

# CHAPTER 13 BANKRUPTCY FEE AGREEMENT

I, \_\_\_\_\_, and \_\_\_\_\_  
\_\_\_\_\_ (hereinafter the "Client"), hereby agree to retain the law firm of MARTIN HANCOCK, with a principal place of business located at 8888 Keystone Crossing, 13<sup>th</sup> Floor, Indianapolis, IN 46240 (hereinafter the "Firm"), in connection with his/her/our Chapter 13 Bankruptcy.

**1. CONSIDERATION:** In consideration for representing the Client in the above referenced matter, the Client agrees to compensate the Firm a base fee of Three Thousand Five Hundred Dollars, (\$3,500). The Firm has agreed to permit the Client to pay One Thousand Five Hundred Dollars (\$1,500) of the base fee through the Plan of Reorganization, which is typically three to five years. The Firm will begin working on Client's bankruptcy petition for \$300, but will not file the petition until the Firm has been paid Two Thousand Dollars (\$2,000) along with any costs associated with the case. All payments under this Fee Agreement shall be made towards attorneys' fees first, then towards costs associated with the case, despite any designations Client may attempt to make when submitting payment(s). In the event, Client's Plan of Reorganization is not confirmed by the U.S. Bankruptcy Court or the Client elects to convert to a Chapter 7, the Client is not entitled to any refund of moneys already paid to the Firm or paid to the Chapter 13 Trustee to be distributed to the Firm. However, the Client is not liable to pay any remaining balance of the base fee.

**2. SCOPE OF REPRESENTATION:** The Client agrees to and understands that the scope of legal services to be provided under this Fee Agreement shall be expressly limited to the following only:

- 1) Analysis of Client's financial situation;
- 2) Rendering legal advice to determine whether to file bankruptcy;
- 3) Whether to commence a case under Chapter 7, 11, 12, or 13 is appropriate;
- 4) Advising the Client about the dischargeability and non-dischargeability of certain debts;
- 5) Exemption planning;
- 6) Explain the amount of payments and location where to send to creditors;
- 7) Explain how, when, and where to make payments, pursuant to the plan, to the U.S. Trustee and of the necessity to include Client's case number, name and current address on each payment;
- 8) Advise the Client of the necessity of maintaining liability, collision and comprehensive insurance on leased vehicles or those securing loans;
- 9) Advise the Client engaged in business of the necessity to maintain liability insurance, workers compensation insurance, if required, and any other insurance coverage required by law;
- 10) Negotiate any reaffirmation agreement with creditors;
- 11) Preparation and filing of Chapter 13 bankruptcy petition including any applicable Schedules, Statement of Financial Affairs and Statement of

CHAPTER 13 BANKRUPTCY FEE AGREEMENT

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- Current Monthly Income and Means-Test Calculation, Plan of Reorganization and Amended Plans;
- 12) Representing the Client at the 341 Meeting of Creditors;
  - 13) Respond to any informal request by the U.S. Trustee for additional documentation
  - 14) Respond to objections to the plan confirmation and where necessary prepare an amended plan;
  - 15) Represent Client in motions for relief from stay;
  - 16) Represent Client in motions to avoid liens on real and personal property;
  - 17) Be available to respond to Client's questions throughout the life of the plan; and
  - 18) After all plan payments have been made, and if Client is eligible for a discharge, prepare and file any documents required obtain a discharge order for Client.

The above referenced fee shall only include the legal services specifically described above and nothing else. Additional fees apply if the Client fails to appear at any scheduled hearing with appropriate identification or fails to fully produce tax returns or documents. If the Client(s) desires the Firm to perform any work beyond what is specifically contracted for above (e.g. represent them in additional hearings, motions, challenges, objections, motions to convert, adversary proceedings, actions, audits etc., that could arise during the course of representation), the Client(s) must enter into a separate fee agreement with the Firm for that work. The Firm's refusal or failure to perform work beyond what was specifically contracted for in this Fee Agreement shall not be considered or be the basis (in whole or part) of any negligence or malpractice claim.

