, it's ALL we do. We have filed thousands of bankruptcy cases. Thousands have gone before you to get their lives back – you can too! When you call on us you can breathe easy knowing that we are not just starting out – we have been doing this for decades. Plus, we love what we do!



CONCLUSION



CLIENT SERVICE & PREPARATION PROCESS

When you hire an attorney to help you through a very personal situation, you don't expect to get the same customer service your cable company provides. Your attorney should be your rock – your constant, consistent source of support, advice and comfort.

At Kain & Scott, the attorney you first meet with is YOUR ATTORNEY throughout the entire case. When you call the firm with questions on your case, YOUR ATTORNEY is the one who you will talk to – we never send you to different people that you don't know, and who likely don't fully understand your case.

WHAT YOU MEAN TO THE FIRM YOU HIRED

When you are going through this emotional period in your life the last thing you need to feel is that you are just a bother or just another filing for the firm.

Our employees and attorneys are trained to have first class customer service skills. From the moment you call us you'll notice something is different. We have a relaxed atmosphere – and that includes our attorneys. There are no stuffy big-shots here to intimidate you – even their dress has a casual-esque tone!



COMPARE YOUR DEBT SOLUTION OPTIONS

