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**ACKNOWLEDGEMENT OF BANKRUPTCY RESPONSIBILITIES  
AND POTENTIAL PROBLEMS**

Dear Client or Prospective Client:

According to Article I, Sec. 8 of the U.S. Constitution, the U.S. Congress has the power “to establish uniform laws on the subject of bankruptcies throughout the United States.” That being said, you have no “constitutional right” to file bankruptcy. You are only entitled to obtain bankruptcy relief if you comply with the bankruptcy law that Congress has passed, your overall financial circumstances justify it, and you are honest and in “good faith.”

Unfortunately, bankruptcy law is very complicated, and it is subject to change by Congress and interpretation by the Courts at any time. It is difficult for me to be sure that you are aware of everything that you should know.

By completing this Acknowledgement, you will know your basic responsibilities to the Bankruptcy Court and to my law office. You will also be alerted to many potential problems that may exist in your case. While the information provided is correct, the Bankruptcy Code is full of exceptions that may apply to your particular case. Discuss any unusual questions or problems with me.

Instructions: Please read each statement below, and place your initials at the bottom of the page in the space provided to show that you have read the item, and that you understand what you have read. If you are filing with your spouse, your spouse must also initial each box.

Please also sign and date the bottom where required. Return the original of this document, with all boxes initialed and all pages dated and signed, to my office, prior to the filing of your case. Please write down any remaining questions or concerns and discuss them with me prior to the filing of your case. Thank you.

Sincerely,  
Samantha Kehl

## THE CLIENT'S DUTIES TO THE BANKRUPTCY COURT

- Client (this means you and your spouse, if married and spouse if filing with you) and Attorney (Samantha Kehl and staff) must comply with all Bankruptcy Rules and Court Orders.
- **There are two “courses” required to file bankruptcy. The first one is a “credit counseling” course** that you must take 180 days BEFORE filing bankruptcy (it takes about 30 minutes and is done online, you can schedule a time to take it here if needed). **You must finish this course at least one business day prior to your meeting with Samantha.** This is your “ticket in” to bankruptcy. The fee for the credit counseling is included in the fee you were quoted (they bill us for this). We give you instructions and our law firm’s code to enter in order for us to be billed.
- **The second course, you take AFTER filing bankruptcy. Client must have a “Debtor education” course after filing bankruptcy,** in order to receive a discharge. This is your “ticket out” of bankruptcy. Client must complete the debtor education course before their §341 Meeting of Creditors. Failure to complete the Debtors education will result in the Bankruptcy Court denying the discharge.
- **After the case is filed,** you will receive in the mail an “Initial Order” from the Bankruptcy Court, which sets out the things that the Court has ordered the Client and Attorney to do. Client should read it, follow any requirements that apply to Client and keep it with Client’s other papers concerning the case.
- **Client (and spouse, if spouse filed with Client) must attend the §341 Meeting of Creditors,** and any other hearings or meetings required by the Court (if question, contact Attorney).
- **Client must be truthful and honest** with the Court and the Trustee, or face possible criminal prosecution for bankruptcy fraud or perjury. The FBI investigates bankruptcy crimes.
- **Client is to prevent depletion** (wasting) of assets during bankruptcy case, and notify attorney immediately of depletion or potential depletion.
- **Client is to notify attorney** about any facts indicating that the operation of any business of the Client is not in the best interest of creditors, and attorney is to notify the Court.
- **Client is not to pay any unsecured debt that was incurred pre-petition** (incurred before the bankruptcy), except under a confirmed plan or a Court order. You must continue to pay your usual rent, utilities, etc. as they become due.
- **Client is not to transfer** (sell, give away, move, or encumber, i.e. place a lien or mortgage against) an asset outside of the ordinary course of business except under a Court order.
- **Client shall avoid incurring any administrative or priority expenses** for which funds may not be generated to pay (i.e., taxes, attorney or accountant fees).
- **Client shall comply with all federal and state law tax requirements** while in bankruptcy, including making estimated income tax (1040ES) and payroll and unemployment tax (941 and 940 tax) deposits timely, filing all reports, and depositing and filing all required reports concerning sales taxes, property taxes, and all other required taxes.
- **Client must pay all obligations incurred in the operation of its business** on a current basis, except a Client engaged in business may use trade credit in the ordinary course of business.
- **Client shall not use “cash collateral”** without prior consent of the secured creditor or Court order. (Example: bank has lien on account receivables of business; proceeds are “cash collateral” and can’t be used

without consent or court order).

- **CHAPTER 13 ONLY—If Client is engaged in business, must file Operating Reports** with Court and Trustee. Must keep financial records that a reasonable business owner would, and must keep them in order. Attorney will give you a copy of these forms when you file your bankruptcy.
- **Client must keep all estate property insured** against loss.

By signing below, I (whether one or more) acknowledge that I have read and that I understand the information on this page.

Date: \_\_\_\_\_

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Name

## THE CLIENT'S DUTIES TO BANKRUPTCY ATTORNEY

- Client must cooperate with the attorney in preparing required lists and schedules of property.
- Client must provide all requested information and documents in a timely manner, and cooperate with the Attorney and the Attorney's staff.
- Client must always be absolutely truthful and honest with Attorney and staff, or false statements will surely backfire on Client. What you tell your Attorney is privileged and confidential. The Attorney cannot help you, without the whole truth.
- Client must come to office for necessary appointments. Filing bankruptcy takes an investment of time and effort. Client must not be "too busy" to appear for appointments.
- Client must not be rude or argumentative with Attorney or Attorney's staff; they did not cause Client's financial problems.
- Client must disclose all debts and assets to attorney and court, no exception.
- Client must carefully review schedules, statement of financial affairs, and other papers to be filed with the Bankruptcy Court, to be sure all are accurate and complete. Mistakes happen, and if one is made on your documents we will work as quickly as we can to amend it. You are swearing to truth and accuracy of papers, not the Attorney.
- Client must keep current address and telephone numbers on file with the Attorney's office. Please provide a back up phone number in case we need to reach you in an emergency.
- Client email information is equally important. For clients that have email, it is usually a quicker method of communication and exchanging documents. It often will save you trips to our office.
- Client must open and read their mail.
- Client must respond promptly to calls, emails, or letters from Attorney's office.
- Client must be 30 minutes early (so that Samantha can prepare you) for the Meeting of Creditors, and any necessary Court appearances.
- Client must let the Attorney's office know as soon as possible if the Client cannot be at a scheduled Court hearing. This could result in a delay or dismissal of your case.
- If Client is married and filing jointly, both must attend the Meeting of Creditors.
- Client must not contact the Court, the Trustee, or an Opposing Party or Creditor, or their Attorney's without your Attorney's permission. Always contact your Attorney if there is an issue or questions. That is why you hired us, to represent you.
- It is a good idea for the Client to write down all questions they have, so that when Client calls, all questions can be answered at once, and so that the Client does not forget.
- If Client has a dispute or problem with the Attorney, Client should make an

appointment to discuss it with the Attorney. It is our goal for the Client to be satisfied with the work we do on their behalf.

- After your bankruptcy case is filed, many times we receive so-called “pre-approved” credit offers. We shred these. To reduce the amount of junk mail our office and you receive, you can call 1-888-567-8688 or visit [www.optoutprescreen.com](http://www.optoutprescreen.com) for details. The telephone number and website are operated by the major consumer reporting companies. The information they ask you for is confidential.
- Client may bring small children to the Attorney’s office if there is no other alternative, but the Attorney does not recommend it. Attorney does not have facilities or personnel available to baby-sit children and cannot be responsible for children’s safety or welfare while the children are in the Attorney’s law office.
- In addition, small children may distract the Client, so that the Client does not understand or remember the Attorney’s advice.
- Also, computers, other electronic devices, as well as heavy office doors and furniture and possibly other property or conditions in the Attorney’s law office may be hazardous to children. Attorney disclaims any responsibility for damages or injuries caused to children that are brought to the law office.

By signing below, I (whether one or more) acknowledge that I have read and that I understand the information on Client’s duties to the Attorney.

