

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO (COEUR D'ALEN)**

**PROOF OF CLAIM
U.S. COURTS**

Name of Debtor
Frank L. Chapin
Sydney L. Gutierrez-Chapin

Case Number
02-20218

2002 JUL -3 P 12: 24

NOTE: This form should not be used to make a claim for an administrative expense incurred after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. §503.

RECEIVED FILED
COURT CLERK S. BURKE
02-20218

Name of Creditor (The person or other entity to whom the debtor owes money or property):
Karen Saxowsky
Name and Address where notices should be sent:
Karen Saxowsky
c/o William Schroeder
Paine Hamblen Coffin Brooke Miller
717 West Sprague, Ste 1200
Spokane, WA 99201

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
 Check box if you have never received any notices from the bankruptcy court in this case.
 Check box if the address differs from the address on the envelope sent to you by the court.

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THIS SPACE IS FOR COURT USE ONLY

Telephone Number: 509-455-6000
Account or other number by which creditor identifies debtor: 01206413-9

Check here if replaces this claim amends a previously filed claim, dated _____

1. Basis for Claim
 Goods sold
 Services performed
 Money loaned
 Personal injury/wrongful death
 Taxes
 Other *See Attached Summary*

Retiree benefits as defined in 11 U.S.C. §1114(a)
 Wages, salaries, and compensation (fill out below)
Your SS #: _____
Unpaid compensation for services performed from _____ to _____ (date) (date)

2. Date debt was incurred: *on or about 9/3/96*

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: *\$ 200,000 (est.)*
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
 Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim.
 Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
 Real Estate Motor Vehicle
 Other _____
Value of Collateral: \$ _____
Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____

6. Unsecured Priority Claim.
 Check this box if you have an unsecured priority claim
Amount entitled to priority \$ _____
Specify the priority of the claim:
 Wages, salaries, or commissions (up to \$4,650)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
 Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
 Up to \$ 2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
 Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
 Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
 Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).
**Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

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Date: 7/2/02
Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): *William J. Schroeder, Paine, Hamblen, Coffin, Brooke & Miller LLP*

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

Chapter 12 and 13 claims, along with any supporting must be filed in duplicate.

**PROOF OF CLAIM
SUMMARY OF SUPPORTING DOCUMENTS**

Debtor Frank L. Chapin was the co-Personal Representative for the Estate of Christina Leaf, Spokane County Superior Court, Cause No. 96-4-006175. Estate funds have not been distributed to the beneficiaries of the Estate, nor did Debtor Frank L. Chapin fulfill his statutory and fiduciary duties as the co-Personal Representative. Debtor Frank L. Chapin has resigned as a Personal Representative, but the court refused to discharge him from liability for his acts or failure to act as the Co-Personal Representative. The Spokane County Superior Court, State of Washington, has now appointed attorney Michael J. Paukert, of Paine, Hamblen, Coffin, Brooke & Miller LLP, to represent the interests of the Estate of Christina Leaf in the instant bankruptcy proceeding.

The Estate of Christina Leaf filed an adversary complaint for damages and to deny discharge in the instant bankruptcy matter. See Adv. Pro. No. 02-6135. Debtor Frank L. Chapin has admitted under oath that he converted the bulk of Estate assets to his own personal use. The allegations and claims in the adversary complaint are incorporated herein.

Nine of the beneficiaries of the Estate of Christina Leaf have filed a civil tort action against debtor Frank L. Chapin in Spokane County Superior Court. Spokane County Superior Court, Cause No. 01-2-06413-9. The tort action seeks unspecified damages for negligence, fraud, and breach of fiduciary duty.

The nine beneficiaries have also filed an adversary complaint against the debtors and the debtors' wholly-owned corporation, Financial Management Services, Inc.. See Adv. Pro. No. 02-6136, seeking damages and denying discharge of the Chapin's debts to the beneficiaries.

The debt due the Estate and beneficiaries is estimated at \$1.8 million, however debtor Frank L. Chapin's past refusal to provide a complete and accurate accounting of the total Estate assets and the funds he converted from the Estate has made it difficult to arrive at the exact amount. The beneficiary creditors seek civil damages for the six year delay in receiving their rightful inheritance. The civil damages are in excess of the \$1.8 million claimed by the Estate, however, the amount of civil damages is unliquidated.