

**INITIAL CONSULTATION AGREEMENT  
AND ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURES**

This agreement is entered into on \_\_\_\_\_, by and between the undersigned prospective client(s) and the undersigned attorney of Heard Ary, LLC (referred to as the “Attorney”).

1. I (We) have requested a consultation with the Attorney to obtain information and advice about debt issues and relief from debt, including the possibility of filing bankruptcy under the federal Bankruptcy Code. The Attorney agrees to provide an initial consultation concerning these matters. There is no charge for this initial consultation.

2. The Attorney agrees to provide the following services at the initial consultation, based on the information I (we) have provided:

- (a) Analyze my (our) financial circumstances and advise me (us) of possible bankruptcy and nonbankruptcy options for responding to my (our) financial problems. I (We) understand that this analysis is only preliminary, because the Attorney does not have all of the information and documents that will be required to fully evaluate my (our) situation.
- (b) Describe the potential benefits and the disadvantages of filing bankruptcy, and explain the relief available under chapters 7, 11, 12 and 13 of the Bankruptcy Code.
- (c) Advise me (us) of the requirements, obligations and costs for filing bankruptcy.
- (d) Inform me (us) of the additional information that I (we) will need to provide to enable the Attorney to more fully advise me (us) of my (our) potential options and legal rights.

3. The Attorney will provide at this time only the services specifically stated in this Agreement. If I (we) retain the Attorney to represent me (us) and provide additional services, including the filing of bankruptcy or other bankruptcy assistance, I (we) and the Attorney will sign a separate retainer agreement detailing the services and their cost, and the other terms of such representation.

4. I (We) acknowledge receipt, at the initial consultation, of copies of this agreement and several notices required by 11 U.S.C. §§ 342(b), 527(a), and 527(b). If my spouse was not present when these notices were received at the initial consultation, I also acknowledge receipt of these notices on behalf of my spouse, and agree to provide my spouse with a copy of these notices.

\_\_\_\_\_  
Client signature

\_\_\_\_\_  
Attorney signature

\_\_\_\_\_  
Client signature

**UNITED STATES BANKRUPTCY COURT**

**NOTICE TO CONSUMER DEBTOR(S) UNDER § 342(b)**  
**OF THE BANKRUPTCY CODE**

In accordance with § 342(b) of the Bankruptcy Code, this notice to individuals with primarily consumer debts: (1) Describes briefly the services available from credit counseling services; (2) Describes briefly the purposes, benefits and costs of the four types of bankruptcy proceedings you may commence; and (3) Informs you about bankruptcy crimes and notifies you that the Attorney General may examine all information you supply in connection with a bankruptcy case.

You are cautioned that bankruptcy law is complicated and not easily described. Thus, you may wish to seek the advice of an attorney to learn of your rights and responsibilities should you decide to file a petition. Court employees cannot give you legal advice.

Notices from the bankruptcy court are sent to the mailing address you list on your bankruptcy petition. In order to ensure that you receive information about events concerning your case, Bankruptcy Rule 4002 requires that you notify the court of any changes in your address. If you are filing a joint case (a single bankruptcy case for two individuals married to each other), and each spouse lists the same mailing address on the bankruptcy petition, you and your spouse will generally receive a single copy of each notice mailed from the bankruptcy court in a jointly- addressed envelope, unless you file a statement with the court requesting that each spouse receive a separate copy of all notices.

**1. Services Available from Credit Counseling Agencies**

**With limited exceptions, § 109(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis.** The briefing must be given within 180 days before the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or on the Internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States trustee or bankruptcy administrator. The clerk of the bankruptcy court has a list that you may consult of the approved budget and credit counseling agencies. Each debtor in a joint case must complete the briefing.

**In addition, after filing a bankruptcy case, an individual debtor generally must complete a financial management instructional course before he or she can receive a discharge.** The clerk also has a list of approved financial management instructional courses. Each debtor in a joint case must complete the course.

**2. The Four Chapters of the Bankruptcy Code Available to Individual Consumer Debtors**

**Chapter 7: Liquidation (\$245 filing fee, \$46 administrative fee, \$15 trustee surcharge: Total fee \$306)**

Chapter 7 is designed for debtors in financial difficulty who do not have the ability to pay their existing debts. Debtors whose debts are primarily consumer debts are subject to a “means test” designed to determine whether the case should be permitted to proceed under chapter 7. If your income is greater than the median income for your state of residence and family size, in some cases, the United States trustee (or bankruptcy administrator), the trustee, or creditors have the right to file a motion requesting that the court dismiss your case under § 707(b) of the Code. It is up to the court to decide whether the case should be dismissed.

Under chapter 7, you may claim certain of your property as exempt under governing law. A trustee may have the right to take possession of and sell the remaining property that is not exempt and use the sale proceeds to pay your creditors.

The purpose of filing a chapter 7 case is to obtain a discharge of your existing debts. If, however, you are found to have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge and, if it does, the purpose for which you filed the bankruptcy petition will be defeated.

Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may still be responsible for most taxes and student loans; debts incurred to pay nondischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are

not properly listed in your bankruptcy papers; and debts for death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs. Also, if a creditor can prove that a debt arose from fraud, breach of fiduciary duty, or theft, or from a willful and malicious injury, the bankruptcy court may determine that the debt is not discharged.

**Chapter 13: Repayment of All or Part of the Debts of an Individual with Regular Income (\$235 filing fee, \$46 administrative fee: Total fee \$281)**

Chapter 13 is designed for individuals with regular income who would like to pay all or part of their debts in installments over a period of time. You are only eligible for chapter 13 if your debts do not exceed certain dollar amounts set forth in the Bankruptcy Code.