Date: \_\_\_\_\_

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Name

## OTHER IMPORTANT THINGS FOR YOU TO KNOW

- LAW CAN CHANGE. Bankruptcy laws can change at any time Congress is in session; Attorney cannot be responsible for changes in the law, or how the changes affect Client's case. Court interpretations of the law also can change over time.
- ARE YOU ELIGIBLE FOR BANKRUPTCY? You must be a resident of the district in which bankruptcy is filed (or have principal assets in district) for greater part preceding 6 months (3 months and a day) to be eligible to file bankruptcy in that district.
- MEANS TEST. That became law in 2005 restricts who is eligible for Chapter 7. If you earn more than median income for the state where you live, you may, or may not be, eligible for Chapter 7. It depends on family size, how much and what types of debts you have. There are many factors.
- IF YOUR CIRCUMSTANCES CHANGE: After your Chapter 7 case is filed, but before you are eligible for discharge, you may no longer qualify for Chapter 7. Example: You are unemployed when you file Chapter 7 on April 1st. On May 2<sup>nd</sup>, you get a job paying \$100,000 per year. The U.S. Trustee's Office (the government "watchdog" over the bankruptcy system) may ask the Bankruptcy Court to dismiss your case, or give you option to change to Chapter 13 and repay your debts.
- If Client owes more than \$360,475 in unsecured debt or \$1,081,400 in secured debt, then Client does not qualify for Chapter 13; contingent or un-liquidated debts don't count. In such a case, the Client is eligible for Chapters 7 or 11 only, or possibly Chapter 12 if Client is a farmer or rancher. These numbers may be subject to change as Congress decides.
- To receive Chapter 7 discharge, you cannot have received a discharge in a Chapter 7 case commenced within the prior 8 years, or a discharge in a Chapter 13 commenced within the prior 6 years, unless you paid more than 70% of your unsecured debt. In Chapter 13 cases, to receive discharge, you cannot have received a discharge in Chapter 7, 11, or 12 case filed within 4 years before filing a new Chapter 13 case.
- YOUR CASE COULD BE "AUDITED": A provision of the law says that 1 out of each 1,000 cases are subject to an audit to determine the accuracy, truthfulness, and completeness of the bankruptcy documents.
- CONFLICTS OF INTEREST: Client must notify the Attorney immediately if the Attorney has ever represented the client's ex-spouse, or any other party that may have an interest adverse to the Client. Client must notify the Attorney immediately if the Attorney represents you and your spouse and you and your spouse decide to separate.
- CLIENT MUST ATTEND THE MEETING OF CREDITORS: It takes place about 30 days after the filing of your case. If your spouse filed with you, you both must go to the Meeting. Usually the meeting only takes a few minutes, but you should plan on at least ½ day off of work. Few, if any, creditors usually attend. Your attorney will be at this meeting with you, where you answer questions the Trustee will ask. Samantha goes over this and gives you a copy of the questions, the day we file your case. This way you know more of what to expect at the Meeting of Creditors. You need to be at the Federal Courthouse at least 30 minutes prior to your scheduled meeting.

- CREDITORS MUST STOP TRYING TO COLLECT FROM YOU AFTER THE BANKRUPTCY IS FILED: If you receive a call from a creditor that continues to call after we or you have given them your case number, please let us know immediately. Be sure to write down the name of the creditor, the date, time, their phone number, and what was said to you. You can email or fax this information to us. This is a violation of the law and the automatic stay you are protected by. We can sue the creditor and the Court may also award you money damages. However, it is rare that the Court entertains such a lawsuit. For example, a creditor once threatened to kill a debtor after they filed bankruptcy. The debtor sued the creditor and was awarded \$1,000.00 for the death threat. Creditors' actions must be extreme for any monetary damages.
- THE AUTOMATIC STAY PREVENTS MOST ACTIONS: Against you, and goes into effect immediately when your case is filed. But there are exceptions to the Automatic Stay. Some creditors can continue to try to collect, but not many. The most common exceptions to the Automatic Stay are: (a) lawsuits or actions to establish or collect child support or paternity, or establish child custody; (b) criminal actions against you; (c) tax audits and the assessment (but not collection) of taxes; (d) the presentment of your checks to your bank; (e) evictions (if a judgment of eviction was granted before you filed bankruptcy); (f) if you are a multiple or serial filer of bankruptcy, in some circumstances the Automatic Stay won't apply.
- THE STAY LASTS UNTIL YOUR CASE IS OVER: Either through discharge, dismissal, or as to property, when the property is no longer the property of your estate. If you receive a discharge, your creditors can NEVER try to collect the discharged debts from you. However, if you do not continue to meet your financial obligations for a secured creditor (i.e., make your monthly house payment or car payment), the creditor may file a motion with the Bankruptcy Court asking permission to lift the automatic stay.
- ALL DEBTS ARE NOT DISCHARGED IN BANKRUPTCY: Please read and initial the attached form "Debts Not (Or May Not Be) Dischargeable in Bankruptcy" so that you will know which debts may not be discharged by the bankruptcy. Ask the Attorney if you have any questions.
- HOT CHECK CHARGES: may not go away with bankruptcy. Bankruptcy does not stop criminal prosecutions, although the debt represented by the check, itself, may be discharged. If there is a prosecution, you usually receive a reduced fine or sentence if you pay the amount of the check to the merchant. If you have hot check warrants, ask us for a referral to a criminal defense lawyer, to first clear that matter up.
- PAYDAY LENDERS: cannot prosecute you for bad checks; they knew they were not good when they took them. We recommend that you STOP PAYMENT on any checks written to payday lenders, so that they cannot try to prosecute you. Stop payments must be done in writing at your bank. We also recommend that you change banks to prevent future problems. Be sure to list all of these places as creditors on your bankruptcy. It is illegal for any payday lender to show up at debtor's job to try to collect (whether or not you are filing bankruptcy). It is not illegal to make a personal visit to try to collect a debt, but trespassing is. If that happens, tell them (or have your boss tell them) to leave. If they don't, call the police and have the police tell them to leave.
- DO NOT CHARGE UP: Do not incur debt that you do not intend to repay. If you are reading this, you should stop charging now. You can be compelled to disclose the date when you first came to see me, your bankruptcy lawyer. They cannot discover what we spoke about (attorney-client privilege), but they can find out the date, if they insist. Even if you "get away with it," it is not right. Get

help with or counseling for any problems that you may have such as compulsive spending or a gambling or other addiction. For help, you can start with [www.debtorsanonymous.org](http://www.debtorsanonymous.org) or [www.gamblersanonymous.org](http://www.gamblersanonymous.org).

- Once you decide to file bankruptcy, destroy your credit cards or bring them in to the office, we can destroy them for you.
- If you have one or two credit cards with zero balances, and they are still open, you may want to retain them for use after bankruptcy. But, creditors often perform “Account Reviews” and if they see that you filed bankruptcy, they can decide to cancel your credit at any time. Also, you are not permitted to use consumer credit during a Chapter 13 case, without your Trustee’s permission. You may use “trade credit” if you operate a business, but it must be paid on 30 day terms.
- It is possible to get Trustee permission during a Chapter 13 to purchase a vehicle, if you need one and it’s a reasonable vehicle and a reasonable deal.
- **CLIENT MUST GET PERMISSION TO SELL REAL ESTATE:** During bankruptcy, you cannot sell your home, land or real estate, or any other substantial property without Bankruptcy Court permission. Contact your Attorney when you first consider selling, in Chapter 13 cases new plan provisions may permit you to sell your homestead without Court permission, but only if the title company approves. You may still need an order to satisfy the title company, or you may want to consider using another title company.
- **STOP PAYING ON UNSECURED DEBTS:** Once you decide to file bankruptcy. After you decide to file, stop paying on the debts that you intend to discharge in the bankruptcy. There are exceptions to this; if you recently made larger charges on one or more accounts, discuss it with your Attorney, there may be certain accounts that you should pay for a period of time, to lessen the likelihood that the creditor would oppose the discharge of recent charges.
- After you pay my office a down payment to file your case, you can tell creditors or debt collectors that you have hired me, and that they should call my office instead of you. (We have a Creditor Referral Sheet we give you explaining this). As to “third party” debt collectors like collection agencies or collection attorneys, it is a violation of federal law for them to contact you directly, once they know you have an attorney. If they do, write down all the details as to who, what, when, names, dates, and times, and forward that information in written form to our office.
- **ALL OF YOUR PROPERTY MAY NOT BE EXEMPT:** If it exceeds the amounts allowed by law. The Attorney gives the Client her best professional advice based on many years of study and practice, but the Attorney cannot ethically “guarantee” results of any legal action. In the usual case, all property is clearly exempt, and there is no dispute.
- To be entitled to use the exemptions available under Texas law; you must have had your domicile in Texas for at least 730 days (about 2 years). You cannot exempt more than \$146,450 of “equity” in your homestead if it was acquired within 1,215 days before your filed bankruptcy, unless you sold another Texas homestead and bought your current house with the proceeds, or you qualify as a family farmer.
- If there is a dispute about exemptions (this is very unusual), the Trustee or creditor must file an Objection to Exemptions within 30 days of your Meeting of Creditors. If it cannot be resolved through negotiation, the Bankruptcy Judge decides whether or not the property is exempt.

