

THE LAW OFFICES OF
SUSAN B. TERRADO

Susan B. Terrado, Esq.
susan@terradolaw.com
Telephone: 707-637-8021
Toll-Free: 866-643-8880
Fax: 866-638-6660

www.terradolaw.com

4381 Broadway, Suite 102
American Canyon, CA 94503

CONTRACT FOR CHAPTER 7 BANKRUPTCY SERVICES

This Agreement is executed this the _____ day of _____, 20____, by and between The Law Offices of Susan B. Terrado (the Attorney) and _____ (the Debtor, whether one or more parties). The parties agree as follows:

1) Type of Bankruptcy.

Debtor retains attorney to file a Chapter 7 bankruptcy case. If the Debtor determines at a later date that the Debtor desires to file a Chapter 13 bankruptcy case, the parties shall execute a new fee contract setting forth the terms of such representation.

2) Base Attorney Fees.

The base attorney fee for filing the Chapter 7 bankruptcy case is \$2,000.00.

The base fee of \$2,000.00 is based on the following assumptions:

- (a) The Debtor has provided the Attorney with complete and accurate information.
- (b) The Debtor's circumstances, particularly the Debtor's Current Monthly Income as defined by the Bankruptcy Code, does not substantially change prior to the actual filing of the Chapter 7 Bankruptcy case.
- (c) The Debtor must pay the fee in full before Attorney is required to file petition.

If any of these assumptions prove to be inaccurate, and as a result the amount of legal services provided by the Attorney is increased, then the base attorney fee shall be increased accordingly and to compensate the Attorney for the additional time and services in providing the legal services. At such time, the parties must execute a supplement to this Agreement. If the Debtor refuses to sign such a supplement, then the Attorney-Debtor relationship shall be terminated and no Chapter 7 bankruptcy Case will be filed for Debtor by the Attorney.

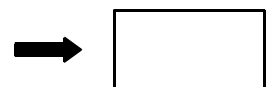
3) Refund of Percentage of Base Fee.

In the event the legal services provided for herein are terminated by either party prior to the filing of a Chapter 7 bankruptcy case, then the Debtor may be entitled to a refund of some of the base fee. In any event, \$1,000 of the fee shall be non-refundable upon execution of this agreement. Any amount over the non-refundable portion shall be determined by the number of hours devoted by Attorney to the case prior to the time of termination computed at the rate of \$325.00 per hour; by the time devoted to the case by Susan B. Terrado is designated as a Federal Debt Relief Agency by an Act of Congress and the President of the United States, has proudly assisted consumers seeking relief under the U.S. Bankruptcy Code. A Member of the National Association of Consumer Bankruptcy Attorneys the Legal Assistants of Attorney computed at the rate of \$125.00 per hour; by adding all expenses incurred (such as copies, postage, securing records and documents, tax transcripts, credit reports, etc); and then by deducting the total amount of all charges from the Base Fee. If the event the total of all such fees and charges exceed the Base Fee, the Debtor's liability shall be limited to the amount of the Base Fee.



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4). Debtor's Obligations to Pay Designated Costs.

The Debtor shall be obligated to pay the following costs related to the filing of a Chapter 7 bankruptcy case. The costs are as follows:

- (a) The fee of \$306.00 charged by the Bankruptcy Court to file a Chapter 7 bankruptcy case.
- (b) The cost of pre-filing consumer credit counseling, which is a prerequisite to filing for bankruptcy relief, which is approximately \$50.00 for an individual and no more than \$75.00 for a husband and wife.
- (c) The cost of a post-filing instructional course concerning personal financial management, which is a prerequisite to obtaining the Discharge of debts in a Chapter 7 case. The amount of this fee is not known at this time but should be consistent with the pre-filing credit counseling fees.
- (d) The cost of obtaining any consumer credit reports.
- (e) The cost of obtaining tax returns or tax transcripts directly from the taxing authorities or from any third-party provider.
- (f) The cost of obtaining copies of judgments, deeds, deeds of trust, title certificates, court papers, county tax records, and other similar documents.
- (g) The cost of securing any prior court records from the PACER system for federal cases.
- (h) The cost of securing any other records or statements not otherwise produced by or available to the Debtor.