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, using your future earnings. The period allowed by the court to repay your debts may be three years or five years, depending upon your income and other factors. The court must approve your plan before it can take effect.

After completing the payments under your plan, your debts are generally discharged except for domestic support obligations; most student loans; certain taxes; most criminal fines and restitution obligations; certain debts which are not properly listed in your bankruptcy papers; certain debts for acts that caused death or personal injury; and certain long term secured obligations.

**Chapter 11: Reorganization (\$1,167 filing fee, \$46 administrative fee: Total fee \$1,213)**

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. Its provisions are quite complicated, and any decision by an individual to file a chapter 11 petition should be reviewed with an attorney.

**Chapter 12: Family Farmer or Fisherman (\$200 filing fee, \$46 administrative fee: Total fee \$246)**

Chapter 12 is designed to permit family farmers and fishermen to repay their debts over a period of time from future earnings and is similar to chapter 13. The eligibility requirements are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation.

**3. Bankruptcy Crimes and Availability of Bankruptcy Papers to Law Enforcement Officials**

A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury, either orally or in writing, in connection with a bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the United States Trustee, the Office of the United States Attorney, and other components and employees of the Department of Justice.

**WARNING:** Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information regarding your creditors, assets, liabilities, income, expenses and general financial condition. Your bankruptcy case may be dismissed if this information is not filed with the court within the time deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court. The documents and the deadlines for filing them are listed on Form B200, which is posted at [http://www.uscourts.gov/bkforms/bankruptcy\\_forms.html#procedure](http://www.uscourts.gov/bkforms/bankruptcy_forms.html#procedure).

**NOTICE REQUIRED BY 11 U.S.C. § 527(a)**

- A. All information that I am required to provide with my Bankruptcy Petition and thereafter during my Bankruptcy case is required to be complete, accurate, and truthful.
- B. All of my assets and liabilities are required to be completely and accurately disclosed in the documents I file to commence my case. The “replacement value” of each of my assets must be stated in those documents. The “replacement value” of my assets is defined in the Bankruptcy Code as the replacement value of my property as of the date of the filing of my Petition, without deduction for the costs of selling it or marketing it. For my personal, family, or household property, replacement value as defined in the Bankruptcy Code means the price that a retail merchant would charge for property of the same kind, considering the age and condition of the property at the time its value is determined. It is my obligation to make a reasonable inquiry to establish the replacement value of my property.
- C. My current monthly income must be stated after reasonable inquiry. The Bankruptcy Code also requires that I provide additional information about my monthly income. I must provide the additional information as set forth in section 707(b)(2). And, if my case is filed under Chapter 13, I must provide the additional disposable income information set forth in section 707(b)(2).
- D. Information that I provide during my Bankruptcy case may be audited pursuant to the Bankruptcy Code. If I fail to provide this information, my case may be dismissed or the Court may impose other sanctions, including criminal sanctions.

**NOTICE REQUIRED BY 11 U.S.C. § 527(b)**

**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, in some areas, you may hire 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 this contract before you hire anyone.

Although bankruptcy cases can be complex, many of the procedures and cases are routine. Before filing a bankruptcy case, 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 beneficial to 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 is filed, you will have to attend a first meeting of creditors where you will be questioned under oath by a court official called a "trustee" and by your creditors.

If you chose to file a Chapter 7 case, you may be asked 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 chose 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 lawyers, not bankruptcy petition preparers, can give you legal advice.

**INSTRUCTIONS FOR CREDIT COUNSELING CERTIFICATION**

**BEFORE FILING BANKRUPTCY**

Heard Ary, LLC is a registered user of Hummingbird Credit Counseling and Education, Inc., an approved credit counseling agency for the Northern District of Alabama.

1. Go to [www.hbcce.org](http://www.hbcce.org)
2. Click on “Bankruptcy Certifications”
3. Click on “Before Bankruptcy – Credit Counseling Certification”
4. You will be asked to select your state. Select Alabama and click on “Submit”
5. Click on “Start the Counseling”
6. Go to bottom of page and click on “I Agree”
7. Click on “Continue to Counseling”
8. Again, click on “Start the Counseling”
9. Under the heading “Counseling Application Options”, click on “Start a New Counseling Session”
10. The rest is self-explanatory. As outlined in the “Here’s an Overview of the Process” section, please remember to write down the Session Number and Control Number. You must have the Session Number in order to resume a session should you need to take a break.
11. Provide your Control Number to us once you have completed your Credit Counseling Certification. (You do not need to print and sign the statement.)

Should you have any questions, please call  
Shelly Boyd at (256) 535-0817

**LIST OF ITEMS NEEDED TO FILE BANKRUPTCY**

*These items are mandatory unless otherwise instructed by the attorney*

*Copies of these items can be made for you if needed*

- A completed Questionnaire
- Paystubs or other Proof of Income – Most recent 6 months [NOT bank statements]
- Bank Statements – Most recent 3 months
- Investment Statements – Most recent
- Tax Returns, Transcripts, and/or Extensions – Most recent 4 years
- Vehicle Tag Registration Receipt(s) for ALL vehicles
- Real Estate Tax Assessment(s) – Most recent year
- Itemized List of Household Goods and Furnishings
- Hummingbird Online Credit Counseling Control Number(s) [example: 123456-A123456B-12]
- Photo ID(s)
- Social Security Card(s)
- Payment to **Heard Ary, LLC** [Cash or Check]
- Email Address for receipt of important notices

**Should you have any questions, please contact  
Shelly Boyd at (256) 535-0817 or [sboyd@heardlaw.com](mailto:sboyd@heardlaw.com)**