

ELECTRONIC BANKRUPTCY NOTICING

QUESTIONS & ANSWERS

Providing electronic bankruptcy noticing services is a requirement of the Bankruptcy Noticing Center (BNC) contract. Upon execution of a trading partner agreement, the BNC contractor (Tracor) will send bankruptcy notices to recipients (high volume creditors) that have requested Electronic Data Interchange (EDI) formatted data be sent to their designated EDI electronic mailbox.

1. Q. What is EDI?

A. The American National Standards Institute (ANSI) sponsors the Accredited Standards Committee (ASC) X12, Electronic Data Interchange (EDI), to develop uniform standards for electronic interchange of business transactions. In 1995, the Administrative Office submitted for adoption Transaction Set 175 - Bankruptcy Notice. Using Transaction Set 175, the BNC will transmit only the variable information in the notice, e.g., form identification codes, debtor names, 341 meeting locations, rather than the entire notice text. EDI software companies support the instructions contained in the ASC approved transaction sets to "map" the variable notice information to electronic data fields.

2. Q. What about the cost to the creditor?

A. Entities interested in receiving EDI notices must change their procedures to work from electronic EDI formatted data rather than paper notices. Not all notices can be sent to the participating entities in an EDI format so paper notices will not be eliminated, but the 341 First Meeting and Discharge notice can be converted to EDI. Entities not already using EDI for other applications, such as invoicing, must purchase and install EDI software and obtain an electronic mailbox account for EDI notice transmissions. The benefit to creditors that receive thousands of bankruptcy notices is expected to be substantially greater than the costs to switch to EDI processing. Entities that receive smaller quantities of notices are expected to find Fax and Internet e-mail electronic noticing a more cost-effective method of electronic noticing. (See question #14)

3. Q. Why can't all of the notices be sent EDI?

A. The BNC must be provided with case specific electronic information to "map" it to the EDI standard. Notices sent to the BNC on paper or in image files do not have the case specific variable information separate from the "boiler-plate" text of the notice; however, the BNC can map all 341 First Meeting of Creditors and Notice of Discharge generated by the courts' case management systems (BANCAP or NIBS). Courts using the BANCAP system can also send via EDI the Order Dismissing Case and Notice of Assets. Separate Chapter 13 plans can not be formatted into EDI.

4. Q. What are the benefits?

A. The court is able to offer an enhanced public service at a reduced cost to the taxpayer/judiciary. The creditor will receive notices days faster than the postal service delivery times and

will be able to reduce their bankruptcy notice processing expenses by replacing manual data entry processes with automated procedures.

5. Q. What has been the EBN project experience to date?

A. An experiment was initiated in 1996 in five bankruptcy courts (FL-S, IA-S, IL-N, MO-E, NJ) with six creditors, e.g., the IRS. In late 1998 the service was approved for national implementation and, as of April 1999, 30 courts have submitted Trading Partner Agreements with many more in process.

6. Q. What is the DAASC?

A. The BNC transmits all EDI notices to the Defense Automatic Addressing System Center (DAASC) which then routes the messages to various networks housing creditor EDI mailboxes. The Defense Logistics Agency, of the Department of Defense, operates the DAASC which serves as the central collection point for transmission of EDI documents both within DOD and to private sector value-added networks (VANs). DAASC has signed a Memorandum of Agreement with the Administrative Office of the U.S. Courts to provide free EDI electronic mailbox services for the judiciary's electronic noticing recipients. For more information about DAASC, call Stuart Scott, DAASC EC/EDI Program Manager, at (937) 656-3705, and visit the DAASC web page at: <http://trafe2.daas.dla.mil>.

7. Q. Does the court systems staff need to learn EDI?

A. Absolutely not. Technical questions posed by creditors interested in, or already receiving, EDI notices will be answered by the BNC staff by calling the BNC help desk at 1-800-262-5055.

8. Q. How does the court know the EDI notice was received?

A. As described in the Trading Partner Agreement, the BNC receives back an electronic confirmation receipt that the EDI notice information was placed in the recipient's electronic mailbox at DAASC or at the creditor's value added network. The DAASC or the creditor's value added network acts as the creditor's agent by issuing a confirmation message within two hours, otherwise the notice is printed and mailed. The BNC certificate of service sent to the court lists all notices served electronically separate from those served by first class mail.