- If you have made a LUMP SUM PAYMENT on your HOME MORTGAGE in the past 10 years, and you did it with the intent to hinder, delay or defraud your creditors, your homestead exemption may be reduced by the lump sum amount that you paid. In such a case, the Trustee could sell your home, pay you your exempt amount, and use the non-exempt amount to pay your creditors. Be sure to tell the Attorney if you have made a lump sum payment on your home; it may be better not to file bankruptcy, or to file a Chapter 13 instead of Chapter 7.
- NON-EXEMPT ASSETS: If Client has both non-exempt assets (like a lake lot or stock portfolio) and non-dischargeable debts, like recent taxes owed to the IRS, filing a claim for the creditor may assist in getting the IRS debt paid, ahead of the other debts.
- INDIVIDUAL RETIREMENT ACCOUNTS (I.R.A.'S): Are generally exempt here in Texas, but NOT IF YOU INHERIT THEM from someone other than your spouse. Inherited IRA's may have to be turned over to your Trustee in Chapter 7 or you may have to pay your creditors more, to keep them in Chapter 13. Be sure to TELL YOUR ATTORNEY if you have any IRA's that you obtained by reason of the death of someone else that was not your spouse.
- OTHER PROPERTY YOU COULD LOSE: If Client becomes entitled to an inheritance, life insurance money, or a marital property (divorce) settlement within 180 days after filing Chapter 7, or anytime during Chapter 13, it may be taken by the Trustee to pay creditors (depends on the factors of your case). The client has a duty to disclose it to the Court and the Attorney as soon as the Client becomes aware of it.
- If Client is receiving payment from a trust fund, annuity, structured settlement, or property settlement, it may be seized or threatened by the Trustee. IT MAY BE non-exempt; the Attorney must review all documents (depends on the facts of your case).
- TAX REFUNDS: Trustee may be entitled to your current year's tax refund in Chapter 7 unless exempt (it's usually exempt). In a Chapter 13 case, the Trustee may require tax refunds to be turned over to him every year of the plan, to pay creditors. The Attorney recommends that you adjust your withholding tax with your payroll office to get a bigger paycheck, and eliminate large tax refunds. Besides, it's a free loan to Uncle Sam – you need the money every pay day.
- If you owe the IRS, student loans or child support, your tax refund may be intercepted to pay these debts. Again, adjust your withholding tax. You may claim as many withholding allowances as you wish, so long as you have at least 90% of what taxes you owe withheld, or 100% of what you owed in the last tax year (high income self-employed people must deposit 110%). In a Chapter 13 case, the IRS, child support, or student loan creditor can take the tax refund for the year that your file, but should not in later years. Notify the Attorney if they do.
- LEVY OR GARNISHMENT: If the IRS or other creditor has already levied or garnished your bank account or pay check before you first consulted with Attorney, it may not be possible to get the money back, but we will try.
- If you have an unpaid judgment or tax debt, and your bankruptcy is not yet filed, get your money out of your bank account or it may be subject to a Levy by the IRS or a Writ of Garnishment (seizure) by a judgment creditor.
- MOVE BANK ACCOUNT IF LOAN OR OVERDRAFT ACCOUNT THERE: If you owe money to a bank or credit union, or on a credit card, to a bank or credit union where you have a

checking, savings, or other deposit account, move your account to another bank (or take your money out), or the lender has the right to “freeze” or put an administrative hold on your account. Your checks would bounce. They would ultimately be entitled to take and keep your money.

- If you have financed a car or truck or other property with a Credit Union or Bank, they may have a lien on the property for other money that you owe the lender, using what’s called a “cross-collateralization” clause. Show the loan papers to the Attorney.
- If loans are “cross-collateralized,” lender does not have to give you the title to the vehicle or other financed property until ALL loans with the credit union or bank are paid in full.
- If you’re going to open a new bank account, do so before you file bankruptcy, or you may have difficulty qualifying for a bank account. Banks have become “picky” about who they want as customers, and if you have bad credit or have filed bankruptcy, they could decline your business and you could find yourself without a bank account.
- If you are a signer on bank accounts or CD’s at Wells Fargo the bank will freeze all the accounts (put an administrative hold on them) until your exemptions are allowed (assuming we can exempt that much money). This includes any relatives’ accounts or CD’s that you are a signer on.
- If they freeze the accounts, any outstanding checks would bounce. This has been ruled to be permissible by a local bankruptcy court. Best advice: have low balances in your bank accounts for the day of filing bankruptcy. We still have to report all the money on your schedules as “cash,” even if it is not in a bank account. The money that you earn after filing Chapter 7 is yours to keep, creditors do not have a claim against it.
- If you have “automatic drafts” coming out of your account to pay certain bills such as car payments or mortgage payments, THOSE MAY STOP AFTER YOU FILE BANKRUPTCY, and unless you watch or reconcile your account, you may become delinquent on those payments.
- Those same creditors, ones that you may want to pay, MAY STOP SENDING YOU BILLS OR STATEMENTS after you file bankruptcy. If that happens, send them a check or money order with the loan or account number on it. They stop sending you bills because they are afraid of violating the “automatic stay” and getting in trouble with the Bankruptcy Court.
- IF YOU HAVE RENTAL REAL ESTATE: A rent house, duplex or apartments, it may be lost to the Trustee in a Chapter 7 case, if the Client cannot exempt the “equity,” or value over debt. In Chapter 13, if behind on payments, or can’t make post-petition payments, the rent house mortgage company may seek permission from the Court to foreclose, or it may be entitled to rents from tenants.
- IF YOU HAVE A HOUSE, LAND OR REAL ESTATE YOU ARE SURRENDERING: You are responsible for the taxes and homeowner’s association dues so long as it is in your name, or you are living in it. Once the property is foreclosed upon, the tax authorities collect from the new owner. In our experience, homeowner’s associations after a foreclosure will stop trying to collect from you (any amounts you owed “pre-petition” or before the bankruptcy, are discharged).
- IF YOU ARE SUING SOMEONE: Or if you have a claim against someone for injuries or damages, it must be reported to the Court, and the proceeds may have to go to your creditors, unless it can be claimed as exempt. It must be reported whether or not you have actually filed the suit or claim. If you don’t report a potential claim or lawsuit, not only can it be a bankruptcy crime, and you

can go to prison, but more than likely the person or company you are suing will find out about the bankruptcy, and since you swore you didn't have a lawsuit or claim in the bankruptcy case, your suit or claim can be thrown out of court and you would get nothing for it. Disclose all possible lawsuits and claims.

