



4. Should Client decide to pursue a case under Title 11 of the United States Code (the Bankruptcy Code), a new fee agreement will be executed setting for the fees and filing fees necessary to commence such proceeding. Until such time as a fee agreement is executed, the parties respective obligations are limited to such as set forth in this Fee Agreement for Initial Consultation.

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

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

ADRIAN M. LAPAS, P.A.

Dated: \_\_\_\_\_  
By: \_\_\_\_\_  
Adrian M. Lapas

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

The Bankruptcy Abuse Prevention and Consumer Protection Act requires that you be provided certain information as set forth below.

\_\_\_ 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 routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine. *(This law firm, as a federally designated Debt Relief Agency, disagrees that bankruptcy cases are routine. Though this statement is required under law, if a bankruptcy petition is incorrectly completed or important deadlines missed, you could lose valuable rights, property or fail to obtain the discharge of debts for which you sought bankruptcy protection in the first place. We would not advise you to file for bankruptcy protection without the assistance of a lawyer who regularly practices bankruptcy law.)*

\_\_\_ 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 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 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. *(This law firm as a federally designated Debt Relief Agency disagrees with this statement as not in accordance with applicable law. A chapter 13 plan payment is calculated using a formula to determine your disposable income which must be paid into your plan and has nothing to do with what you can "afford.")*

\_\_\_ 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 you legal advice.

**Acknowledgement of Receipt:** The undersigned acknowledges that attorney Adrian M. Lapas, P.A. has given me a copy of this disclosure required under § 527(b) of the United States Bankruptcy Code.

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

Adrian M. Lapas, P.A.  
Attorney at Law  
Post Office Box 46  
Goldsboro, NC 27533  
Telephone: (919) 735-0098 Facsimile: (919) 735-0098  
www.ncbankrupt.com

**DISCLOSURE REQUIRED UNDER 11 U.S.C. § 527(a)(2)**

**IF YOU FILE BANKRUPTCY:**

- A. The information that you provide to your attorney, the bankruptcy trustee and the court in the course of your bankruptcy case, both before and after you file your bankruptcy petition, must be complete, accurate and truthful.
- B. All of your assets (everything that you own that has value such as real estate, personal items, vehicles, money, expected inheritances, anything) and all of your liabilities (all of your debts) are required to be completely and accurately disclosed in the documents filed to start your case and the *replacement* value of each asset must be stated in those documents where requested after reasonable inquiry to establish their value. The value should be your best understanding of how much it would cost you to replace the item in the same or similar condition.
- C. You must provide your attorney with a monthly budget, including your current monthly income, all of your regular expenses, and the amount of your income that is left over after deduction of expenses. In listing your income and expenses, try to avoid guessing or estimating, and do your best to be accurate and truthful.

For income, you are required to provide information about all sources of your income, including your employment, any government assistance and you may receive, Social Security, pension or other retirement income, income from side jobs, investment income and similar sources. Additionally, if you receive money from a family member or any other person on a regular basis, you must disclose this information.

- D. The information that you provide to your bankruptcy attorney, the bankruptcy trustee or the bankruptcy judge may be audited and will be available for inspection by the Office of the United States Trustee, which is a branch of the United States Department of Justice.

If you fail to honestly and fully provide information about your property, income, expenses and other financial circumstances, your case could be dismissed and you could be subject to criminal sanctions.

*(This law firm as a federally designated debt relief agency reiterates that you must accurately and honestly comply with the above provisions. However, it is the view of this law firm that the purpose behind this disclosure mandated by the Bankruptcy Abuse Prevention and Consumer Protection Act "BAPCPA," particularly Paragraph D, is to discourage people from filing for needed bankruptcy protection. There is nothing illegal or immoral about filing for bankruptcy protection—it is your right as set forth in the United States Constitution. While the information that you supply will be available for inspection and subject to random audit, this law firm, as a federally designated debt relief agency, can assist you in to ensure that your case proceeds smoothly as long as you are truthful and candid with us.)*

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[www.ncbankrupt.com](http://www.ncbankrupt.com)

**ACKNOWLEDGEMENT OF RECEIPT:**

The undersigned acknowledges that he/they have received the disclosure required under § 527(b) of the United States Bankruptcy Code.

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

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Attorney at Law  
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Goldsboro, NC 27533  
Telephone: (919) 735-0098 Facsimile: (919) 735-0098  
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**INFORMATION ON TYPES OF BANKRUPTCY**  
**AS REQUIRED UNDER § 527(a)(1) and § 342(b)(1)**

The United States Constitution provides a method by whereby individuals burdened by excessive debt can obtain a fresh financial start and pursue newly productive lives unimpaired by past financial problems. It is an important alternative for persons mired deep in financial difficulty.

