



LAW OFFICE OF DAVID A. BHAERMAN

CONSULTATION AGREEMENT

Recitals

- You met with me today to review your financial situation and the alternatives available to you.
- Section 528 of the Bankruptcy Reform Act requires us to sign a written contract for bankruptcy assistance services (as defined in section 101(4A)) within five (5) days of our first consultation.
- You are not ready to decide whether you want to enter into such a contract with me.

Agreement

- By signing this, you agree that you have not requested further services and, at this time, you decline to enter into a section 528(a) contract.
- You understand that you have no rights arising out of the provisions of sections 526, 527, and 528 of the Bankruptcy Reform Act until we sign a section 528(a) contract.
- There is no charge for this consultation today.
- After this meeting, neither of us shall have any obligation to the other. You are not obligated to employ me and I am not obligated to provide additional professional services to you.

Sincerely and agreed:

 David A. Bhaerman, Attorney at Law

Accepted:

 Name

 Date

 Printed Name

 Name

 Date

 Printed Name

Federal Disclosure: We are a debt-relief agency. We help people file for bankruptcy under the U.S. Bankruptcy Code.

Pickerington Office (Mailing Address):
 10400 Blacklick Eastern Road, Suite 110
 Pickerington, Ohio 43147-7702
 Lancaster Office:
 117 West Main Street, Suite 209
 Lancaster, Ohio 43130-3799

Pickerington Telephone: 614-834-7110
 Lancaster Telephone: 740-689-1372
 Facsimile: 614-417-1393
 E-mail: dablaw@bhaerman.com
 Web: www.bhaerman.com



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Debt Relief Agency Disclosures to an Assisted Person. Section 527 of the Bankruptcy Code requires a Debt Relief Agency to provide an assisted person with the following:

1. A copy of the notice prepared by the clerk of the Bankruptcy Court, in accordance with the requirements of § 342(b), which is attached hereto and which contains:
 - (1) a brief description of
 - (A) Chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters; and
 - (B) the types of services available from credit counseling agencies; and
 - (2) statements specifying that
 - (A) a person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a case under this title shall be subject to fine, imprisonment, or both; and
 - (B) all information supplied by a debtor in connection with a case under this title is subject to examination by the Attorney General.

2. The following disclosures are required by § 527(a)(2), which advises an assisted person that:
 - (1) all information that the assisted person is required to provide with a petition and thereafter during a case under this title is required to be complete, accurate, and truthful;
 - (2) all assets and all liabilities are required to be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset as defined in § 506 must be stated in those documents where requested after reasonable inquiry to establish such value;
 - (3) current monthly income, the amounts specified in section 707(b)(2), and, in a case under Chapter 13 of this title, disposable income (determined in accordance with § 707(b)(2)) are required to be stated after reasonable inquiry; and
 - (4) information that an assisted person provides during his or her case may be audited pursuant to this title, and failure to provide such information may result in dismissal of the case under this title or other sanction, including a criminal sanction.

If you have any questions about any of these disclosures, I will be happy to provide further explanation. I also call your attention to Exhibits A and B attached to the Representation and made a part thereof.

Client(s) hereby acknowledge receipt of a copy of this disclosure.

Client

Date

Joint Client

Date

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IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY

Separate Disclosure Required by Section 527 of the Bankruptcy Code as Amended (Note: This form is mandated by statute. It may or may not correctly explain the law.)

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 explains what must be done in a routine bankruptcy case to help you evaluate how much service you need. 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 decide 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 (Petition, Schedules, Statement of Financial Affairs, and in some cases a Statement of Intention) must 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 must attend the required first meeting of 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 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 three to five years, you may also want help 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 should consult 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 lawyers, not bankruptcy petition preparers, can give you legal advice.

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NOTICE REQUIRED BY 11 U.S.C. § 342(B) FOR INDIVIDUALS FILING FOR BANKRUPTCY

This notice is for you if you are an individual filing for bankruptcy, and your debts are primarily consumer debts. Consumer debts are defined in 11 U.S.C. § 101(8) as “incurred by an individual primarily for a personal, family, or household purpose.” You should have an attorney review your decision to file for bankruptcy and the choice of chapter. Individuals who meet the qualifications may file under one of four different chapters of the Bankruptcy Code:

Chapter 7 — Liquidation

Chapter 11 — Reorganization

Chapter 12 — Voluntary repayment plan for family farmers or fishermen

Chapter 13 — Voluntary repayment plan for individuals with regular income

Chapter 7: Liquidation

\$338 total filing fee (\$245 filing fee, \$78 administrative fee, \$15 trustee surcharge)