- CHAPTER 13 TRUSTEE MAY SEEK TO MODIFY PLAN: If during the plan you begin to make substantially more money. He may ask the Court to increase your payments, to pay creditors a greater percentage of their claims. If you receive or become entitled to receive any substantial increase in pay (10% or more) or windfall, lottery winnings, inheritance, etc., during your Chapter 13 case, it should be reported to the Trustee and your Attorney.
- If the Trustee or creditor requests, you may have to provide a copy of your annual income tax return for each year you are in Chapter 13. Failure to provide it may cause your bankruptcy to be dismissed.
- If the Chapter 13 Trustee tries to modify your plan to raise the payments (rare), the amount of your projected expenses may be reviewed and increased, if they have increased, as well. If you file Chapter 7, all income earned after the filing of your Chapter 7 case is yours to keep.
- ABUSIVE AND REPEAT FILERS: If you have filed other bankruptcies recently or if you are a serial filer (or if you and/or your spouse file one case after another) the Trustee or creditors may file motion to dismiss your case, or motions to lift the automatic stay, or otherwise oppose your case.
- If you file a 2<sup>nd</sup> Bankruptcy case within 1 year of another one that is pending, the “automatic stay” that protects you, only lasts 30 days. It is possible to ask the Judge for an extension of stay, but he or she may or may not grant it, depending on the factors of your case (usually granted).
- If you file a 3<sup>rd</sup> Bankruptcy case or more within 1 year, there is NO automatic stay, and you must ask the Judge for one and convince the Judge that you are entitled to it.
- Also, you are barred from filing another case if you have had another case dismissed within 180 days for willful failure to obey a Court order or if you failed to appear in proper prosecution of the case, or if you filed a voluntary dismissal after a Motion to Lift Stay was filed in the prior case. Best solution: Make the first bankruptcy your last bankruptcy.
- If you had a prior bankruptcy and failed to pay the filing fee, the Court will require you to pay the balance of the first filing fee plus the filing fee for the current bankruptcy. This may result in additional fees to The Kehl Law Firm, P.C. as we pay those fees on your behalf when we file your bankruptcy.
- A mortgage lender may seek an “in rem” order (an order that a house or other property won't be protected by the bankruptcy, no matter who files bankruptcy) if it's determined that the filing of a bankruptcy was part of a “scheme to hinder, delay or defraud” creditors and the scheme involved either multiple bankruptcy filings, or the transfer of interests in the property without court or creditor approval.
- TOO MUCH INCOME/LUXURY PROPERTY: If you have excess disposable income (money left over after paying necessary living expenses) you may not be allowed to file Chapter 7; you may be permitted to file only Chapter 13 or perhaps no bankruptcy at all.

- Payments on luxury items may not be counted as “necessary” living expenses, including expensive cars, boats, jet skis, dirt bikes, college for children, payments on lake lots, payments on adult child’s car or to support adult child, investments, voluntary retirement plans, etc. The law does not permit tithing and charity gifts.
- UTILITY BILLS: We can include your past due and unpaid utility bills in your bankruptcy, and get a new account opened and service restored, if it has been stopped. But, you may need to make an additional deposit within 20 days of a least 2 months’ average service to keep the new account.
- COSIGNERS: If you have co-signers, ex-spouses, or ex-business partners that are liable on debts with you, the debt is not discharged as to them. The creditor may still pursue them, unless you file Chapter 13 and pay the debt in full (applies only to consumer debts).
- Be sure to list all ex-spouses, companies, lenders, or other people that may possibly be liable with you on debts, either as a co-signer, a guarantor, or whatever, as well as the lender itself. If you don’t list them, and they have to pay the debt, they may sue you for the money!
- If you are divorced, be sure to list your ex-spouse as a creditor if there is a joint debt that he or she is still paying. Otherwise, if your ex-spouse doesn’t pay it, the unpaid creditor could come after you, no matter what the divorce decree says.
- If you were ordered to pay a debt in your divorce, and you don’t, but your ex-spouse does pay it, and you didn’t list the ex-spouse as a creditor in the bankruptcy, your ex-spouse can sue you, for whatever they have to pay. This type of debt CANNOT BE DISCHARGED in Chapter 7, but IS DISCHARGEABLE in Chapter 13. Be sure to list your ex-spouse as a potential or “contingent” creditor of yours.
- If you assumed your house note from someone else, be sure to list the person whose note you assumed. Also if your mortgage is a government-guaranteed loan, such as VA or FHA, be sure to list that guaranty agency, or if the house is later foreclosed on, the guaranty agency may be able to sue you for the deficiency. The same goes for Private Mortgage Insurance, be sure to list them as a “contingent” creditor.
- If you broke a lease or contract, moved out of an apartment or rent house early, broke a cell phone contract, joined a health club and then decided to quit, etc., be sure to list them, because if they are not listed in your bankruptcy, they may not be discharged. Filing bankruptcy is your opportunity to get a “clean slate,” and cancel all debts, but you must list all creditors.
- FILING BANKRUPTCY HARMS YOUR CREDIT RATING: The fact that you filed a Chapter 7 bankruptcy will show on your credit reports for 10 years. The fact that you filed a Chapter 13 bankruptcy will show on your credit reports for 7 years at least. By law, it can be kept on your credit report for 10 years, but Experian, Equifax, and TransUnion will typically take a completed Chapter 13 off your record 7 years after the beginning of the case. Your bankruptcy will show on your credit report even if you do not receive a discharge.
- It is possible that filing bankruptcy (or having bad credit) can affect your ability to get a new job (prospective employers can check your credit). In a Chapter 7 bankruptcy, your current employer is not notified (unless you owe them money). In a Chapter 13 bankruptcy, your current employer will be notified about the bankruptcy by the Court to establish your wage garnishment. If you

are employed, a wage garnishment is mandatory. However, regardless of which type of bankruptcy you file, your current employer is prohibited from discriminating against you, even if they find out about the bankruptcy, solely by reason of you filing bankruptcy, or not paying a dischargeable debt. Of course, if they have other, legitimate reasons to fire you, they can do so.

- Filing Bankruptcy (or having bad credit) can cause you to be declined or charged more for insurance or utilities. If you have to file bankruptcy, do it and then pay like clock-work from now on.
- Be sure to pay all future and continuing debts on a timely basis. The 10 year limit of how long bankruptcy shows on your credit report, does not apply for credit applications for loans of \$150,000 or more, for life insurance applications of \$150,000 or more “face value,” or for employment applications for jobs paying \$75,000 or more. For these purposes, bankruptcy can be reported indefinitely.
- We pull your credit report from all 3 of the major Credit Reporting Agencies – Experian, Equifax, and Trans Union, and a medical bureau. Unfortunately, there are a few creditors who do not report to the credit bureaus. It is your responsibility to carefully check **YOUR BANKRUPTCY SCHEDULES BEFORE YOU SIGN THEM**; to be sure all of your creditors are listed.
- In the future, you can view and print your free annual credit report at: [www.annualcreditreport.com](http://www.annualcreditreport.com) or order it by phone at 1-877-322-8228. Hearing impaired consumers can access the TDD service at 1-877-730-4104. It’s also free if you were turned down for credit (because of that report) in the last 60 days. Otherwise, there is a small fee to order it.
- **AUTHORIZED USERS**: If a friend or relative is an “Authorized User” of one or more of your credit cards, and you owe money on the credit card and will be listing it on your bankruptcy, request the credit card company to **REMOVE THEM** as an authorized user **BEFORE THE BANKRUPTCY** is filed. Otherwise, the filing of the bankruptcy may show up on their credit report. Sometimes the credit card company may report the filing of the bankruptcy on their credit report even if you have been removed as an authorized user before the bankruptcy is filed. If this happens, your friend or relative needs to dispute the bankruptcy with the credit bureaus.
- **IF YOU ARE AN AUTHORIZED USER**: Of a friend or relative’s card, be sure that the credit card is not listed as a creditor on your bankruptcy. You are not personally liable for charges made as an “authorized user,” and you don’t want the credit card of your friend or relative canceled unnecessarily. However, even if the friend or relative's card is not listed in your schedules, the credit card company may sometimes cancel the card regardless.
- **WE DO A “CREDIT CLEAN-UP FOR YOU”**: After your discharge, we mail letters to the 3 major Credit Reporting Agencies, requesting re-investigation of your credit reports and enclose a copy of your Notice of Discharge. This may raise your credit score by 25 to 150 points. There is no additional charge for this.
- **IF YOU ARE BEHIND ON CAR OR HOUSE PAYMENTS**: You may lose the house or car – if you don’t catch up on payments soon in Chapter 7 or catch up the debt in the Chapter 13 payment plan.
- **AVOID MOTIONS TO LIFT STAY**: If you can. If you get behind on payments on your home or car or other property, the finance company or lender may be entitled to charge you

attorney's fees, usually several hundred dollars, if they file a Motion for Relief From Stay with the Bankruptcy Court, which is seeking Court permission to repossess or foreclose on the property. It is cheaper to keep the payments caught up, than to pay for the cost of a Motion to Lift Stay.

