

DEBT RELIEF



ATTY. LAWRENCE YANG

Big 2 may file for bankruptcy reorganization

cause starting today, the United States government will stand behind your warranty." Further, the President said that as a last resort, instead of being the beneficiary of an endless stream of bail out funds to enable the BIG 2 to continue operating, they may be required to file for bankruptcy reorganization. This is the first time since the BIG

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2 started receiving billions of bail out funds late last year that the prospect of bankruptcy has been mentioned by the government as a tool of last resort to ensure that the BIG 2 will survive.

The President envisions a prepackaged government led bankruptcy for the BIG 2 to force creditors, employees and other parties who have

claims on the carmakers, to reduce their payment demands against the carmakers to such an extent that the cash flow of the BIG 2 can easily handle. The prepackaged bankruptcy plan may indeed require unsecured creditors to give up a big chunk of their claims. It is not unusual to have unsecured creditors receive 10 cents to a dollar or even nothing in a Chapter 11 reorganization. Bankruptcy law gives bankruptcy judges the power to reduce or even invalidate loans and contracts of debtors if they believe that the Chapter 11 business plan submitted is feasible. Faced

with the possibility of having their claims reduced to nothing in bankruptcy court, creditors and employees and other claimants may be forced by the threat of bankruptcy to give significant concessions to the BIG 2 to dissuade the government from leading GM and Chrysler into bankruptcy court where they may end up with nothing. Bankruptcy

judges can invalidate warranties but the President has given his oral guaranty of the warranties to convince consumers to continue buying GM and Chrysler cars. I would suggest that you wait for this guaranty to be put in writing first because as any freshman law student knows only written guaranties are valid and enforceable. Aside from invalidating creditor and employee claims, the government expects bankruptcy law to allow the BIG 2 to shed off bad assets while allowing the sale of good assets to generate cash.

With this announcement, it may be closer to certainty that the BIG 2 will be seeking Chapter 11 bankruptcy reorganization. This is a good thing. It is a lot cheaper for taxpayers to have the BIG 2 face the scalpel of a bankruptcy judge to carve them into leaner and profitable entities. Compare this to providing an endless stream of cash to allow them to continue operating forever at a loss. The cost of continued bail out of these 2 losers may even be more than the 2 wars we are currently fighting in the Middle East.

If you have too much accumulated debt that you can no longer handle, seriously consider to get rid of your debt with a chapter 7 bankruptcy petition if you qualify. If bankruptcy will be used as a weapon to save the BIG 2 to ensure that they survive, bankruptcy will also be good for you so you can have a fresh start in life without accumulated debt.

Contact my office; I will analyze your case personally.

Lawrence Bautista Yang specializes in bankruptcy, business, real estate and civil litigation and has successfully represented more than five thousand clients in California. Please call Angie, Barbara or Jess at (626) 284-1142 for an appointment at 1000 S Fremont Ave Bldg A-1 Suite 1125 Unit 58 Alhambra, CA 91803.

(Advertising Supplement)

RE-UNION

Filipino-American Associations in America

Searching for a kababata from your hometown, a college buddy or a Pinoy colleague? Your search is finally over. The Asian Journal brings you Re:Union, Filipino American Associations in America -- your link to a network of kababayan associations here in the United States. As your Filipino-American community newspaper, the Asian Journal recognizes your need to nourish and maintain ties with the people and the culture you were born with. This is our way of connecting our kababayans to the past, of creating new opportunities for the present and of inspiring you to pay it forward by becoming active members of your association and the FilAm community at large in the future.

The PhilAm Association of Rochester, Minnesota

AN independent, socio-civic, non-profit organization dedicated to the presentation and promotion of inherent Filipino cultural values, heritage, and traditions to the community of Rochester, Minnesota.. The Phil-Am Association dates all the way back to the 1960s. Their original name was the Knightengales.

Objectives

To promote a deeper knowledge and understanding of our cultural values among organization members and the Rochester community.

To develop mutual respect and peaceful relationship among members of the organization and the diverse population of the Rochester community.

To provide emotional, spiritual, and physical support to the members of the organization in time of need

To actively participate in civic, educational and socio-cultural activities in the Rochester community

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Upcoming Events for 2009

• Valentines Party Feb 13. - Blue Moon Ballroom
• Phil-Am Public Open Meeting Mar.07 - St. Mary's Cafeteria

• Philippine Day - Minnesota Mar.22 -Landmark Center

• World Festival Apr 10 - 11 Mayo High School

• Festival Of Nations Apr 30 - May 03 St.Paul River Centre

• Rochester Fest June 16 - 24

• Summer Picnic July 18 Essex Park

• Christmas Party Dec 19. Resurrection Church

To contact PhilAm Association of Rochester:
E-mail: rochestermn-philam@gmail.com ■

Can bankruptcy avoid or delay...

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in certain cases but this is NOT always the case. See a competent bankruptcy lawyer for advice if you are one of the homeowners I described above.)

Lastly, in cases where the borrower has possible debt-cancellation income which could result in a tax liability (example: a bank forgives a debt otherwise collectible against the borrower but reports the cancelled amount as "income" on a 1099), Chapter 7 bankruptcy may be your best way to get out from under your mortgage debt and

tax liability at the same time. This is because a debt that is wiped out by a bankruptcy is excluded from income and is not taxed. If the expected cancellation-of-debt income is substantial, this alone could be a good reason to file Chapter 7. Recent laws were passed to protect most homeowners from this tax liability but in certain cases, these laws do not apply (example: the loan was secured by rental property). Tax laws are complex and situations vary so if you are in doubt as to possible tax liability in your case, seek the advice of a competent tax

professional.