5) Services provided Under the Attorney's Base Fee

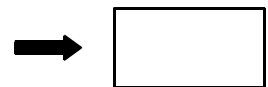
The services of the attorney included in the base fee are those normally contemplated for a Chapter 7 case. They include the services listed below:

- (a) All services reasonably necessary to fully inform the Debtor of the Debtor's rights and responsibilities under the Bankruptcy Laws.
- (b) All services reasonably necessary to enable the Debtor to make an informed decision about the filing of a Chapter 7 bankruptcy case.
- (c) Advising the Debtor of all available exemptions under any applicable law and assisting the Debtor in claiming the exemptions that best serve the Debtor's needs and desires.
- (d) Assisting the Debtor in complying with all of the requirements imposed by the Bankruptcy Laws, the Bankruptcy Rules, or any Local Bankruptcy Rules.
- (e) Preparation and electronic filing of petition, schedules, supplemental local forms, and mailing matrix.
- (f) Drafting and mailing notice to creditors advising of filing of case.
- (g) Drafting and mailing to you a letter regarding your attendance at the Section 341 meeting of creditors and your other responsibilities.
- (h) Preparation for and attendance at Section 341 meeting.
- (i) Filing of any motions to avoid non-purchase money liens on exempt household goods and judgment liens that impair exempt property.
- (j) Assisting the Debtor in carrying out the Debtor's Statement of Intentions, provided that the Debtor pays the Non-Base Fee for any redemptions.
- (k) Assisting the Debtor in complying with all proper and timely requests for information and/or documents by the Bankruptcy Trustee, the Bankruptcy Administrator, the Court, or other parties involved in the case.



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- (l) Communicating as necessary with the creditors and other parties involved in the case (including their attorneys) to facilitate the administration of the case and the application of the Automatic Stay.

6) Additional or Non-Base Legal Services.

- (a) Representing the Debtor in any dischargeability proceeding, including student loan discharge proceedings.
- (b) Representing the Debtor in any contested motion to avoid any type of a lien or judgment.
- (c) Representing the Debtor in a motion to continue the Automatic Stay.
- (d) Representing the Debtor in any contested matters or adversary proceedings related to the enforcement of the Automatic Stay by a creditor.
- (e) Representing the Debtor in any action to enforce the Discharge injunction or enforce the Automatic Stay.
- (f) Representing the Debtor in any motions related to the enforcement of Sections 707(a) or 707(b) of the Bankruptcy Code, except as provided in the Special Circumstance Addendum.
- (g) Representation the Debtor in any contested motions for relief from the Automatic Stay.
- (h) Representing the Debtor in any motions to redeem exempt personal property.
- (i) Representing the Debtor in any contested matter regarding the Debtor’s claim of exempt property.
- (j) Filing any amendments to the Schedules, unless the amendment arises out of a mistake by the Attorney.
- (k) Filing a motion to continue the 341 meeting of creditors at the request of the Debtor.
- (l) Filing of motions to abandon property.
- (m) Representing the Debtor in any other matters not specifically designated as a Base Fee Service in this Agreement.

7) Compensation for Non-Base Legal Services.

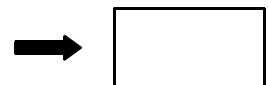
For such non-base services, you may be charged without any further notice and in the discretion of the Court non-base fees for the following services and in the amounts noted:

- | | |
|--|----------|
| (a) Amendments to Schedules & Court Fee | \$126.00 |
| (b) Motion to continue the 341 meeting | \$100.00 |
| (c) Defending a motion for relief from stay | \$450.00 |
| (d) Motion for Redemption | \$450.00 |
| (e) Motion to continue the Automatic Stay | \$450.00 |
| (f) Motion to Avoid a Lien or Judgment | \$600.00 |
| (g) With respect to all other matters, other than the contingent fee cases described below, the Attorney will keep time and expense records for any non-base service and apply to the Court for the approval of the fee plus all expenses incurred. The current hourly fee for your Attorney is \$375.00 and the current hourly fee for his/her Legal Assistant is \$125.00. | |



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- (h) The attorney will be entitled to a contingency fee equal to 50% of any actual recovery from any party for a violation of the automatic stay, the discharge injunction, or for breach of any state or federal consumer protection statutes. The North Carolina Contingency Fee Addendum form is attached to and made a part of this Agreement.

8) Expenses.

The Attorney shall be entitled to apply to the Court for approval of any expenses related to your case for base fee or non-base fee services. Such expenses include but are not limited to court fees, telephone fees, fax fees, copy fees, postage fees, PACER fees, electronic or other research fees. In the Court's discretion, the Attorney may request without any notice or documentation a blanket expense of \$1.00 for each item noticed to creditors as an expense for postage, copying and envelopes.

9) Payment of Base and Non-Base Fees.