- UNINSURED VEHICLES OR OTHER PROPERTY: If there is a creditor with a lien on your property, and the property is not insured, the creditor may file a Motion for Relief from Stay to get Bankruptcy Court permission to repossess or foreclose on the property. Keep all financed vehicles or other property insured, with "full coverage," as required by the contract, if you want to keep them.
- "ADEQUATE PROTECTION" For vehicle lenders. In Chapter 13, you are not permitted to drive your financed vehicles, unless you provide "adequate protection" to the lender, by (1) having full coverage insurance on the financed vehicles as required by the contract; (2) providing proof of insurance to the lender; and (3) having a payroll deduction or Electronic Funds Transfer order for the Chapter 13 plan payments, no later than the date of the Meeting of Creditors. Also, vehicle lenders receive a small payment, for each month of use before your Chapter 13 plan is formally approved (confirmed) by the Court, to compensate them for your continued use of the vehicle. The Trustee keeps track of this and pays it from your Chapter 13 plan payments.
- IF REAL ESTATE HAS NO EQUITY: And is not necessary for reorganization, the Court may grant the creditor "lift of stay" or permission to foreclose. You may want to consider surrendering the property or keep all payments current and property insured.
- STATEMENT OF INTENTION IN CHAPTER 7: In Chapter 7 case, you must decide in the beginning whether or not you intend to surrender, redeem, or reaffirm your property secured by consumer debt, such as your house mortgage, car or truck note, furniture note at a furniture store, jewelry purchased on credit at a jewelry store, etc. You must then perform your intention within 45 days after that.
- YOU MUST TIMELY "PERFORM YOUR INTENT": Such as surrendering, redeeming, or reaffirming the property, within 30 days of your Section 341 Meeting of Creditors, or the automatic stay terminates, and the creditor can repossess or foreclose on the property. That being said, some creditors do not require you to sign a Reaffirmation Agreement, if you want to keep the property, so long as you pay timely and comply with the other terms of the contract, like keeping their collateral insured.
- MARRIAGE ISSUES/DIVORCE: Even if your spouse is not filing bankruptcy with you, all the community property (what you've acquired since you married) must be listed in your case, as well as all of your separate property, and all of it is subject to claims of your Bankruptcy Trustee (we can usually claim all of your property as exempt so the Trustee doesn't take it). Even if only one spouse's name is on a property, if it was acquired after marriage, it is presumed community property. This includes separate bank accounts, cars, houses, CDs, etc that may only have one spouse's names on the property. If it was acquired or has money deposited into the account after marriage, it is presumed that both spouses own the property and it MUST be listed in the bankruptcy to ensure will be protected from the Court. It is better to bring up any property you are unsure about to the attorney BEFORE filing than lose the property after filing. We strongly encourage non-filing spouses who are living with the debtor to attend the appointment with the attorney to discuss these issues. All joint debts must also be listed.
- If your spouse has their own separate property (i.e. property he or she acquired before marriage or after marriage through gift or inheritance that has not been commingled) it is generally not

subject to your debts or the Trustee. The Trustee may want to know what separate property your spouse has. But, note that: EARNINGS from separate property are community property. For example, if the non-filing spouse has a rental house that they owned prior to marriage that is rented and generating income, that income is community property and needs to be disclosed unless the spouses have contractual agreed otherwise in a pre- or post-marital agreement. Again if in doubt, discuss with the attorney.

- If your spouse later filed bankruptcy, he or she may have to choose the same set of exemptions as you; that may prejudice their rights.
- If you and spouse are divorcing, filing bankruptcy causes the “automatic stay” to deprive the Divorce Court of jurisdiction to finalize the divorce. You may have to pay additional attorney fees to me to file a Motion to Lift Stay with the Bankruptcy Court, to authorize the Family Court to finalize the divorce or you can wait until the Bankruptcy is over to finalize it.
- If you are divorced or are divorcing and paying child support, your spouse or ex-spouse may seek higher child support, since your debts are discharged and you have fewer expenses.
- If you are paying delinquent child support through your Chapter 13 plan, it continues to accrue interest, and you will be responsible for the unpaid interest after your Chapter 13 plan is discharged. It cannot be paid interest during your plan, unless your plan pays 100% to your unsecured creditors, and your plan provides to pay interest to your delinquent child support creditor.
- **WARNING:** If you owe delinquent child support and you file bankruptcy, YOUR EXEMPT PROPERTY SUCH AS YOUR HOMESTEAD COULD BE TAKEN BY YOUR EX-SPOUSE. 11 U.S.C. §522(c)(1) was amended in 2005 to permit “domestic support” creditors, such as your ex-spouse to proceed against property that is exempt under state or federal law, if you file bankruptcy, including your home!
- **DOUBLE WARNING:** Even if you don’t file bankruptcy, there is such a thing called “involuntary” bankruptcy. Your ex-spouse could file a bankruptcy against you, in order to reach your exempt property for the payment of domestic support obligations, like child support. Advice: Pay your child support.
- If you are ordered to pay debts in your divorce decree or marital agreement, these debts are non-dischargeable in a Chapter 7, but can be discharged in Chapter 13.
- **“PREFERENTIAL PAYMENTS”:** If you’ve made lump sum or unusual (totaling over \$600) payments to relatives on loans in the past 12 months, these payments may be AVOIDED (reversed) by the Trustee, through a lawsuit against your relatives, if necessary. This is why we go over this question in the first consultation you have with us. If you have questions, contact us immediately. If this applies to you, an option we have is to wait 12 months before we file your bankruptcy case. Payments to domestic support obligations such as child support are not considered preferential payments.
- **FRAUDULENT TRANSFERS:** Gifts or transfers of assets for nothing, or for less than fair value within 4 years of filing bankruptcy may be reversed as “Fraudulent Transfers.” This includes gifts and transfers to spouses, relatives, trusts, or anyone.
- If the Client has given security for a prior debt within 90 days (or one year if a

relative), the giving of the lien can be avoided by a Bankruptcy Trustee. (Example: You owe your uncle \$25,000; you give him a lien on your paid-off rent house worth \$50,000 within 1 year of filing bankruptcy; the Trustee can reverse the lien by suing your uncle, if necessary. Let your Attorney know if this applies to you.

- If you transferred money or property to a TRUST in the 10 years before filing bankruptcy with the intent to HINDER, DELAY, OR DEFRAUD creditors, the Bankruptcy Trustee may be able to avoid it. This means the Trustee would sue you and/or the Trust to get the property back.
- OBJECTIONS TO DISCHARGE: The Bankruptcy Trustee may object to the discharge of all of your debts (and they would never be discharged) if you have borrowed excessive money or sold or transferred property, and cannot account for the proceeds.
- Discharge can also be denied if you have committed certain bankruptcy crimes, like destroying financial records, committing perjury, hiding property, selling or giving away property to keep it from the Trustee, failing to obey Court Orders, or trying to bribe someone in connection with a bankruptcy case. Client could be prosecuted under federal criminal law, Title 18, United States Code for these same acts. In short, be honest in connection with your bankruptcy, or the FBI and the U.S. Department of Justice may “change your clothing and change your location,” and see that you spend about 5 years in a federal penitentiary, and fine you up to \$500,000. The bankruptcy discharge is for honest people.
- STUDENT LOANS: If you owe a student loan(s), it is typically not discharged in a bankruptcy. The only possible exception is if not discharging it will impose an “undue hardship” on you or your dependents. This is very, very difficult to prove. If you think you qualify, ask the Attorney. Warning: An “undue hardship” is extreme in the Western District of Texas. It typically only applies if you are terminally ill.
- You may have other defenses to payment of the debt, if your school closed before you graduated or if it didn’t provide you with any real education. Here is a website of another bankruptcy attorney – [www.jthomasblack.com](http://www.jthomasblack.com), which has links to resources that explain these other defenses in detail.
- Note: There is no longer a “statute of limitations” governing student loans. Unless the student loan is discharged in bankruptcy, or defeated in court, the student loan lender or guaranty agency can pursue you for life, unless paid. They can also garnish your wages for delinquent student loans, even here in Texas, and take the money straight out of your pay check. They can take 15% of your social security payments, even if the student loans are more than 10 years old.
- FINANCE COMPANY “COLLATERAL” LOANS: Does the Creditor have non-purchase money, non-possessory security interest in exempt household goods or tools of trade or certain other exempt property? The lien may be avoided through Court action during bankruptcy, depending on what the collateral is. Bring all the document to the Attorney to look at.
- IF CLIENT OWNS A SMALL BUSINESS: In Chapter 7, it is possible that the Trustee may shut it down until abandoned by the estate. This usually does not ever happen.
- If the business Client is a corporation or partnership, it is not eligible for Chapter 13, only Chapter 7 or Chapter 11.

