



Michael Barnett, PA



Law

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American Board of Certification
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CONTRACT FOR LEGAL SERVICES

Chapter 7

The undersigned client(s) agree to employ the law firm of Michael Barnett, 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 may result in loss of all fees paid. Any legal questions should be referred to the attorney, as his staff may not provide legal advice pursuant to Florida law.

Fee

Clients will pay the attorney fee for the representation in the general chapter 7 case in the amount of \$_____ as an advance payment retainer, nonrefundable except as provided in paragraph XVIII below, in addition to the costs described below prior the filing of the bankruptcy. 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. None of the funds paid will earn interest for the client. If the factual situation changes significantly affecting the filing between the date of this contract and the date the case is filed, a higher retainer may be required. If there is such an increase, and client declines to this change, any fees paid, less fees incurred through the date

of the cancellation, will be refunded. Any fees owed to this firm prior to entry of this contract are hereby waived unless this case is a conversion from a prior chapter 13, in which case allowed fees from the chapter 13, may be accepted from the refund due on conversion.

Client acknowledges that the firm is not allowed to accept a credit card payment for attorney's fees from a debtor/bankruptcy client who intends to list such payment of fees on a credit card as a debt in a bankruptcy proceeding. At this time we do not accept debit cards either due to restrictions imposed by the card processor.

The representation is limited to representation in the general bankruptcy proceeding only, and continues only until the discharge is entered in the case, or the case otherwise terminates. 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, including representation in any matter attempting to avoid a contested matter, such representation shall require additional fees or counsel may withdraw from the case if client did not accurately disclose the matters leading to the adversary. 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 bankruptcy expertise, 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 **\$335.00** 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. Or () **Filing fee Payable installments \$110 prior to filing then \$75/mo starting 30 days after filing.**

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.

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 not 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 15% or the highest rate permitted by law, whichever is less.

I. Credit Reports

We are now able to order credit reports online from all three credit bureaus for clients, to insure that all creditors are listed on the bankruptcy case. The basic package including credit reports from all three bureaus, the credit counseling course, and the financial management course is \$67 in an individual case and \$100 for a joint case. Alternatively, if IRS debt is an issue, or if the client desires to get another credit report after the case is filed as well as one year of credit monitoring, the fee would be \$100 for an individual case and \$125 for the joint case. Unless this box [] is checked, the basic version will be ordered. This fee would need to be paid prior to ordering the credit reports, but it is up to the client whether to order them.

You should still 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, 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.

II. 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 but before the case is closed there will be a

\$100 charge for any such changes, in addition to the court fee, if any. If we need to reopen the case after it has been closed by the Clerk's office at the Court, there would be an additional \$250.00 fee in addition to the fee above and the court fees. 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.

III. Adversary and contested proceedings

If an adversary proceeding is filed or contested matter is filed or threatened 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 matter, or counsel may decline representation in the adversary proceeding.

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 \$450 per hour for Michael Barnett, or \$300/hour for any other attorney, and \$100/hour for any senior paralegal, and \$75/hour for any junior paralegal employed by the firm which hourly fee may be increased 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.

IV. 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.

V. Lien Avoidance

If when you borrowed money from a creditor, and 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 a motion to eliminate this type of lien is \$250 per judgment, and must be paid prior to the filing of the 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. The client will be responsible for recording this judgment in the property records.

VI. 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 \$450.

VII. 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 be able to repossess the item or 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. We will advise the clients if a motion is filed and discuss whether a response is necessary. There may be a fee for this response if the client has not continued payments and insurance on the property.

VIII. 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, or does not bring all necessary documents to the meeting, and we have to attend a rescheduled meeting, then there will be an additional charge of \$250 for 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; or to reschedule the meeting. If the court denies the motion, the client must attend a rescheduled meeting. The firm would charge \$200 to file this motion, but cannot guaranty that the court would grant the request to excuse the client's appearance.

