

CONTRACT FOR LEGAL SERVICES

**Chapter 7**

The undersigned client(s) \_\_\_\_\_ agree to employ the law offices of Carol A. Lawson, PA to represent them in a Chapter 7 bankruptcy proceeding.

Other attorneys may assist the firm in representation of your case. Clients represent that they have read and understood the agreement as set forth below. The contract is to be interpreted under the laws of the State of Florida, and no oral modification of the contract shall be permitted if not incorporated by a written modification signed by all parties. Clients agree that all information disclosed should be accurate, and that they shall not withhold any information responsive to questions asked by the attorney either in person or on documents or letters from the firm. Any material misrepresentation or failure to disclose relevant information will be grounds for the firm to cancel the representation, and withdraw from the case, and will result in a loss of all fees paid. Any legal questions should be referred to the attorney, as her staff may not provide legal advice pursuant to Florida law. Debtor(s) agree that all information disclosed shall be accurate, and that they shall not withhold any information responsive to questions asked by the attorney either in person or on documents, email or letters from the firm. Any misrepresentations or omissions on the documents filed with the court, or false statements at the hearing with the court or trustee may result in criminal charges against the client. The jurisdiction for all state court actions on this contract is Hillsborough County. Furthermore it is understood that the Firm will prosecute for any bounced checks, not corrected with Firm along with \$35.00 bounce check fee through the State Attorney, and if fees are unpaid post-confirmation, the Firm will withdraw and turn the client over to a collection agency along with prosecution. An additional fee maybe required for the conversion of the case, which is not included in the services above.

**Fee**

The client agrees to pay an initial **non-refundable retainer** of \$\_\_\_\_\_, in addition to the costs described below prior to the filing of the bankruptcy (up to 50 creditors, and additional \$3.00 will be charged for every creditor over 50 listed). The client should always request a written receipt for all

payments made to the office. When the questionnaire is returned, the balance of the fee must be paid by money order, cash, or cashier's check.

The representation is limited to representation in the general bankruptcy proceeding only, and continues only ( no adversary proceedings or FEH's) until the discharge is entered in the case, or the case otherwise terminates which ever occurs first. The client should discuss any state court lawsuits with the attorney during the initial conference, and make written arrangements regarding the lawsuit at that time. If the client is suing anyone, or has the right to sue anyone in state court, generally this suit or right to sue is an asset in the bankruptcy, which the bankruptcy court may be able to take over. Please discuss any suits with me before the case is filed. The law office will not be responsible for taking any action regarding state court lawsuits absent a written agreement to the contrary.

If any adversary proceedings are filed by the client, or against the client in the bankruptcy, or any contested matters arise, such representation shall require additional fees. If any dispute arises related to accounting (for example with the IRS or balance due on mortgages), or valuation, then the client shall be expected to retain a professional accountant or appraisal to provide these services. If matters arise outside of firms bankruptcy expertise, or where there is extensive litigation regarding nonbankruptcy issues, the client may be requested to employ counsel specializing in such other areas.

### **Costs**

The client agrees to pay all court costs in this matter, including filing fees, court reporter bills, postage costs, or charges for federal express or similar services. The client shall pay the sum of **\$299.00\*** as the filing fee in this matter prior to the bankruptcy being filed. All costs must be paid before the law office will make the related expenditure or order any transcript.

The firm is now filing all cases electronically, which requires the law firm to pay the filing fee by debit or credit card. While the client will pay us the fee by money order or cashier's check, the client recognizes that there may be some minor 'premium', such as frequent flier miles, awarded to counsel or the law firm from the credit card company based on the total monthly charges, and consents to the firm retaining any such premium. This also applies to charges for ordering credit reports. The client is also

responsible to the attorney for the **\$1.00** charge by the bank for debit card usage.