- If you have a lease on a premises or equipment in arrears, you may keep the property only if the lease is brought current and the lease is assumed.
- If you own a construction company that files bankruptcy, you may have your bond canceled. You should be able to get new bond.
- If you are in default on a franchise contract, the parent company (franchisor) may seek relief from stay to cancel the franchise. If you want to keep it, keep it up to date.
- SHORT YEAR TAX ELECTION: If the Client has non-exempt assets and owes taxes for current partial tax year, the Client can file short year tax election, and have taxes paid by the bankruptcy estate (Chapter 7 and 11 only). The continuing interest and penalties are the Client's responsibility.
- IRS TAX LIENS ON REAL ESTATE: IRS tax liens on property cannot be cancelled unless there is a defect in the lien. As an option, you may agree with the IRS to pay the value of the lien in Chapter 13 or negotiate payment during or after a Chapter 7, or risk loss of property. But, IRS tax liens expire 10 years after tax assessed, plus the time you were in bankruptcy. In recent years they have not been seizing homesteads, especially where there is a lien or mortgage against the property.
- IRS TAX LIENS ON PERSONAL PROPERTY: Possible IRS voluntary release of lien after discharge, if the value of personal property is nominal or if there is a defect in the lien. Otherwise, it is necessary to buy equity in property back from the IRS, in order to get rid of the lien. Another option is to let it expire after the 10 years (plus the time you are in bankruptcy).
- IRS TAX INTEREST NOT DISCHARGED ON "PRIORITY" TAX CLAIMS IN CHAPTER 13: Interest only has to be paid on "secured" tax claims in Chapter 13, but continues to accrue on "priority" claims, and is not discharged when the case is completed. Therefore, the IRS will bill you for the interest after the case is over. If you are paying 100% to unsecured creditors, we can provide to pay this interest during your case.
- UNSECURED TAX CLAIMS: Where: You didn't file a tax return, filed a tax return less than 2 years before filing bankruptcy, or filed a fraudulent return, or "willfully attempted to evade or defeat the tax," - but the taxes were more than 3 years old, and not assessed within 240 days of the date you filed bankruptcy, the taxes and accumulated interest are not discharged in bankruptcy. If you complete a Chapter 13 case, they will bill you for these taxes after the plan is over, plus all the accumulated interest and penalties.
- JUDGMENT LIEN ON EXEMPT REAL ESTATE: Automatically avoided by discharge if abstract judgment recorded before 9-1-93. Tex.Prop.Code.§52.021. Otherwise, the Attorney can file Motion to Avoid Judgment Lien with Court. §52.021.
- NO INCOME TAX FROM DISCHARGE OF DEBT IN BANKRUPTCY: Usually, outside of bankruptcy, when a debt is forgiven, a taxpayer must treat the amount of debt forgiven as income and report and pay income tax on it. But, if a debt is discharged in bankruptcy, or if the debt is forgiven while Client is "insolvent," no income tax is due.
- YOU MAY LOSE YOUR "TAX ATTRIBUTES": If you have certain "tax attributes," such as a loss carryover or if you own depreciable real estate (rent houses or other commercial property), and file a Chapter 7 or 11 case and receive a discharge, you may lose the tax attributes and may have

your “basis” in the depreciable real estate reduced. Consult your tax advisor or discuss your situation with the Attorney.

By signing below, I (whether one or more) acknowledge that I have read and understand the information on these pages “Other Important Things for You to Know”.

Date: \_\_\_\_\_

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Client's Name

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Client's Name

## **ADDITIONAL ACKNOWLEDGEMENTS**

### **VALUATIONS OF PROPERTY**

The undersigned certifies and acknowledges that The Kehl Law Firm P.C. and Samantha Kehl, hereinafter referred to as ATTORNEY, have informed the undersigned Debtor(s) that the values are subject to review and approval by the Trustee and the Court. Therefore, there is a possibility that the value will change. If the value exceeds the exemption amount the Debtor(s) understand and acknowledge that they will be responsible to pay for the excess value of the property.

### **TAX REFUNDS**

Tax refunds are property that belongs to the Trustee. You may not spend your tax refund until the Trustee gives you permission to do so. If you spend the tax refund without permission and do not reimburse the Trustee, your discharge can be revoked and you can be prevented from receiving a discharge of that debt.

### **LENGTH OF BANKRUPTCY**

The undersigned understands that counsel cannot guarantee how long your bankruptcy will take. There are many different factors that are involved. To speed the process along, it will help if you do everything we ask you to do.

IF YOU ARE IN A CHAPTER 13 YOUR CASE IS FINISHED WHEN YOU ARE FINISHED PAYING WHAT YOU NEED TO PAY AND FILL OUT MANDATORY FORMS ONCE YOUR PAYMENTS ARE FINISHED. IF YOU ARE BELOW MEDIAN YOUR PLAN WILL LAST A MINIMUM OF 36 MONTHS AND A MAXIMUM OF 60 MONTHS.

### **REPLEVIN**

Replevin:

A type of legal action where the owner of movable goods is given the right to recover them from someone who shouldn't have them. Replevin is often used in disputes between buyers and sellers – for example, a seller might bring a replevin action to reclaim goods from a buyer who failed to pay for them.

THIS MEANS THAT IF YOU PURCHASED SOMETHING AT BEST BUY, FURNITURE ROW, ASHLEY FURNITURE, ZALES, GORDONS, AAFES, OR CONNS, ETC... YOU MUST PAY TO KEEP THESE SECURED GOODS OR YOU MUST GIVE THEM BACK. FAILURE TO DO SO COULD LEAD TO A LAWSUIT (REPLEVIN ACTION) THAT MAY ULTIMATELY LAND YOU IN JAIL.

### **JOINT DEBTORS WHO DIVORCE OR SEPARATE**

The undersigned certifies and acknowledges that The Kehl Law Firm, P.C. and Samantha Kehl, hereinafter referred to as ATTORNEY, have informed the undersigned Debtor(s) that if they get a divorce or separate during the time of bankruptcy that the representation by ATTORNEY ends and they will both need to hire new counsel to represent them as it will be a conflict for ATTORNEY to continue representation.

## LAWSUITS

The undersigned certifies and acknowledges that all lawsuits they have been a part of, either by suing someone or they have sued someone else in the past 5 years, are listed below:

Plaintiff	Defendant	Court	Date of Suit	Current status
Plaintiff	Defendant	Court	Date of Suit	Current status
Plaintiff	Defendant	Court	Date of Suit	Current status
Plaintiff	Defendant	Court	Date of Suit	Current status

### **AGREEMENT BETWEEN COUNSEL AND DEBTOR CONCERNING CREDITOR ACCOUNT NUMBERS AND SOCIAL SECURITY NUMBERS**

The undersigned debtor hereby authorizes The Kehl Law Firm, P.C. and Samantha Kehl and any officer, agent, or employee thereof to use my full account identification number and my Federal Social Security number, when available in the preparation of my bankruptcy petition and schedules and in any form of communication whether written or electronic, for all of my credit accounts to insure that all creditors, and all officers, agents, employees, and attorneys thereof, have adequate information to ensure the proper identification by the said parties of my accounts and of the fact that I am currently debtor under Federal Bankruptcy Code and as such are fully protected from any type of adverse creditor action by virtue of the automatic stay. This authorization will extend to and include either verbal or written or electronic verification to the said parties of the relevant account number and/or Social Security number as required or as deemed necessary and appropriate. This authorization shall remain in force and effect until and unless it is revoked by a written document duly executed by the undersigned party and actually delivered to & The Kehl Law Firm PC . Any such written revocation shall become effective 15 days after receipt thereof.