IX. 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, 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 (except sometimes as to vehicle loans or leases) in that they do more harm than good to the client. If we feel you have to sign the agreement to keep the vehicle, we do not charge for this. Otherwise, if we recommend against signing the agreement because it is not in your best interest, and you insist on signing the agreement yourself, we may charge \$200 to go to the hearing on this matter.

If no reaffirmation is signed and filed, the mortgage and car companies usually will not report on-going payments to the credit bureau. At the same time, most do not send us a reaffirmation automatically, and we are unable to prepare one ourselves. While we will inform the client if we receive a request for a reaffirmation, if none is received the client will need to contact the mortgage company or car company to have them send one to the client or to us, and then meet with us to sign it. The reaffirmation must be signed and filed within 45 days or so of filing, or it might be too late to file.

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 except as to car loans and mortgages.

X. Appointments

Normally, a chapter 7 case will require no more than 3 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 4 additional appointments are required, an additional fee of \$85 per appointment may be charged. While weekend appointments are usually available in the Tampa office, if the client misses an appointment without giving advance notice, we may not offer further weekend appointments will be set for the client.

XI. 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 Mr. Barnett 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 Mr. Barnett.

XII. Time to file

The price for the bankruptcy shown above is good for three months from the date of the contract. After this date, we will apply any payments to the new price, but the price may increase correspondingly with our regular bankruptcy rates.

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, an additional fee of \$500.00 may be required.

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

XIII. Valuation of assets

The questionnaire provided will ask you to value your property. Federal law, 11 U.S.C. 527(c)(1) requires us to inform you how 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. Property with liens or mortgages on it should be valued at replacement value. Generally, household goods are valued at what you would get at a garage sale, unless there is a lien on it.

If you are unable to come up with values yourself, then we can give you the name of an appraiser to go examine and value the property, but you would need to pay the appraiser a separate fee for such appraisal. The firm will then determine which of your property is exempt from creditors and the estate.

XIV. Retention of documents

Federal law requires you to retain certain documents when litigation is anticipated, including the filing of a bankruptcy. You should not dispose of any bank statements, cancelled checks, check registers, loan documents, financial documents, any documents related to property transferred out of your name, and any records of substantial payments to relatives or recent payments to other creditors, any records related to substantial assets, and any records on computers related to the above. If you have any other financial related documents you are not sure about keeping, you should discuss these with us.

XV. Audits

The Office of the U.S. Trustee is anticipated to be performing random audits of bankruptcy cases filed, requiring documentation supporting the items shown in the case.

XVI. Credit Counseling/Financial Management

The law requires that you take a credit counseling course at least one day prior to the day you file the case, and take a financial management course before the case is completed – to be safe within 2 months after you file the case. The fees for these is included in the fee for the credit report above. While the agency usually forwards the certificates that you completed the courses to our office, you should confirm that we received them within a couple of days after you complete the course. If the credit counseling course is not done, we cannot file the case. If the financial management course is not done and filed with the court by the time the court closes the case, you will have to pay a substantial fee to reopen the case.

XVII. 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 two months 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.

XVIII. Cancellation of case

The client may cancel representation by the end of the business day following the date of this contract for a full refund of any money paid by the client. If the firm decides to cancel representation prior to filing, all monies would be refunded; unless the decision to cancel is based on a determination that the 1) client was not being honest with counsel, 2) took an action contrary to instructions provided by counsel, 3) insists on violating the law or insists on pursuing a course of conduct counsel believes is unethical, or 4) does not pay fees due. Otherwise fees will be computed by \$250 charge to open the case, then hourly at the rates shown above for the time spent on the case, with any balance refunded to the client or to ARAG, depending on who made the payments. However, the client will not be responsible for any additional fees if the representation is cancelled prior to the filing of the case.

Dated: _____

Dated: _____

Client

for Michael Barnett, PA

Client

Attorneys fees: \$ _____

Costs: \$ _____

Amount Paid \$ _____

Amount Due \$ _____

Special Arrangements:

Notes:

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