

DEBT RELIEF



ATTY. LAWRENCE YANG

Big 2 may file for bankruptcy reorganization

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 in-

validating 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)

PROBLEM SOLVED



ATTY. KELLY O'REILLY

FAMILY. In a complex life simplicity is found when one realizes nothing else really matters, it really is about the ones you love. I have come to appreciate this fact more and more as a father, as a son and as a husband. Such clarity of purpose was brought into greater focus recently as I was able to take my family and parents on our annual pilgrimage to the Hawaiian Islands. Maybe it's my age or it's the effect of the islands but during this trip I often found myself in deep reflection on how blessed I was, beyond that which I seemingly deserve. Blessed with a marriage that was approaching 15 years to a perfect wife, blessed with parents I have always looked up to and as I watched my children play, blessed with healthy, active and sweet kids. I could not imagine life without any of them.

These thoughts also lent themselves to a recent experience I had with a client who over time has succumb to the ravages of cancer. I received a

The value of family

call just before I left for vacation that he was hospitalized and that it did not look good. When I heard this I struggled with the thoughts of my last visit with him wherein he looked me in the eyes and said to me, "attorney I do not care for myself anymore but I want you to take care of my family, make sure they are able to live in this country forever."

As I thought about his request late into the night after hearing of his hospitalization I struggled with what I could do to help. I then decided that I had to visit my client, my friend, and assure him that his family would be alright. Without disclosing the full details I can say that the trip was well worth the effort. Though he was in obvious discomfort he showed great relief when I was able to let him know that his wife and family would be ok and that I would make sure of it.

Now, you might ask why would a man suffering from cancer worry about immigration with all that he must have on his mind. I can tell you that not only was immigration on his mind but that it was the singular issue as he lay in his hospital

bed. And for good reason.

A man's family, their health, safety and education are on the line and he knew it.

It is not simply getting a green card or a work permit that drives immigrants from all walks of life to sacrifice everything in return for a small part of the American life. It is far more than that, it is the freedom to choose what is best for their families and the impact that such freedom can have on their posterity that remains the heart of U.S. immigration.

Family. Securing their future by making sure that they can follow their dreams is something we all want so maybe its time to do something that will secure their future. It's time to seek out an immigration attorney and discuss possibilities because in the U.S. life is all about possibility.

Kelly S. O'Reilly is a principal and a founding shareholder in the law firm of Wilner & O'Reilly.

Please contact Kelly S. O'Reilly at (562) 207-6789 or 1-877-7MABUHAY. Wilner & O'Reilly, APLC, is located at 17777 Center Court Drive, Suite 200 Cerritos, CA 90703. Visit www.wilneroreilly.com.

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California sales tax rises to almost 9 percent

YREKA.—California residents will pay one of the highest sales taxes in the nation after a 1-percent tax hike went into effect Wednesday to help the state bridge a record \$41.6 billion budget deficit.

It's part of the state's plan to help stave off cuts to education and health care.

The state's sales tax increases to 6 percent, bringing the average local rate to almost 9 percent. The Washington, D.C.-based nonprofit Tax Foundation says the median rate of state and local sales taxes was 5.5 percent nationwide at the start of 2009.

The temporary hike on goods such as cars, furniture, laptops and toys is expected to bring in an estimated \$5.8 billion before it expires on July 1, 2011, but could last another year if voters agree to extend it as part of a package of budget-related initiatives in a May 19 special election.

Meanwhile, some Northern California business owners are worried about customers heading north to shop in Southern Oregon. Ohlund's Office Supply in Yreka says it will be forced to lower prices on copy and fax machines, and printers to stay competitive. (AP)

Layoff insurance latest carrot for homebuyers

by ALEX VEIGA,
APWriter

LOS ANGELES—Free granite countertops, swimming pools and landscaping aren't going to convince anyone who's afraid of losing a job to buy a home. But what about a promise to pay your mortgage if you get laid off?

With the unemployment rate at a 26-year high and home sales still in the dumps, a growing number of homebuilders and even some real estate agents are trying to coax buyers with a kind of mortgage unemployment insurance.

Major builders offering job loss mortgage payment plans include Lennar Corp., Pulte Homes Inc., The Ryland Group Inc. and Toll Brothers Inc.

"We're literally adding at least one builder a day throughout the country," said Todd Ludlow, senior vice president of Rainy Day Foundation, a nonprofit organization that administers the programs for many builders.

Builders can pay anywhere from \$450 to \$900 per customer for the coverage. Some absorb the cost as they would any other sales promotion, while others pass it on to buyers, Ludlow said.

In January, Lennar unveiled a version of Rainy Day's program called "Piece of Mind Mortgage Payment Protection Plan." Lennar covers monthly mortgage payments between \$1,800 and \$2,500, depending on the market, for a maximum of six months. Buyers can take advantage of the program only if they lose their job within the first two years after purchasing the home.

Launched last month, Toll's mortgage protection program only covers homebuyers who finance their purchase through the company's mortgage lender. The plan covers a maximum of six monthly payments of up to \$2,500 a month — including interest, taxes and insurance — if the homeowner loses his or her job within two years after closing on their home.

"It's for those who perhaps are not feeling themselves in imminent danger but just want that extra safety net," said Kira McCarron, chief marketing officer for luxury homebuilder Toll, which is based in Horsham, Pa.

One of the most generous programs in the industry comes from Cousins Properties Inc., which is marketing the effort with its 10 Terminus Place luxury condo tower in Atlanta.

Cousins is offering to refund to buyers all their mortgage payments should the appraised value of their condos fall below the sale price after three years. The company, Cousins will let a buyer walk away from their property if they lose their job or just can't make their mortgage payments anymore.

"You won't have a foreclosure, you won't have a credit issue and you won't have any future obligation," said Tom Bell, Cousins Properties' chief executive, adding such homeowners would sacrifice their 5 percent downpayment.

Some real estate firms also are getting into the act.

Keller Williams Realty Inc. began offering job loss protection through the Rainy Day Foundation a couple of weeks ago as a test program in South Florida with an eye to an eventual national rollout.

"We're bringing it to our sellers as a marketing opportunity," said Greg Cook, spokesman for Keller Williams South Florida.

The firm also is offering it to buyers who enlist a Keller Williams agent to buy a home that's not being listed through the company, Cook said.

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