### **GETTING YOUR UTILITIES TURNED BACK ON POST BANKRUPTCY**

The undersigned certifies and acknowledges that The Kehl Law Firm PC and Samantha Kehl, hereinafter referred to as ATTORNEY, has informed the undersigned Debtor(s) that it is the Debtor(s)' responsibility to call the utility company in order to get the utilities turned back on and VERIFY what the utility company's policy is regarding a deposit. The numbers below are the only numbers we have to contact the following utility companies:

1. [www.wacowater.com](http://www.wacowater.com) City of Waco water: 254-299-2489

- 2. [www.txu.com](http://www.txu.com)
- 3.

TXU: 877-824-6220,

Reliant Energy 1-866-222-7100

### **BANK STATEMENTS AND PAYSTUBS**

The undersigned certifies and acknowledges that The Kehl Law Firm PC and Samantha Kehl, hereinafter referred to as ATTORNEY, have informed the undersigned Debtor(s) that their case can be dismissed if six months' worth of bank statements from all financial accounts and six months' worth of pay statements have not been provided to the attorney. If you have a non-filing spouse who lives with you, their bank statements from all financial accounts and six months' worth of pay statements MUST be provided to The Kehl Law Firm, P.C. as well.

### **Audit and New Law Rider to Fee Agreement**

NO GUARANTEES OR PROMISES HAVE BEEN MADE TO ME BY THE Kehl LAW FIRM PC OR ANY MEMBER OF THE STAFF, CONCERNING THE OUTCOME OR RESULTS OF THE EMPLOYMENT OF SAID LAW FIRM HEREIN.

AUDITS WILL BE RANDOMLY CONDUCTED ON APPROXIMATELY 1 OUT OF 250 CASES and as it seems appropriate by the Trustee. Audits are expected to review whether documents are filled out and signed correctly, and also review property disclosures, property valuations and income/expense information. I understand that if my case is selected for one of these audits my attorney reserves the right to file a fee application with the Court for any extraordinary time and expenses related to or arising out of the audit process.

Under new Bankruptcy law, which became effective on October 17, 2005, it is anticipated that many new and unexpected arguments or outcomes will occur and as a result it is understood that no guarantees can be or have been made by any attorney of The Kehl Law Firm with respect to the final judicial interpretation of any part of the new law, the new rules, or the new forms. Attorney advice is based upon the knowledge they have from Judges' decisions in previous bankruptcy cases, but case law is never an absolute and it changes, especially when the laws change.

With the new law there may be issues that arise, that can neither be anticipated nor foreseen. To get through this, the best advice is to stress that you must be completely honest and forthcoming in your information on your bankruptcy documents, and be sure to provide all information requested in the preparation process. If you have concerns about your case, you should notify The Kehl Law Firm, immediately, before your case is filed. We will discuss what, if anything can be done to best protect you and/or your property.

I HAVE READ A COPY OF THESE NOTICES AND IT HAS BEEN EXPLAINED TO ME. I HAVE RECEIVED A COPY. BY MY SIGNATURE, I HAVE ENTERED INTO AND AGREE TO ABIDE BY ITS TERMS AND CONDITIONS.

Date: \_\_\_\_\_

\_\_\_\_\_  
Client's Name

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Client's Name

## **PERMISSION TO RELEASE MEDICAL INFORMATION**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has permission to release my medical information to the Trustee and/or Court as it may be necessary for the budget verification process.

## **GAMBLING**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that **ANY GAMBLING OF ANY KIND DURING THE LIFE OF THE BANKRUPTCY IS STRICTLY PROHIBITED AND COULD RESULT IN THE DISMISSAL OF YOUR CASE.**

## **CREDIT CARD CHARGES AND CREDIT USE**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that **ANY CHARGES MADE WITHIN 90 DAYS OF FILING BANKRUPTCY WILL NOT BE DISCHARGEABLE.** Any large purchases within 365 days made through a credit transaction may also be non-dischargeable if no payments have been made on the account.

FURTHERMORE, you **MAY NOT** charge on any credit card during your bankruptcy case regardless if it is a Chapter 13 or 7.

## **RESPONSIBLE TO MAINTAIN HOUSE EVEN IF YOU SURRENDER THE PROPERTY**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that they will be **RESPONSIBLE** to maintain the residence which may include cutting the lawn, keeping debris out of the yard, ensuring that the pipes have not busted, etc....until such time as the property has been foreclosed upon.

The undersigned agrees and understands that all state laws and city codes apply to the care and maintenance of the property until such time as the property has been foreclosed upon. As such the Debtor(s) may be cited by the city for violation of the municipal codes.

## **GARNISHMENTS**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that garnishments will be stopped with the bankruptcy. However, it may take one to two pay periods before the garnishment is stopped.

It is the Debtor(s) responsibility to inform this office as to whether the garnishment continues post-bankruptcy. It is also the Debtor(s) responsibility to provide this office with the name, phone number, or fax number of the payroll contact.

## **CO-DEBTOR ACKNOWLEDGEMENT**

The undersigned acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as

Attorney, have informed the undersigned Debtor(s) that any co-debtors listed on the account who ARE NOT filing and/or HAVE NOT filed bankruptcy, will still be responsible for the debt. In a Chapter 7 the creditor can continue to take action against the co-debtor, and in a Chapter 13 the creditor can lift the automatic stay to continue collections.

This means that any contractual balance not paid during the lifetime of the bankruptcy will be due and owing by the non-filing co-debtor. This office DOES NOT REPRESENT co-debtor unless they are under contract with this office. The bottom line is the co-debtor is responsible for the debt.

### **PENALTY OF PERJURY**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that:

Information that you provide during your case may be audited pursuant to the provisions of the Bankruptcy Code. Your failure to provide complete, accurate, and truthful information, may result in the dismissal of your case or other sanctions, including criminal sanctions.

A person, who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a bankruptcy case, shall be subject to fine, imprisonment, or both.

All information you provide in connection with your bankruptcy case is subject to examination by the Attorney General.

### **BAD CHECK ACKNOWLEDGEMENT**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s):

If there are NSF checks, that are included in the bankruptcy, ONLY THE CIVIL OBLIGATION on the checks is handled in the bankruptcy. The Debtor(s) understands that in no event will the bankruptcy stop or prevent a prosecuting attorney for criminally prosecuting the Debtor(s).

Our office will not represent the Debtor(s) in any criminal action brought against the Debtor(s). This means that if you put a bad check in your bankruptcy and if the prosecuting attorney prosecutes you for the bad check, then you must retain a separate attorney to represent you.

In other words, you the Debtor, are not protected from the bad checks merely because you included them in your bankruptcy. THE ONLY WAY TO BE ABSOLUTELY CERTAIN THAT YOU WILL NOT FACE CRIMINAL ACTION IS TO PAY THE CHECK(S) OUTSIDE OF THE BANKRUPTCY.

### **CANCELLATION OF CELLULAR PHONE CONTRACTS**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that they will be financially liable for any charges incurred for time used after the filing of the bankruptcy petition.

### **UTILITY ARREARAGES**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that the utility company can charge a deposit for service if one is discharging a debt to that same utility company.

§366(b) Such utility company may alter, refuse, or discontinue service if neither the trustee nor the debtor, within 20 days after the date of the order for relief, furnishes adequate assurance of payment, in the form of a deposit or other security, for service after such date. On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.

It is up to the Debtor(s) to contact the utility company to set up a deposit arrangement to either reconnect the service or keep the service going.

## **UTILITIES ON SURRENDERED HOMES/APARTMENTS**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that they will be financially liable for any utility charge that accrued during the time after the bankruptcy petition is filed, until such time as the property has been foreclosed upon or the Debtor(s) have moved out of the apartment and stopped using the utilities.