- (a) The Base Fee shall be paid in full prior to the time the Attorney begins any actual work on the Chapter 7 Petition and Schedules.
- (b) All fixed Non-Base fees must be paid in Advance of the Service by the Debtor.
- (c) Fees for services based on time and expenses shall be paid within 30 days of the Debtor's receipt of the bill for such services; provided, however, that the Attorney may require the payment of a retainer fee for non-base services that are expected to require more than 2 hours of the Attorney's time.
- (d) The Debtor understands that if the Debtor does not pay the non-base fees as provided in this Agreement then the Attorney has no obligation to provide the non-base services and has the right to file a motion to withdraw as the attorney for the debtor in the Chapter 7 case, the contested case, or the adversary proceeding.

10) Means Test Services.

With respect to the "means test" provisions imposed by Section 707(b) of the Bankruptcy Code, the base fee charged in this case is based on one of the four assumptions set forth below. The assumption that applies is designated by the assumption that applies is designated by the initials of the Debtor placed after the Assumption.

- (a) The Debtor's debts are not primarily consumer debts and therefore the "means test" does not apply. The parties assume that no issues concerning the "means test" will arise in this case.
- (b) The Debtor's current monthly income as defined by the Bankruptcy Code is below the median income. The parties assume that no issues concerning the "means test" will arise in this case.
- (c) The Debtor's current monthly income as defined by the Bankruptcy Code is above the median income but the Debtor's expenses, as calculated under Section 707(b)(2)(A) are sufficient to rebut the presumption that the filing of Susan B. Terrado is designated as a Federal Debt Relief Agency by an Act of Congress and the President of the United States, has proudly assisted consumers seeking relief under the U.S. Bankruptcy Code. A Member of the National Association of Consumer Bankruptcy Attorneys a Chapter 7 case would be an abuse of the Bankruptcy laws. The parties assume that no issues concerning the "means test" will arise in this case.
- (d) A presumption of Bankruptcy abuse does arise in this case, but the Debtor and the Attorney will attempt to rebut the presumption by demonstrating extraordinary circumstances pursuant to Section 707(b)(2)(B) of the Bankruptcy Code. Attached to this Agreement is an Addendum setting forth an explanation of the Debtor's obligations in demonstrating extraordinary circumstances and the details of the parties' Agreement concerning fees for proceedings related to the establishment of extraordinary circumstances.



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11) Debtor's Obligations.

The Debtor's obligations are as follows:

- (a) To promptly pay all Base and Non-Base Legal fees and charges.
- (b) To provide the Attorney with all requested documents, bills statements, payment advices, bank records, tax returns, tax bills, appraisals, retirement and savings account, and income information and to sign any and all necessary forms to allow the Attorney to secure such documentation.
- (c) To provide accurately and honestly all of the information necessary to prepare and file the Chapter 7 bankruptcy case, and other motions or proceedings arising during the course of the case.
- (d) To timely respond to all letters, emails and telephone calls from the Attorney or any member of his staff.
- (e) To keep the Attorney advised at all times of the Debtor's mailing and physical addresses, telephone numbers, and email addresses.
- (f) To appear at the first meeting of creditors (the 341 meeting) and at any other court hearings or meetings as may be required by the Court or any other party.
- (g) To keep all scheduled office appointments with the Attorney and to notify the Attorney in advance of any problems with the timing and scheduling or rescheduling of such appointments.
- (h) To contact the attorney by Telephone with the understanding that the Attorney is only able to return calls between the hours of 8:00 a.m. to 9:30 a.m. and 4:00 p.m. to 6:00 p.m. If the Attorney is available when the call is actually received, then the call will be taken at that time. However, if you have to leave a message for the Attorney then you must provide a number that you can be reached at during the designated times. The Attorney or Legal Assistant will make every effort to return all such telephone calls within 48 hours, excluding weekends and holidays.
- (i) To provide any information requested of the Debtor by the Chapter 7 Trustee, the Bankruptcy Administrator, or any other party in the case, unless the Court rules that the Debtor is not required to provide such information.
- (j) To respond as soon as possible to any requests for the Debtor by the Attorney or his Legal Assistant.
- (k) To comply with the obligations imposed upon the Debtor by the Local Rules of the Bankruptcy Court for the Western District of North Carolina, a copy of which is attached to this Agreement.
- (l) To sign a tax authorization form to authorize the Attorney to get copies of income tax returns from the respective taxing agencies for a period of four (4) years prior to the filing of your bankruptcy case.
- (m) To provide current bank account information to include monthly statements as requested and online account balances as of the date of the signing of your bankruptcy petition packet.

12) Attorney Withdrawal from Chapter 7 case, Adversary Proceeding or Contested Matter.