The federal bankruptcy laws were enacted to provide debtors with a fresh start and to establish a ranking and equity among all the creditors who are clamoring for a piece of the debtor's limited resources. Bankruptcy helps people avoid the kind of permanent discouragement that can prevent them from ever reestablishing themselves as hard-working, productive members of society. Also, creditors are ranked so that the debtor's non-exempt property can be fairly distributed according to established rules guaranteeing identical treatment to all creditors of the same rank.

This discussion is intended only as a brief overview of the types of bankruptcy protection available and what each type of bankruptcy or "chapter" can and cannot do. Anyone considering this course of action is encouraged to seek the advice and assistance of an attorney with experience in bankruptcy law.

**TYPES OF BANKRUPTCY:**

The Bankruptcy Code is divided into chapters. The chapters most applicable to consumer debtors are Chapter 7 known as a "Liquidation" or "Straight" bankruptcy and a Chapter 13 known as a Debt Adjustment or "Wage-Earner Plan." Chapter 13 cases are for individuals with a regular income.

An important feature applicable to all bankruptcy proceedings is the "automatic stay." The automatic stay is a court order that goes into effect immediately upon the filing of your bankruptcy petition which stops or "stays" any and all attempts by a creditor to collect a debt. It stops repossessions, foreclosures, evictions, garnishments, attachments, utility shut-offs and debt collection harassment. It offers the debtor a breathing space and chance to reorganize without creditors taking any action. It allows the debtor and the trustee assigned to the case a chance to review the situation and develop plan for the orderly liquidation of assets, if any, or to otherwise develop a plan of reorganization. Creditors cannot take any action without first asking the bankruptcy court's permission, generally through what is called a Motion for Relief from the Automatic Stay.

**Chapter 7**

In a chapter 7 case, the bankruptcy court appoints a trustee to examine the debtor's assets and divide them into exempt and non-exempt property or assets. Exempt property is limited to a certain amount of equity in the debtor's residence, automobile, household goods, tools of the trade, life insurance, wages, and other exemptions under applicable law. Any property that is not exempt is classified as "non-exempt" and the trustee may sell such property and distribute the proceeds to your creditors. Although a chapter 7 will rarely help with secured debt (debt with which some type of collateral is associated such as a house, car, etc. because a secured creditor would still retain the right to repossess the collateral if not paid), the debtor would be discharged from paying many unsecured debts such as credit cards, medical bills and utility arrearages. If the collateral of a secured claim is surrendered in a chapter 7, any potential deficiency claim would be discharged as well. However, some types of debts are not discharged including some taxes, student loans, alimony and child support claims, criminal fines and/or restitution.

**Chapter 13**

In a chapter 13 case, the debtor proposes a plan following rules set forth in the bankruptcy code to repay all of his creditors over time, usually from future income. A chapter 13 may be advantageous in that a debtor is usually allowed get caught up on a mortgage loan when he is facing a foreclosure or is otherwise behind on his payments. Similarly, if a car is about to be repossessed, a debtor can catch up on the amounts he is behind and in some circumstances "cram-down" a vehicle if certain criteria are met whereby the value of the vehicle is paid through the plan instead of what is owed on the vehicle. Also, if a debtor has non-exempt assets that he wishes to keep (which would be sold in a chapter 7), a chapter 13 case can allow the debtor to keep such assets by paying the non-exempt value of such assets to a chapter 13 trustee for the benefit of the debtor's

*Adrian M. Lapas, P.A.*  
*Attorney at Law*  
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*Goldsboro, NC 27533*  
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*www.ncbankrupt.com*

unsecured creditors. As long as payments are made to the trustee and creditors that are to be paid "outside the plan," the debtor's property is protected from seizure unless the court grants permission. A chapter 13 plan requires that a debtor make monthly payments to a chapter 13 trustee to fund the plan. Though there is usually some payment to unsecured creditors, the unsecured creditors are not typically paid the full amount of what they are owed. Each case is different and must be analyzed based on a number of different factors.

### **Chapter 11**

Chapter 11 cases are typically filed by corporations for reorganization. Individuals can file under chapter 11 but generally the only reason for an individual to file under a chapter 11 is because their debts exceed the limits under a chapter 13. This law firm does not typically pursue chapter 11 cases. Chapter 11 cases are typically expensive to pursue and are not generally appropriate for consumer debtors.

### **Chapter 12**

Chapter 12 cases are filed by family farmers. If you are engaged in a farming operation, this type of bankruptcy may be of a benefit to you. This law firm does not typically pursue chapter 12 bankruptcy cases. If you are not engaged in a farming type of operation, then this chapter would not be applicable.

I acknowledge that I received a copy of the § 527 and § 342 notice describing the types of bankruptcy assistance available.

This the \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Debtor

\_\_\_\_\_  
Joint Debtor

*Adrian M. Lapas, P.A.*  
*Attorney at Law*  
*Post Office Box 46*  
*Goldsboro, NC 27533*  
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