### **Additional fees**

The client agrees to pay additional fees if the law office provides the following services to the client. The client understands that these additional services are required in most cases and that none of these fee will be incurred without first informing the client, and allowing the client the option of declining such services. Any unpaid fees shall carry balances shall carry interest at 18% or the highest rate permitted by law, whichever is less. **The case will not be filed until all fees are paid.**

#### **I. Credit Reports**

The fee for this is **\$35.00\*** which is in addition to the retainer fee quoted above. This fee would need to be paid prior to ordering the credit reports, by signing this agreement you consent to Liberty Mortgage pulling your report for our office and running a pre-application loan on you. Whether or not we pull your credit report, you are still required to list creditors you owe on our forms to help insure that everyone is listed. You should provide us with all addresses the creditor has provided to you within the last three months (90 days), or as many of such addresses as you have available. Additionally, complete addresses for all collection agencies must be listed as well as the address for the original creditor. This information should be available on the monthly statements from the creditors or from letters from collection agencies. If the creditor has shown an address for correspondence (as opposed to a billing address), the correspondence address must be listed. Additionally, complete addresses for all collection agencies must be listed as well as the address for the original creditor. This information should be available on the monthly statements from the creditors or from letters from collection agencies. This office will not look up any addresses for any creditors on your behalf( without a separate fee arrangement for the service), you are responsible for providing the creditors addresses, failure to do so will result in your debt not being discharged.

#### **II. Valuation of assets**

The questionnaire provided will ask you to value your property. Federal law requires you to value the property at replacement value. If you would replace the property by purchasing other similar used

property at a flea market or from ebay, then you should value the property at what you would expect to pay for items in a similar condition at a flea market or from ebay. **You are also required to obtain an appraisal of the property at your own cost \$175.00 in order for office to file for you.** We will arrange an appraiser to go examine and value the property and have him send the appraisal to us.. The firm will then determine which of your property is exempt from creditors and the estate. **The firm will not file your case without an appraisal. The appraiser we use is Robert Bonnell #(813) 493-1380.**

#### **IV. Income and Expenses**

The questionnaire will request that you provide information regarding your income and expenses. You should bring payroll records showing your income for the last six months, as your income will usually be considered to be an average of your income for the last six months. The attorney will adjust the income and expense figures as required under Federal Bankruptcy Law to show net available income and expenses for purposes of determining which bankruptcy you file and the money, if any, available for the chapter 13 repayment plan. If you do not have payroll stubs, we will need proof of all other sources of income for the last six months prior to filing.

#### **IV. Changes, additions or deletions.**

If the client wishes to change information on the petition after it has been typed, the changes will be made at no additional charge, if the changes are made prior to filing the case. If any changes are required after the case is filed there will be a **\$95** charge for any such changes, **in addition to the court fee**, if any. Therefore, it is important that the clients list all information on the questionnaire correctly, and list the current, correct addresses of all potential creditors as well as any collection agencies or attorneys on the initial questionnaire.

The client should review the petition before it is filed, and make any corrections at that time. It is very important that all creditors be listed on the petition. If, for any reason, a creditor is not on the petition filed with the court, or if the address for the creditor is incorrect, that debt may not be eliminated by the bankruptcy. **It is your sole responsibility to make sure everyone is listed prior to filing.**

## **V. Adversary and contested proceedings**

If an adversary proceeding is filed in the bankruptcy court against the client, or if the client wishes this firm to file an adversary proceeding against someone else, then an additional retainer will be required for the law firm's representation in this adversary proceeding. The firm has the option to decline representation and withdraw, no funds paid to date to the firm will be refunded.

If the client has some other litigation in the bankruptcy other than the bankruptcy case itself, then we would charge an hourly rate to represent the client in that litigation. Any litigation over the value of the client's property or right to exempt the property would be included as matters requiring an additional retainer.

The client agrees to an hourly rate of \$250 per hour for Carol A. Lawson or for any other attorney, and \$100/hour for the senior paralegal, and \$55/hour for any junior paralegal employed by the firm which hourly fee may be increase periodically in accordance with the prevailing standard hourly fees charged to clients of the office for similar services. **If the total due from the hourly fee exceeds the amount of the initial fee, the client shall remain liable for the excess, and the law firm may discontinue representation if the excess is not paid.**

## **VI. Conversion**

If the client wishes to convert the case to another chapter after it has been filed, there will be an additional fee required before the conversion can be filed. Fee arrangements for the conversion must be made at the time of the conversion. The client will need to discuss conversion with counsel prior to any filing of such notice, to discuss whether there would be any benefit to converting the case.

