

Podcast 16Final

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SPEAKERS

Harman



Harman 00:15

Welcome back everyone, it's BNA breaks down debt with Harmon. Today we're gonna be answering a question that was posed to us by one of our listeners. There were wondering what happens if somebody is bankrupt and the win the lottery? How do you deal with that situation? So we're gonna try to provide a basic and summarized answer in our today's podcast. So when somebody is in an insolvency proceeding, so when you're dealing with a licensed home trustee, there's certain rules that we have as a license on the trustee. And if somebody wins a lottery, there are steps we have to take to deal with that. In insolvency world, we call this a windfall. So lotteries are considered a windfall when somebody is in a bankruptcy. So let's suppose let's put some numbers to this to make it simpler. suppose somebody owes \$50,000. And they are currently in a bankruptcy, and they win \$1 million in a lottery. So that's great. You know, now there's lots of money out there. But however, there are certain steps that will be taken before you can get all the money. Because in a bankruptcy proceeding, typically, the funds are to come in to the bankruptcy state. So if you win the lottery, typically, the funds are to come in to the license on the trustee. And since in the example, we're talking \$1 million, would be more than sufficient to pay off your debts. Typically, they would be able to get their money back in full. And any access meaning after costs, fees, the dividends paid to all the creditors would come back to you. So your creditors get all their money back, as they would be entitled to cover the debts that you owe them in those situations. So that's typically how a lotteries handled, it's not often that this occurs, but it has happened and it is something that we do see in insolvency. So not all of them, maybe million dollar wins. But winnings can be all sorts of

sizes. So if you went 10,000 100,000 million 10 million, they are treated as a windfall, and hopefully has provided some little bit more clarity. So we do want to say again, though, the information provided in these podcasts is not to be treated as legal advice. If you need legal assistance, please reach out to a legal professional. If you're dealing with debt, you can always reach out to us. We are a licensed home to trustee firm. You can call us at 403-232-6220. And we provide free initial consultations. So if you think you're dealing with the debt to training situation and you need some assistance, and figuring out what your options are and what to do, please reach out to us and we'll be able to review all of your available options. So as always, thank you for joining us. It's been a breakdown get with Harmon