**3. ADDITIONAL COSTS:** The following costs are not included in the above referenced fee in Paragraph 1: Filing Fee, Credit Counseling Costs, Expedited Preparation Fee, Appraisals, Broker Price Opinions ("BPOs"), Valuation Services, Credit Reports, Document Gathering Services (typically for deeds, child support orders, divorce decrees, law suits, etc.), Homesteads and Tax Transcripts.

**4. PLAN OF REORGANIZATION:** The Firm makes no guaranties or warranties of any type whether express or implied that Client's Plan of Reorganization will be confirmed by the Bankruptcy Court. Client agrees to abide by and follow all the terms and conditions of the Plan of Reorganization. All payments to the U.S. Trustee and mortgage lenders, holders of domestic support obligations, lessors, and any other creditors that Client agreed or is obligated to pay directly must be made on time, otherwise Client's case will be discharged.

**5. CONFIDENTIALITY:** The Firm will make every reasonable effort to ensure the confidentiality of Client's confidences and secrets. However, such information may be disclosed, if it is reasonably necessary to disclose as a part of the course of representation, required to disclose under law, court order, or subpoena, motion to withdrawal or necessary to resolve a fee dispute or malpractice claim.

**CHAPTER 13 BANKRUPTCY FEE AGREEMENT**

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**6. CLIENT'S DUTY TO COOPERATE:** Client must reasonably cooperate with Firm requests. Client must attend its 341 Meeting of Creditors and any other hearing necessary hearings associated with its Chapter 13 bankruptcy. Additional fees apply if the Client fails to appear at any scheduled hearing. **It is the Client's responsibility to provide the Firm with all the necessary documents and information to accurately prepare the petition.** Upon request, Client must promptly furnish complete, detailed and accurate information to the Firm, including but not limited to, Bankruptcy Questionnaire, Credit Counseling Certificates, Deeds, Vehicle Valuations, Divorce Decrees, Child Support Orders, Social Security award letters, Income Tax Returns, Real Estate Tax Statements, Retirement Account Statements, Pay Check Stubs, Police & Accident Reports, Law Suits, Wage Garnishments, and Judgments. Client's failure to cooperate and/or provide documents and information is grounds for withdrawal. In return, the Firm agrees to keep you reasonably informed of the status of your case. Copies of important correspondence and documents will be provided to you.

**7. WITHDRAWAL & DISCHARGE:** The Firm reserves the right to withdraw from representation on the following grounds: the client's failure to pay the Firm under terms of this agreement; the Client's failure to cooperate with Firm requests; when a conflict of interest arises; or if the Client's conduct becomes illegal, unethical, or unreasonable. Any termination on the Firm's part will be consistent with the then application Rules of Professional Responsibility and reasonable notice will be given to the Client in order to protect his/her interests. If the Client no longer wishes to proceed with filing bankruptcy, fails to make a timely payment under its Plan of Reorganization, discharges the Firm or the Firm withdraws prior to the conclusion of this representation, the Firm is entitled to be compensated for the fair value of the services rendered to the Client up to the discharge or withdrawal, which could end up being nearly one hundred percent (100%) of the original fee depending on the amount of work performed.

**8. JOINT & SEVERAL LIABILITY:** Each Client that signs this fee agreement shall be jointly and severally liable for any outstanding balance owed to the Firm and for any collection and legal costs described in paragraph 9.

**9. COLLECTION & LEGAL COSTS:** In the event of any litigation, legal or collection action arising out of or from this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party any and all attorneys' fees, time, costs, and expenses incurred in such litigation, legal or collection actions. The fact that no formal legal action or proceedings was actually taken or filed shall in no way limit the prevailing party's right to recover said legal or collection costs. The prevailing party shall be the party who recovers the greater relief whether equitable, injunctive, or damages in any action brought to enforce the party's rights under this Agreement. In the event an opposing party prevails on certain counterclaims or defenses, the recoverable attorneys' fees, time, costs, and expenses shall be reduced in proportion to the amount recovered on this Agreement less the amount received on the counterclaim.