Pursuant to the Local Rules of the Bankruptcy Court, the Attorney shall remain the responsible attorney of record for the Debtor in all matters in the case until the case is closed, dismissed or the discharge is entered or until the Attorney is relieved from such representation by order of the Court. The parties agree that just reasons for the Attorney to withdraw from the representation of the Debtor, include but are not limited to the following:



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- (a) The failure of the Debtor to provide complete, truthful and accurate information to the Attorney.
- (b) The failure of the Debtor to comply with the Debtor's obligations as provided for in this Agreement and in the Local Rules.
- (c) The failure of the Debtor to comply with any of the obligations imposed on the Debtor by the Bankruptcy Code and the Bankruptcy Rules.
- (d) The failure or refusal of the Debtor to comply with the Debtor's obligations to provide any supplemental information to the Court or to the Chapter 7 Trustee or to correct any incorrect or incomplete information previously provided to the Court or the Trustee.
- (e) The failure of the Debtor to provide complete, truthful and accurate information to the Court, the Chapter 7 Trustee and the Bankruptcy Administrator.
- (f) The failure of the Debtor to pay for all Non-Base fee services.
- (g) If the Debtor are husband and wife, then any separation, serious domestic dispute, or divorce of the parties.
- (h) Any irreconcilable conflict between the Attorney and the Debtor with respect to the case.

Date: _____

By: _____
Law Offices of Susan B. Terrado

Date: _____

Debtor: _____

Date: _____

Debtor: _____



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SUPPLEMENTAL STATEMENT PURSUANT TO RULE 2016(b)
CHAPTER 7 RETAINER AGREEMENT

I/WE UNDERSTAND THAT MUTUAL COURTESY AND RESPECT ARE ESSENTIAL FOR THE ATTORNEY/CLIENT RELATIONSHIP TO SUCCEED. THE ATTORNEY WILL RESPOND TO ALL LETTERS, AND RETURN ALL PHONE CALLS PROMPTLY. CLIENT AGREES TO DO THE SAME, AND TO ADVISE ATTORNEY IN ADVANCE IF HE/SHE IS UNABLE TO MAKE AN APPOINTMENT OR COURT DATE.

I understand that court, depositions and other dates may involve the schedules of other attorneys. I authorize Susan Terrado to agree to requested adjournments of all such matters as a matter of professional courtesy at his discretion.

CLIENT AGREES TO IMMEDIATELY INFORM ATTORNEY OF ANY CHANGE IN HOME OR WORK ADDRESS, EMAIL ADDRESS, OR PHONE NUMBER.

Client understands that major revisions to the bankruptcy laws took effect 10-17-2005, that the precise meaning of many of the changes is yet to be determined by the Courts and no one can predict with any accuracy exactly how the law will be applied.

I UNDERSTAND THAT BANKRUPTCY STAYS ON MY CREDIT RECORD FOR UP TO TEN (10) YEARS.

I/We do hereby retain Susan Terrado to file and represent me/us on a Chapter 7 Bankruptcy. Susan Terrado agrees to prepare and file the Petition and Schedules and other required pleadings, and to appear with me/us at the 341 Hearing.

Client acknowledges being advised that bankruptcy law allows utility companies to require a deposit for continued service. Client acknowledges being advised that filing bankruptcy of itself WILL NOT STOP credit union payroll deductions or electronic fund transfers from a bank account. Client must withdraw the written permission given for those deductions to stop them. Client acknowledges being advised to withdraw all money from any account at a credit union to which client owes money **BEFORE THE PETITION IS FILED.**

The minimum total cost is \$_____.

The minimum agreed attorney fee is \$_____.

I/We have paid \$_____.

I/We have paid **\$306.00** filing fee which goes to the Clerk of Court, plus \$_____ credit counseling.

FULL FILING FEE AND \$_____ DUE BEFORE THE CASE WILL BE FILED.

Any work by Ms. Terrado besides what is stated above including, but not limited to:

- A. adversary proceedings;
- B. objections to discharge;
- C. debtor's examination;
- D. contested motions or other matters;
- E. objections to exemptions;
- F. any and all actions to be contested seeking relief from the automatic stay; and
- G. adjourned court dates

is *not* covered by this payment and may require additional compensation. The current hourly rate charged by Susan Terrado is \$325.00



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Client agrees to cooperate fully with Attorney, in all respects including, but not limited to the following:

- A. appearing for office conferences when requested by Attorney;
- B. **promptly** responding to all requests by Attorney, or by another party for information, such as documents, or by questions through Interrogatories, Depositions, Rule 2004 Exams; and
- C. complying with all other requests made by Attorney relating to furthering Client's case.

CLIENT UNDERSTANDS:

ALL DEBTS MUST BE LISTED, including debts that will not be discharged, such as past due child support, student loans, taxes; **debts** that you want to keep paying; **debts** that you co-signed for someone else, or that someone else co-signed for you; **debts** to family members and friends; **debts** that you dispute, that you do not agree you owe.

