

have Howard Lamb sign it, he's a good neighbor, he will sign it, he's worth a lot of money and he likes you and you're a nice guy and he will sign. Howard, will say, no, Loran, I won't do that but I'll tell you what I will do, I may go make you a personal loan and then I won't be stuck for that amount of the money, but I am not going to co-sign a note of yours because that may have a long, long tail on it. Bear in mind there are equal responsibilities, not just a responsibility of the borrower, a responsibility of the lender. This places it all...all the responsibility upon the borrower. Thank you, Mr. President.

PRESIDENT: Thank you. Senator Ashford, please.

SENATOR ASHFORD: I would...I would like to ask Senator Landis a couple of questions if I could.

PRESIDENT: Senator Landis, would you respond, please.

SENATOR LANDIS: My pleasure.

SENATOR ASHFORD: Senator Landis, what is the...I...what is the current law on defrauding creditors, the current federal law?

SENATOR LANDIS: Well, my recollection is, going back a long ways, there is a special period of time where a transfer is presumed to be fraudulent. Beyond that time, and I think it could be like three months in a normal situation, and six months or nine months in the case of an insider's relationship, and then beyond that time it's a matter of a burden of proof that could be met. If you can meet the burden of proof, you can undo a transaction and bring into a pot assets which have slipped through because of a transfer.

SENATOR ASHFORD: Right. Okay, and that...whether or not we have a state law that exempts those individual annuity contracts from garnishment that that federal law would still apply, there could still be a finding.

SENATOR LANDIS: That's right. An underlying federal rule will be there in which a bankrupt...bankruptcy trustee could say, wait a second, time out, we are not going to discharge the bankrupt because the burden of proof has been met by the creditors that this was a fraudulent exchange. We want that transaction undone and we want those assets back into the pool for discharge.