The term "attorneys' fees, time, costs, and expenses" shall be given its most broadest meaning and specifically include (but in no way limited to), employing collection

**CHAPTER 13 BANKRUPTCY FEE AGREEMENT**

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agencies, taking legal action against the defaulting party for breaching this Agreement, supplementary process, writ of attachments, capias, foreclosures, initiating criminal charges against the defaulting party (typically for “bad checks”), legal assistants time, administrative assistants time, law clerks time, expert witnesses, consultants, private investigators, waiting time, travel expenses, filing fees, court reporter fees, correspondence, telephone consultations, legal research, non-legal research, non-legal collection expenses or methods, preparation defending and litigating attorney fee and costs petitions or awards, trials, motions, appeals, mediation, arbitration and a like. Any legal representation of Hancock by himself, the law firm of Martin Hancock Attorneys at Law or Attorney Martin S. Hancock individually shall be construed as if Hancock retained separate counsel and all time, costs, and expenses are to be billed at Hancock’s then applicable billing rates.

**11. BINDING ON HEIRS:** This fee agreement is binding upon the legal heirs, successors, legatees, distributes and personal representatives of the Client(s).

**12. SEVERABILITY:** If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, all other provisions of this Agreement shall continue in full force and effect.

**13. GOVERNING LAW:** This Agreement shall be governed and construed according to the laws of the United States and the State of Indiana, without regard to the conflict of laws principals of any jurisdiction to the contrary.

**14. FORUM SELECTION:** Both the Client and the Firm agree that Marion County, Indiana is a convenient and fair forum to litigate enforcement of this Agreement. Therefore, Marion County, Indiana shall be the sole forum, in which a party may bring a cause of action in state or federal court with respect to this Agreement. The parties irrevocably consent to the personal jurisdiction of the state and federal courts within the State of Indiana and waive all defenses to jurisdiction and objections to the propriety or convenience of these courts that they may have.

**15. ENTIRE AGREEMENT; REPRESENTATIONS AND MODIFICATIONS:** This Fee Agreement is the final and entire agreement between the parties and supersedes any prior agreements or understandings, whether oral or written, relating to the subject matter of this Agreement. Any oral representations made by either party are not binding, whether made prior to or after the execution of this Agreement. Any additions, deletions, changes or modifications of this Agreement must be in a separate written document signed by all parties hereto.

**16. CLIENT ACKNOWLEDGEMENT:** Client acknowledges that no member of the Firm has made any guarantees of any kind regarding the outcome of your case, hearing, meeting of creditors, motion, arbitration, audit, return, petition, plan of reorganization, filing or settlement. Client also acknowledges that this Agreement is made between the Client and the Firm. Thus, the Client is not hiring one specific attorney or member of the Firm, but rather the Firm as a whole to represent him/her.

**CHAPTER 13 BANKRUPTCY FEE AGREEMENT**

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**WARNING: THIS IS A LEGALLY BINDING CONTRACT WHICH RESTRICTS CERTAIN FREEDOM OF SUBSEQUENT ACTION OF THE CLIENT. IF NOT UNDERSTOOD, CLIENT SHOULD SEEK INDEPENDENT LEGAL COUNSEL. I/WE \_\_\_\_\_ AND \_\_\_\_\_ HEREBY CERTIFY THAT I/WE HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND AND AGREE TO ITS TERMS. I/WE ALSO HEREBY CERTIFY THAT I/WE RECEIVED A COPY OF THIS AGREEMENT.**

Having read and understood the above Bankruptcy Fee Agreement, the Client and the Firm execute this Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Client

\_\_\_\_\_  
Signature for Firm

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature of Client

\_\_\_\_\_  
Printed Name

**IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER**

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. **THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST.** Ask to see the contract before you hire anyone.

The following information helps you understand what must be done in a runtime bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine. Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of the creditors where you may be questioned by a court official called a 'trustee' and by creditors.

If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want to help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming your debts.

If you choose to file a chapter 13 case, in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what should be done from someone familiar with that type of relief. Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give legal advice.

*By signing below that you hereby acknowledge that you have received a copy of this Disclosure along with a copy of the Bankruptcy Fee Agreement.*

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

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