## **VII. Lien Avoidance**

If when you borrowed money from a creditor, you gave them a list of furniture in the house, they probably took a lien on that furniture. Unless they financed the furniture, the law firm can file a motion with the court to eliminate this lien on the furniture. There is a \$250 charge to file this motion, and the firm must be paid prior to filing the motion. This motion must be filed before the bankruptcy case is closed (about four months after the case is filed).

Alternatively, the client may either continue paying that debt to the creditor, or may take the risk that the creditor will show up later to repossess the items.

If a creditor has a judgment against the client, and that judgment has been recorded in the county court public records, then the law firm may be able to file a motion to eliminate this lien from the property. If there were any suits against the client that went to final judgment, the client should check the county court real property records to see if the judgment is recorded, and if so, should set an appointment with the law firm to bring a copy of that judgment to the attorney. The fee to file the motion to eliminate this type of lien is \$250 per judgment, and must be paid prior to the filing of such motion. Again, this motion may be filed anytime before the bankruptcy case is closed, which will occur about four months after the case is filed.

### **VIII. Redemption**

If a creditor financed the purchase of furniture, appliances, jewelry or electronics, then it is not possible to eliminate the creditor's lien without paying them anything. In this situation, the client has four choices: either keeps making payments to the creditor; work out a deal directly with the creditor to keep the merchandise; take the risk that the creditor will repossess the items; or pay us to file redemption with the court. Redemption is a proceeding where we have the court determine the value of the merchandise purchased from the creditor, and then the client would have to pay this value in cash to the creditor. Once this money is paid to the creditor, the creditor would no longer have the right to repossess the merchandise. Our fee to file this motion would be \$250.

### **IX. Stay Litigation**

If the client wishes to keep any items securing a loan (including real estate securing a mortgage or car loans), the client must either file a lien avoidance or redemption; or keep making the payments on the loan. If the client does not keep making the payments and does not file any other motion, the creditor may file a 'motion for relief from stay' with the court. This motion is requesting that the court allow the creditor to repossess the items securing its loan. Unless the client is able to immediately catch up the payments on the loan, the court will allow the creditor to repossess the items.

The law firm will generally not respond to these motions. If the client wants the firm to respond to the motion and/or attend any hearing on the motion, there would be an additional \$350.00 fee, which would have to be paid prior to the law firm taking any action in the matter.

#### **X. Missed Hearing**

There will be a meeting of creditors about one month after the bankruptcy is filed. The client will receive a notice from the court giving the time and date of this hearing. This notice should be received between one and two weeks after the case is filed. If the client does not receive such notice within three weeks after the case is filed, the client should call our office or the bankruptcy court to get the time and date of this meeting.

The client must attend the meeting of creditors (if the case is filed jointly by husband and wife, both must attend the meeting). The law office will arrange to have an attorney representing the clients at this meeting. If the client does not appear at the meeting, then the case may be dismissed. If the client does not appear, and the law firm re-schedules the meeting, then **there will be an additional charge of \$200 for rescheduling the meeting and attending the rescheduled meeting.**

It is also sometimes possible to file a motion to excuse one of the clients from attending the meeting, usually due to serious medical problems (a doctor's letter would be required) or sometimes due to the client being out of the state and unable to return. The firm would charge **\$250** to file this motion, but cannot guaranty that the court would grant the request to excuse the client's appearance. If the court denies the motion, the client must attend a rescheduled meeting.