9. Q. Why must a Trading Partner Agreement be signed with each creditor and each court?

A. Bankruptcy Rule 9036, which authorizes electronic noticing, requires the recipient to request in writing electronic noticing services and an electronic confirmation of receipt be a part of the electronic noticing process. Each court has specific standard text that creditors must be aware of that is not transmitted in the EDI notice. The Trading Partner Agreement satisfies the rule requirements and describes the EDI noticing process and roles of the parties and has attached specific court notice examples so that there are no misunderstandings.

10. Q. What information should the courts provide to complete Exhibit 1 of the Trading Partner Agreement?
- A. The courts should provide the following information: (1) list the form names and numbers to be transmitted via EDI and indicate whether forms are high volume (BNC stored) or low volume (BANCAP Genform); (2) provide sample court notice copies to be transmitted via EDI.
11. Q. Where do I get the creditor's common names and addresses to complete Exhibit 2 of the Trading Partner Agreement?
- A. National name and address lists, e.g., IRS, are available from the BNC and/or creditors may provide their own name/address lists. This list should be reviewed with the creditor who should add or delete names and addresses to ensure proper notice delivery. A copy of the completed Trading Partner Agreement and exhibits (Exhibit 1, forms and Exhibit 2, creditor names and address list) should be sent to the BNC for entry into the BNC electronic noticing system.
12. Q. How are creditor names/addresses updated?
- A. As described in more detail in the Electronic Bankruptcy Noticing Trading Partner Implementation Guide, and in Exhibit 2 of the Trading Partner Agreement, creditors need only fax written name and address changes to the BNC with a copy to the court. The BNC will implement creditor name and address changes within five business days.
13. Q. With the current paper noticing process, creditors receive proof of claim forms for any asset case notices received. For asset case notices received via EDI, will Trading Partners receive proofs of claims in the EDI format?
- A. For asset case notices received via EDI, proofs of claims are not transmitted to Trading Partners in the EDI format, nor are they sent separately by mail. Trading Partners must prepare and file their own proof of claim form for any asset case notices received via EDI. Some bankruptcy courts are planning in 2000 to accept pleadings and proofs of claims as PDF files.
14. Q. Where can creditors obtain more information about the required EDI software?
- A. The BNC has posted on the EBN Web page a list of companies that sell and support EDI software that can be used for bankruptcy noticing. The cost of the EDI software varies greatly depending on the creditor's computer architecture. A mainframe EDI package can cost many thousands of dollars, while the cost of a stand-alone PC version might range from five thousand to twenty thousand dollars. Some companies listed also offer electronic commerce consulting and turn-key services.
15. Q. What about electronic noticing for creditors/parties that don't want to invest in EDI software?
- A. Plans are underway to offer FAX or Internet e-mail with PDF files in addition to EDI electronic noticing services. These additional formats are planned to be offered to all interested courts and creditors later in 1999.

16. Q. Whom do I contact for more information?

A. Bankruptcy Noticing Center Help Line

1-800-262-5055

<http://www.ebnuscourts.com>

- or -

James "Robby" Robinson, Project Manager
Administrative Office of the U.S. Courts
Bankruptcy Court Administration Division
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Robby_Robinson@ao.uscourts.gov

Electronic Bankruptcy Noticing, or EBN, is the process by which bankruptcy notice information is transmitted electronically to creditors who have requested the service.

EBN Saves Time and Money

EBN technology is operated by the Bankruptcy Noticing Center (BNC) under the direction of the Administrative Office of the U.S. Courts and provides enhanced public service while reducing costs:

- Creditors receive notices days faster
- Creditors reduce their processing expenses by replacing manual processes with automated procedures, and
- BNC provides free technical support for creditors.

How Does EBN Work?

The BNC will transmit to creditors using Electronic Data Interchange (EDI) formatted data. In doing so, it provides only the variable information contained in the notice rather than the entire notice text, e.g. form identification codes, debtor names, 341 meeting locations. Vendor supplied EDI software products "read" the variable notice information in the EDI data fields. The use of EDI will benefit those creditors that receive thousands of bankruptcy notices by replacing paper with a computer-to-computer process.