Chapter 7 is for individuals who have financial difficulty preventing them from paying their debts and who are willing to allow their nonexempt property to be used to pay their creditors. The primary purpose of filing under chapter 7 is to have your debts discharged. The bankruptcy discharge relieves you after bankruptcy from having to pay many of your pre-bankruptcy debts. Exceptions exist for particular debts, and liens on property may still be enforced after discharge. For example, a creditor may have the right to foreclose a home mortgage or repossess an automobile. However, if the court finds that you have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge. You should know that even if you file chapter 7 and you receive a discharge, some debts are not discharged under the law. Therefore, you may still be responsible to pay: most taxes; most student loans; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; and certain debts that are not listed in your bankruptcy papers. You may also be required to pay debts arising from: fraud or theft; fraud or defalcation while acting in breach of fiduciary capacity; intentional injuries that you inflicted; and death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs.

If your debts are primarily consumer debts, the court can dismiss your chapter 7 case if it finds that you have enough income to repay creditors a certain amount. You must file *Chapter 7 Statement of Your Current Monthly Income* (Official Form 122A-1) if you are an individual filing for bankruptcy under chapter 7. This form will determine your current monthly income and compare whether your income is more than the median income that applies in your state. If your income is not above the median for your state, you will not have to complete the other chapter 7 form, the *Chapter 7 Means Test Calculation* (Official Form 122A-2). If your income is above the median for your state, you must file a second form—the *Chapter 7 Means Test Calculation* (Official Form 122A-2). The calculations on the form—sometimes called the *Means Test*—deduct from your income living expenses and payments on certain debts to determine any amount available to pay unsecured creditors. If your income is more than the median income for your state of residence and family size, depending on the results of the *Means Test*, the

U.S. trustee, bankruptcy administrator, or creditors can file a motion to dismiss your case under § 707(b) of the Bankruptcy Code. If a motion is filed, the court will decide if your case should be dismissed. To avoid dismissal, you may choose to proceed under another chapter of the Bankruptcy Code. If you are an individual filing for chapter 7 bankruptcy, the trustee may sell your property to pay your debts, subject to your right to exempt the property or a portion of the proceeds from the sale of the property. The property, and the proceeds from property that your bankruptcy trustee sells or liquidates that you are entitled to, is called *exempt property*. Exemptions may enable you to keep your home, a car, clothing, and household items or to receive some of the proceeds if the property is sold. Exemptions are not automatic. To exempt property, you must list it on *Schedule C: The Property You Claim as Exempt* (Official Form 106C). If you do not list the property, the trustee may sell it and pay all of the proceeds to your creditors.

Chapter 11: Reorganization

\$1,738 total filing fee (\$1,167 filing fee, \$571 administrative fee)

Chapter 11 is often used for reorganizing a business, but is also available to individuals. The provisions of chapter 11 are too complicated to summarize briefly.

Chapter 12: Repayment plan for family farmers or fishermen

\$278 total filing fee (\$200 filing fee, \$78 administrative fee)

Similar to chapter 13, chapter 12 permits family farmers and fishermen to repay their debts over a period of time using future earnings and to discharge some debts that are not paid.

Chapter 13: Repayment plan for individuals with regular income

\$313 total filing fee (\$235 filing fee, \$78 administrative fee)

Chapter 13 is for individuals who have regular income and would like to pay all or part of their debts in installments over a period of time and to discharge some debts that are not paid. You are eligible for chapter 13 only if your debts are not more than certain dollar amounts set forth in 11 U.S.C. § 109. Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, usually using your future earnings. If the court approves your plan, the court will allow you to repay your debts, as adjusted by the plan, within three years or five years, depending on your income and other factors. After you make all the payments under your plan, many of your debts are discharged. The debts that are not discharged and that you may still be responsible to pay include: domestic support obligations, most student loans, certain taxes, debts for fraud or theft, debts for fraud or defalcation while acting in a fiduciary capacity, most criminal fines and restitution obligations, certain debts that are not listed in your bankruptcy papers, certain debts for acts that caused death or personal injury, and certain long-term secured debts.

Because bankruptcy can have serious long-term financial and legal consequences, including loss of your property, you should hire an attorney and carefully consider all of your options before you file. Only an attorney can give you legal advice about what can happen as a result of filing for bankruptcy and what your options are. If you do file for bankruptcy, an attorney can help you fill out the forms properly and protect you, your family, your home, and your possessions. Although the law allows you to represent yourself in bankruptcy court, you should understand that many people find it difficult to represent themselves successfully. The rules are technical, and a mistake or inaction may harm you. If you file without an attorney, you are still responsible for knowing and following all of the legal requirements. You should not file for bankruptcy if you are not eligible to file or if you do not intend to file the necessary documents. Bankruptcy fraud is a serious crime; you could be fined and imprisoned if you commit fraud in your bankruptcy case. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both.

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