If you want to explore the possible benefits of Chapter 13 or Chapter 7 bankruptcy protection, we would be glad to help you evaluate your options. To schedule a free office consultation, call us Toll-Free at 1-866-477-7772. We have offices in Glendale, Cerritos and West Covina.

None of the information herein is intended to give legal advice for any specific situation. Atty. Ray Bulaon has successfully helped more than 4,000 clients in finding solutions to their debt problems. To schedule a free attorney consultation, please call Ray Bulaon Law Offices at TOLL FREE 1-866-477-7772.

(Advertising Supplement)



Binalonan Association of Southern California

invites you to the

2009 Induction Ceremony of Officers Dinner/Dance

Olympic Collection

11301 Olympic Boulevard

West Los Angeles, CA 90064

April 18, 2009

6:00 pm

\$50 per person

Semi-formal

Reservations and payments must be completed by April 4, 2009.

For more information, please call
Amelia Arichea at (818) 348-5899

Ludy Ganzon at (818) 994-0561

Mila Tadina at (818) 635-2554

People and Events

What taxpayers should know right now!

LOS ANGELES – About 1 out of every 4 taxpayers, including nearly 4 million Californians, wait until the final week to do their taxes. If you're one of those taxpayers, here are a dozen Q&As to help you meet the Wednesday, April 15 deadline.

1. *Where can you get IRS forms and publications?*

Go to the official IRS web site at www.irs.gov for tax forms and publications which can be downloaded 24 hours a day, 7 days a week. Many libraries and post offices also provide free tax forms.

2. *How can you get your taxes done for free?*

Volunteer Income Tax Assistance (VITA) sites help those making up to \$42,000. VITA sites usually serve walk-in visitors on a first-come, first-served basis. AARP Tax Aide sites help seniors who have less complicated tax returns and usually require an appointment.

Days and times of service vary at these sites, and please understand that they're very busy close to the deadline. For more information, call 2-1-1 if you're in L.A. County. Outside the county, call the IRS at 800-906-9887 or AARP at 888-227-7669.

In addition, the IRS operates Taxpayer Assistance Centers (TAC) Monday through Friday, 8:30 am to 4:30 pm. TACs provide forms and publications, answer questions, and help arrange payment schedules.

The IRS TACs in the region include: Bakersfield, 4825 Coffee Rd.; Camarillo, 751 Daily Dr.; El Monte, 9350 E. Flair Dr.; Long Beach, 501 W. Ocean Blvd.; Los Angeles Downtown, 300 N. Los Angeles St.; Santa Barbara, 1332 Anacapa St.; Santa Maria, 2384 Professional Pkwy.; and Van Nuys, 6230 Van Nuys Blvd.

3. *What if you can't get to a free tax prep site?*

Go to the IRS Web site at www.irs.gov and click on the link for "Free File" which is available to taxpayers with adjusted gross income of \$56,000 or less. The IRS works with a group of 19 tax software companies which lead taxpayers through an interview process on the computer to prepare and electronically file their federal taxes for free.

For those with incomes above \$56,000, there's a new "self-service" option this year called "Free File Fillable Tax Forms." This option does not include an "interview" process like the other Free File offerings, but it lets taxpayers enter their tax data, perform basic math calculations, sign electronically,

print their returns for recordkeeping, and e-file their returns. This "self-service" option may be right for those who are comfortable with the tax law, know what forms they want to use, or don't need assistance to complete their returns.

Both the Fillable-forms option and the "full service" Free File offerings are available only through www.irs.gov. You can get your refund in as little as 2 weeks if you e-file and request the refund to be direct deposited into your bank account.

4. *What if you're not comfortable with the computer or don't have one?*

Make an appointment with your local professional tax preparer as soon as possible. The IRS depends on these preparers to do about 60 percent of all tax returns. In California, all tax preparers who are not an attorney, a CPA or an enrolled agent (this last category comprises tax preparers who have passed an IRS test) are required to register with the California Tax Education Council. CTEC ensures that its members meet educational requirements and are bonded.

5. *What's the difference between a tax "deduction" and a tax "credit"?*

Tax deductions and tax credits can both save money, but they are different. A deduction lowers the income on which the tax is figured, while a credit actually lowers the tax itself. When you hear the term "credit" used in taxes, you want to be sure to look into whether you qualify.

6. *What's the Earned Income Tax Credit?*

The earned income tax credit (EITC) helps low to moderate income workers who earn under \$42,000 a year. To claim it, you have to have social security numbers for yourself and your qualifying children. In California last year, nearly 2.5 million taxpayers received almost \$5 billion in EITC (an average of \$2,000), but IRS estimates that only 3 out of 4 eligible taxpayers actually get the credit. The rules can be complicated so use the EITC Assistant at www.irs.gov which is available in English and in Spanish

7. *What about the Recovery Rebate Credit?*

It's a follow-up to last year's economic stimulus payment which some people called the tax rebate. It was up to \$600 for a single person, \$1,200 for married filing jointly, with an additional \$300 for children under 17. But some people's financial circumstances may