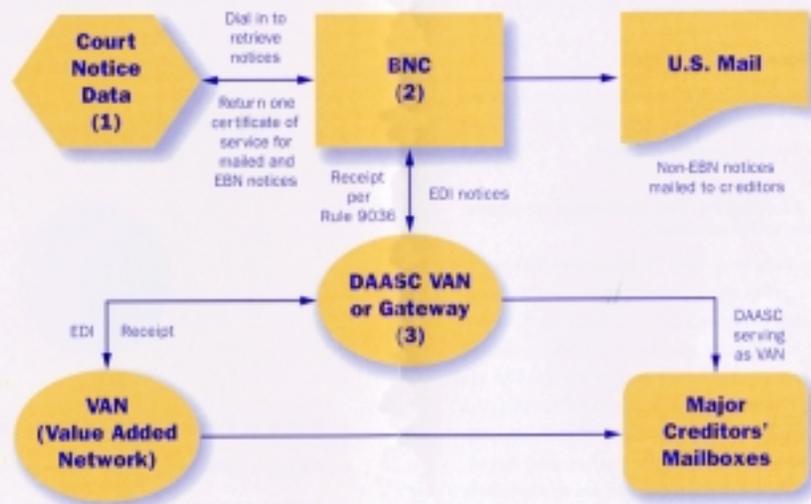
Creditor Needs

Creditors not already using EDI for other applications, such as invoicing, must purchase and install EDI software and obtain an electronic mailbox account for EDI notice transmissions. Working with EDI formatted data rather than paper notices may require some change in procedures, but can offer long-term efficiency savings.

The EBN Gateway

The Defense Automatic Addressing System Center (DAASC) is operated by the Defense Logistics Agency of the Department of Defense, and DAASC has signed an agreement with the Administrative Office of the U.S. Courts to provide free EDI gateway services for the judiciary and its electronic noticing trading partners (creditors). DAASC will also provide a free electronic mailbox service to interested creditors.

ELECTRONIC BANKRUPTCY NOTICING PROCESS



- (1) Court generates notice request through its case management system.
- (2) BNC groups notices into EDI and U.S. Mail recipients per Trading Partner Agreement.
- (3) DAASC receives EDI notices and places them in trading partner/creditor mailbox. If the trading partner/creditor mailbox resides on another VAN, message is routed to that VAN.



United States Bankruptcy Court for the Northern District of California

Forms Available in Electronic Bankruptcy Noticing

The following court documents are available in the electronic format. Please list the forms and accompanying information in Exhibit 1 of the Trading Partners Agreement.

| Form Name | Volume | SF/Oakland Form # | San Jose/ Santa Rosa Form # |
|---|---------------|--------------------------|--|
| Notice of Possible Dividend | Low | 168 | 159 |
| Order and Notice of Dismissal for Failure to Comply | Low | 171 | 191,161 |
| Notice of Commencement of Case under Chapter 7 of the Bankruptcy Code, Meeting of Creditors, and Fixing of Dates | High | B9A, B9B, B9C, B9D | B9A, B9B, B9C, B9D |
| Notice of Commencement of Case under Chapter 11 of the Bankruptcy Code, Meeting of Creditors, and Fixing of Dates | High | B9E | B9E |
| Notice of Commencement of Case under Chapter 12 of the Bankruptcy Code, Meeting of Creditors, and Fixing of Dates | High | B9G | B9G |
| Chapter 7 Discharge of Debtor | High | DIS | DIS |
| Notice of Order Confirming Plan & Discharge | Low | 199 | 199 |
| Order Discharging Debtor before Completion of Chapter 12 Plan | High | 12N | 12N |
| Order Discharging Debtor before Completion of Chapter 13 Plan | High | 13N | 13N |
| Order Discharging Debtor After Completion of Chapter 13 Plan | High | 13Y | 13Y |
| Order Discharging Debtor, Completion of Chapter 13 Plan, Final Decree | High | D13 | D13 |
| Notice of Dismissal of Case | Low | 189,164 | 190,156, 181 |

| Form Name | Volume | SF/Oakland Form # | San Jose/ Santa Rosa Form # |
|---|---------------|--------------------------|--|
| Order Dismissing Chapter 13 Case and Notice | Low | 208 | 209 |
| Chapter 7 Discharge of Debtor | Low | 211 | 208 |
| Chapter 13 Order Discharging Trustee & Final Decree | High | DIS (T13) | DIS (T13) |
| Chapter 13 Order Discharging Debtor | Low | 214 | 215 |

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