#### **XI. Reaffirmation**

Some creditors may request that the client sign a Reaffirmation Agreement. This agreement allows the creditor to sue the client for the debt despite the bankruptcy. While creditors may orally promise to allow the client to keep a credit card or improve the credit report, unless these promises are in writing, they are no good. If the client insists on signing a reaffirmation agreement against our advise, there will be a hearing before the Judge, which the client must attend and explain to the Judge why the client signed the agreement. Our office almost always recommends against signing the agreements as to

unsecured debts. The client would need to discuss reaffirming secured debts with counsel. In order for the firm to represent the client in obtaining court approval of such an agreement, unless the firm recommends that you sign the agreement, there would be a \$250 charge for us to appear at the court hearing. You may appear without counsel at the hearing.

Unless noted to the contrary on this page, the law firm will not advise the client when a creditor requests a reaffirmation of a debt that is unsecured. The firm will not sign a reaffirmation agreement on a a vehicle, or a home with negative equity or any credit card debt or financing company.

## **XII. Appointments**

Normally, a chapter 7 case will require no more than 2 appointments after the initial meeting with the client. In order to minimize the fee charged for the chapter 7 case, it is assumed that no more appointments will be required. If more than 3 additional appointments are required (after the free consultation), an additional fee **of \$85 per appointment will need to be charged**. Also, since appointments are set for 1/2 hour each, and potential clients may be turned away due to calendaring concerns, unless the appointment is cancelled 24 hours in advance, the charge will still be made whether or not the client appears for the appointment. While weekend appointments are usually available in the Dunedin office, if the client misses an appointment without giving 24 hour advance notice, no further weekend appointments will be set for the client.

## **XIII. Lawsuits in state courts**

If the client is suing someone, or anticipates suing someone in state court, it is necessary to get bankruptcy court approval to continue that suit, and to approve any settlement of that lawsuit. Discuss these suits with Ms. Lawson before you file the case. Usually, the bankruptcy court will take over all rights to these suits when a chapter 7 is filed. If the suit or right to sue is not disclosed on the bankruptcy, then you will not be able to sue in the future, or continue the lawsuit in most circumstances.

If anyone is suing you, bring copies of the lawsuit documents to the meetings with Ms. Lawson.

## **XIV. Time to file**

The price for the bankruptcy shown above is good for three months from the date of this

agreement. After this date, we will apply any payments made to the new price, but the price will increase correspondingly with our regular bankruptcy rates. **The client will be responsible for any increase in court fees that take effect before the case is filed.**

If the balance of the fee is paid, or the balance of the information needed to file the bankruptcy is provided less than one full business day prior to the deadline to file the bankruptcy (emergency cases), an additional fee of \$500.00 shall be required.

If the balance of the fee is paid, or the balance of the information needed to file the bankruptcy is provided less than four full business days prior to the deadline to file the bankruptcy, an additional fee of \$150.00 shall be required.

Any day on which the clerk's office at the bankruptcy court is open and staffed shall be considered a business day.

#### **XV. Closing of Files**

This office may destroy or otherwise dispose of the client's file six months following the notice of discharge from the court, or the order dismissing the case. The client may pick up any court papers from the file within one month after the discharge from the court. The client should not provide our office with originals of any important documents, but instead should photocopy any documents requested. This office will not be responsible for any original papers given it.

#### **XVI. Cancellation of case**

All monies paid by the client to the law office shall be applied first to payment of fees, and then to payment of costs. The initial fee is a non-refundable advance payment for the law firm's commitment to file a chapter 7 bankruptcy, and once paid, is the property of the law firm. No refunds shall be issued absent written arrangements to the contrary on this page. Court costs will be refunded if the case/document has not been filed. Credit report & appraisal fee will be refunded only if they have not been done by the firm's contractors.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Client

\_\_\_\_\_  
for Carol A. Lawson, PA

\_\_\_\_\_  
Client

Attorneys fees: \$ \_\_\_\_\_

Court Costs: \$ 299.00

Appraisal Fee \$ 175.00

Credit Report \$ 35.00

Amount Paid \$ \_\_\_\_\_

Amount Due \$ \_\_\_\_\_

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Special Arrangements:

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Notes: Vers. 7/08/08

\*subject to change