ALL ASSETS MUST BE LISTED. YOU WILL **NOT** BE ABLE TO KEEP AN ASSET YOU DO NOT LIST.

This includes possible lawsuits or worker's comp claims that have not yet been filed by you. Failure to list such a claim may result in you **never** being able to pursue the claim in the future.

AND: you are under oath in a Federal Court, filing inaccurate papers can result in you not getting a discharge of your debts and possible criminal charges against **YOU**.

Client agrees to cooperate with Attorney, to obey all Court Orders, to avoid violation of any injunctions, and to refrain from unlawful conduct. Any breach of this provision shall entitle Attorney to seek to withdraw from the case.

CLIENT IS AWARE THAT ATTORNEY'S TIME IS LIMITED, AND THAT TIME FOR WHICH CLIENT WILL BE BILLED, IF APPLICABLE, INCLUDES:

- A. All time spent on the case by Attorney;
- B. All time spent on the telephone by Attorney, with Client or anyone else regarding the case;
- C. All time spent by Attorney traveling between his office and a Court, or any other place in connection with the case;
- D. All time spent by Attorney doing legal research regarding the case;
- E. All time spent writing and/or reading legal documents, letters or anything else in connection with the case;
- F. All time spent by Attorney in Court, including time spent waiting for Client's case to be called.

Attorney makes no promises or representations as to the outcome of the case, but agrees to use his best efforts on behalf of Client. Client acknowledges that Attorney has not made any promises or representations as to the ultimate outcome of this legal matter. Under no circumstances shall Attorney be required under this Agreement to:

- A. Represent Client in an Appeal of any decision;
- B. Represent Client in a Motion for Reconsideration or modification;
- C. Represent Client in any proceedings in any other lawsuits, actions or other proceedings arising out of his/her conduct in this case, or any other case.

Any adversary proceeding costs extra.

U.S. Trustee actions on the Means Test or other budget issues cost extra.

For any 2004 exam (deposition), a minimum of \$_____ attorney fee will be charged.



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CLIENT ACKNOWLEDGES THAT STUDENT LOANS ARE NOT DISCHARGEABLE UNLESS THE DEBTOR CAN PROVE HARDSHIP.

INCOME TAXES

For income tax to be discharged, it must be more than 240 days since the tax was assessed, it must be on Client(s)' own income, for a tax year for which the return was initially due (including any extensions) more than three years before the bankruptcy petition is filed, and the return must have actually been received by the IRS or other authority more than two years before the bankruptcy petition is filed. It is the Client(s)' responsibility to determine the dates his/her returns were deemed filed by the IRS

Pursuant to U.S. Treasury Department Regulation 31 CFR Part 10, Section 10.35, be advised that, unless otherwise expressly indicated, any federal tax advice contained in this communication, including attachments, is not intended or written to be used, and any not be used, for the purpose of (i) avoiding penalties that may be imposed on the taxpayer and the Internal Revenue Code of 1986 as amended or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

The source of the payments made by the Debtor(s) to Attorney was Earnings of the Debtor and _____.

The Attorney has not shared or agreed to share with any other entity any compensation paid, or to be paid, except as follows: _____.

I understand that any credit card I have may be canceled as a result of filing bankruptcy.

THE UNITED STATES TRUSTEE HAS STARTED AN AUDIT PROGRAM. IF YOUR CASE IS AUDITED, FAILURE TO PROVIDE INFORMATION REQUESTED BY THEM, OR TO OTHERWISE COOPERATE, COULD RESULT IN DENIAL OF YOUR DISCHARGE.

I acknowledge that, like cell phone calls, emails cannot be guaranteed to be confidential.

I/We acknowledge receiving a copy of the Agreement. Client consents to Attorney disposing of his/her physical file, including all documents five year after the end of the representation.

CLIENT(S) FURTHER REPRESENT(S) THAT HE/SHE/THEY HAVE REVIEWED ALL OF THE INFORMATION IN THE BANKRUPTCY SCHEDULES AND UNDERSTAND THAT HE/SHE/THEY MAY POTENTIALLY BE INCARCERATED.

IF HE/SHE/HEY HAVE WITHHELD ANY INFORMATION OR PROVIDED AN INFORMATION THAT IS INCORRECT.

This, the _____ day of _____, 20_____.

_____/s/_____
Client Signature

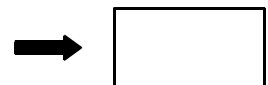
Susan B. Terrado
Law Offices of Susan B. Terrado

Client Signature



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