

**UNITED STATES BANKRUPTCY COURT**

Western District of Texas  
U.S. Post Office and Courthouse  
615 East Houston Street, Suite 383  
San Antonio, Texas 78205

Chambers of  
**LEIF M. CLARK**  
Judge

(210) 472-5181  
Fax: (210) 472-5160  
Judge\_Leif\_Clark@txwb.uscourts.gov

[REDACTED]

Re: Your correspondence [REDACTED] regarding Equitas Return Premiums

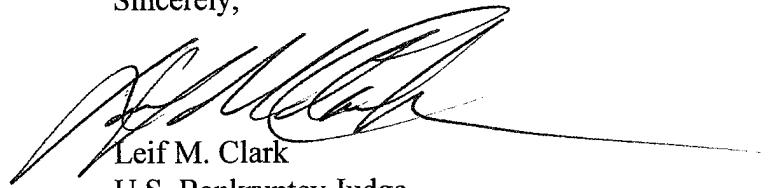
Dear [REDACTED]

Your letter intimates that I might be taking unilateral action with regard to the letter you received from Equitas spelling out their intentions to offset your indebtedness against your individual return premium entitlement. That is not the case. Unless asked to act by way of a formal pleading, the bankruptcy court does not take unilateral action with regard to matters such as this. You are, of course, free to pursue more formal relief by way of a proper pleading, and I strongly advise you to first consult counsel regarding that course of action.

There are two things of which you should be aware. First, while discharge operates as an injunction against the further collection of a debt against you as a personal liability, discharge does not eliminate debt as such. See *In re Mahoney*, 368 B.R. 579, 584 (Bankr. W.D.Tex. 2007). This, in turn, means that debt collection is still available as an *in rem* action (e.g., enforcement of a lien against collateral that secures a debt). I cannot say (and would not here opine) whether an offset is the equivalent of an *in rem* action by a secured creditor against collateral.

I hope this sheds some light on your issue. Again, I strongly recommend you consult with your lawyer about further relief, if any.

Sincerely,

  
Leif M. Clark  
U.S. Bankruptcy Judge

cc: ✓ Ms. Caroline Mayne  
One Lime St.  
London EC3M 7HA, United Kingdom

Mr. Stephen Britt, Company Secretary  
Equitas Limited  
33 St. Mary Axe  
London EC3A 8LL, United Kingdom