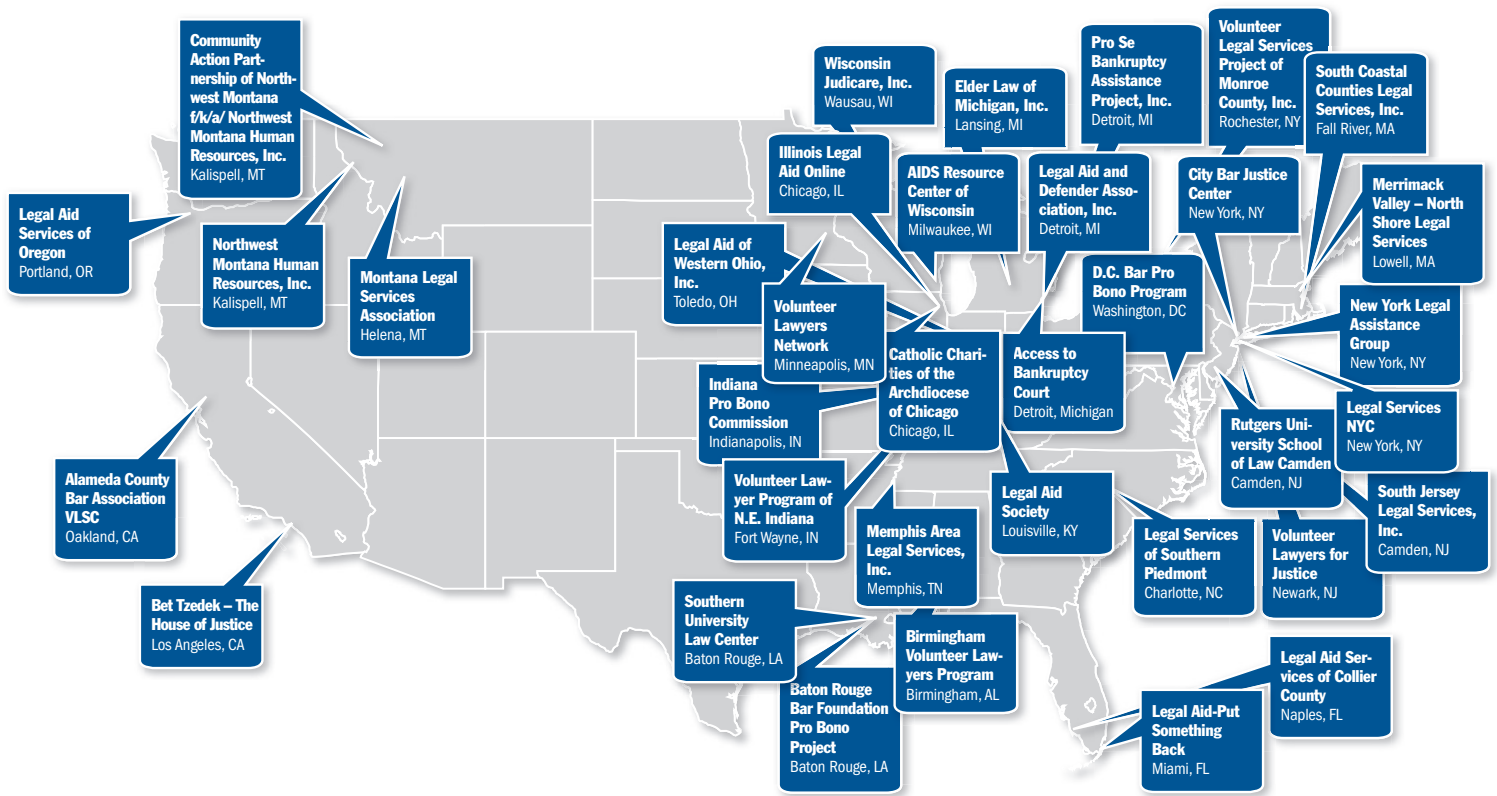


## American College of Bankruptcy Pro Bono Grants Calendar Year 2011

### Where Your Donations Work!



## Legal Services of Southern Piedmont

*Arthur Bartlett, Director of the LSSP Low Income Taxpayer Clinic*

Since March 2011, Legal Services of Southern Piedmont has assisted several clients with crippling tax liability issues file Chapter 7 bankruptcy petitions. This assistance was largely possible because of the generous grant the American College of Bankruptcy provided to our Low Income Taxpayer Clinic and Consumer Protection Program. These filings have led to the discharge of significant tax and other liabilities and provided our clients with the kind of fresh financial start that only bankruptcy is able to provide.

Our client Mona is 51 years old and recently divorced. She moved to Charlotte to be closer to her elderly father and has two children in college, to whom she provides as much support as possible. Her days are busy, working part-time and taking computer and typing classes at a local community college.

Prior to the divorce, Mona was aware that she and her husband owed the IRS over \$50,000 due to his failure to report early withdrawals of his retirement savings. In addition, during the marriage Mona had amassed a considerable amount of consumer debt. Though the divorce decree stated that the ex-husband was responsible for the tax liability, the IRS vigorously sought to collect from Mona anyway. In desperation, Mona filed a request with the IRS for Innocent Spouse relief, but it was denied. If successful, her request could have resulted in her walking away owing nothing to the IRS.

With very few options left to tackle her tax liability, Mona turned to Legal Services of Southern Piedmont for assistance. She initially wanted help filing an Offer-in-Compromise, a process that allows taxpayers to settle their tax liabilities for

less than the full amount owed. However, for a number of reasons an Offer was not highly favored option. A few weeks after taking Mona's case, Legal Services of Southern Piedmont received funding from the American College of Bankruptcy to file bankruptcies on behalf of tax clients. We quickly advised Mona of all of her options, including filing a Chapter 7 bankruptcy petition. Mona chose bankruptcy. This summer Mona's IRS and consumer liabilities were discharged. Now Mona is free to pursue her education, assist her family and start over without fear of having what little she has seized by the IRS. 🏛️