## **TAX RETURNS**

If you have not filed all tax returns that are required to be filed – federal, state, and/or local, for the last four tax years, your case will be dismissed if your tax returns are STILL NOT filed at a minimum of one business day prior to your 341 Meeting of Creditors. You must further understand that you are required to provide the bankruptcy trustee with a copy of the most recently filed tax return at a minimum of seven days prior to the originally scheduled 341 Meeting of Creditors. If you do not comply with either requirement, your case can be dismissed. If your case is dismissed, you have been advised that the creditors can begin collection activities against you, including, but not limited to foreclosure, repossession, and garnishment.

You must continue to file your tax returns on time and keep the taxes current during the lifetime of your bankruptcy **or your case can be dismissed**. This includes all PERSONAL and BUSINESS returns and liabilities due. Copies must be sent yearly to the trustee through The Kehl Law Firm.

## **TAX REFUNDS**

In a Chapter 13 the debtor is only allowed to keep up to \$2,000.00 of the refund, per standing order of the Bankruptcy Court. Any amount over \$2,000.00 must be submitted to the Chapter 13 Trustee immediately upon receiving the refund. Failure to do so, will result in additional attorney fees and make your case subject to be dismissed.

## **ADDITIONAL MORTGAGE FEES**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that they will be financially liable for additional mortgage fees during the life of the bankruptcy if the account is NOT paid on time. The fees can include, but are not limited to - attorney fees for the creditor and by this law firm to defend any action regarding a residence, late fees for not making the payment on time, court costs related to any legal actions regarding the mortgage, etc.

## ONGOING PAYMENTS DURING A CHAPTER 13 OR 7

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) the following:

### Chapter 7

I/we MUST continue to make our house and/or vehicle payments if the property is not being surrendered. I/we further understand that the failure to maintain the payments may result in the creditor foreclosing or repossessing.

### Chapter 13

The majority of mortgage payments are now included in the bankruptcy Plan payment and paid to the mortgage company by the Chapter 13 Trustee. If Plan payments are not made, the home can still be foreclosed on. If payments are made directly, I/we MUST continue to make our house payments or the creditor can foreclose on the house. If a vehicle is in the bankruptcy and payments are made through the Plan, if Plan payments are not made, the vehicle can still be repossessed.

If the vehicle is a lease I/we must make the payments directly and the payments must be made on time each and every month.

## STUDENT LOAN ACKNOWLEDGEMENT

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s), that if the Debtor(s) have any student loans that are included in the bankruptcy, that bankruptcy generally DOES NOT discharge student loans – federal or private. The Debtor(s) understands that in no event will the bankruptcy stop or prevent the student loan agency from filing a lawsuit against the Debtor(s) post discharge in order to collect back student loan debt.

The Debtor(s) is not protected from the student loan agencies merely because you included them in the bankruptcy. **THE ONLY WAY TO BE ABSOLUTELY CERTAIN THAT YOU WILL NOT FACE CRIMINAL OR CIVIL ACTION IS TO PAY THE STUDENT LOAN DEBT OUTSIDE ON ANY BANKRUPTCY.**

The only way a student loan will be considered to be discharged, is if an adversary is filed. This is a totally separate action and contract. If you do not have that contract, your student loans will not be discharged. Further interest continues to accrue on these student loans.

Furthermore, if you file a Chapter 13 bankruptcy, you will be unable to apply for any additional student loans while in your bankruptcy without first obtaining Court permission. It is extremely difficult to obtain Court permission.

If you anticipate receiving additional student loan proceeds during the bankruptcy, you MUST declare those proceeds as an asset in your bankruptcy or you risk losing them.

• \_\_\_\_\_ What is your major:

• \_\_\_\_\_ What school:

- \_\_\_\_\_  
Anticipated graduation date:
- \_\_\_\_\_  
List any student loans not reported on your credit report:
- \_\_\_\_\_  
List any student loans you were approved for prior to filing bankruptcy but have not received the proceeds yet. How much money are you entitled to and do you anticipate receiving the money?

## **MORTGAGE TERMS**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that NEITHER the trustee, the court, nor the attorney can re-write the mortgage during a Chapter 7 or 13 bankruptcy. I/we further understand that I/we are bound by the terms of the contract included, but not limited to – the payment amount (including escrow if applicable), the interest rate, and due date.

## **JUDGMENT LIENS ACKNOWLEDGEMENT**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s) that if there are any judgment liens from a creditor, those liens can attach to any real or personal property, unless they are stripped in the bankruptcy. The lien stripping may require additional attorney fees. Liens are generally good for ten years unless they are revived by the creditor. Judgment liens are generally paid from real property when it is sold or refinanced.

## **INSURANCE REQUIREMENT ON SURRENDERED PROPERTY**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that insurance should remain in full force and effect until such time as the creditor repossesses the vehicle and/or the house has been foreclosed on.

It is further understood that any property damage incurred from the vehicle/property NOT being insured post filing of your bankruptcy case, WILL result in financial charges that you WILL be responsible for directly.

## **INHERITANCE**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that if you receive the right to inherit any time within 180 days of the filing of your petition (if you are in a Chapter 7 or at any time during a Chapter 13), that inheritance belongs to the Trustee. You must notify our office immediately. If you fail to notify us and the Trustee is made aware that you are hiding assets from him, he will have the right to REVOKE your discharge and turn over your information to the FBI for Bankruptcy Fraud.

## **NO GUARANTEE ACKNOWLEDGEMENT**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s) that there are no guarantees associated with this bankruptcy filing.

The law changed in October 2005, and the law continues to evolve on a daily basis. Therefore, there is no guarantee that your case will receive a discharge. We can only keep you up to date with the changes of the law and what the new requirements will be in accordance with those changes.

THEREFORE IT IS CRITICAL THAT YOU LIST ALL YOUR ASSETS AND CREDITORS AND CONTINUE TO KEEP US UPDATED ON YOUR SITUATION. BY DOING SO, WE HAVE A GREATER CHANCE OF ADVISING YOU ABOUT YOUR RESPONSIBILITIES AND PROTECTING YOU.

## **FINANCIAL ACCOUNTS**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the Debtor(s), and their spouses, that any monies sitting in a bank account or any other financial account, will be considered an asset and the Trustee has the right to take the funds. This includes any checks that you have in your possession, that you have not deposited or checks that are on the way including, but not limited to, insurance settlements or any other lawsuit settlement, or wages that are due.

YOU MUST PROVIDE US WITH A COPY OF YOUR BANK STATEMENT COVERING THE DATE OF YOUR BANKRUPTCY PETITION FROM EACH ACCOUNT YOU HAVE.

SINCE TEXAS IS A COMMUNITY PROPERTY STATE, WE ALSO NEED THE INFORMATION ABOVE FOR NON-FILING SPOUSES.

## **INCOME CHANGE**

If your income or spouse's income increases during the lifetime of the Plan, it is your duty to inform my office of that pay increase. Your case can be dismissed if you do not update the court with the change in pay.

## **DIVORCE DECREE OR DOMESTIC SUPPORT OBLIGATION**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the Debtor(s) that their Divorce Decree Orders and Domestic Support Obligations are non-dischargeable.

§1328 (15) to a spouse, former spouse, or child of the debtor and not of the kind described in paragraph (5) that is incurred by the debtor in the course of a divorce or separation or in connection with a separation agreement, divorce decree or other order of a court of record, or a determination made in accordance with State or territorial law by a governmental unit.

## **CREDIT UNION ACKNOWLEDGEMENT**

The undersigned certifies and acknowledges that The Kehl Law Firm. and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s) that once they create a loss to a credit union such as discharging a debt, the credit union will close all accounts associated with that credit union. As credit unions are private institutions that can refuse membership forever based on that loss caused by bankruptcy.

## **CREDIT COUNSELING SESSION**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, have informed the undersigned Debtor(s) that they must take the credit counseling

course at evergreenclass.com at least 1 business day prior to filing your bankruptcy. Failure to obtain complete your credit counseling at least 1 business day prior to filing your bankruptcy may cause your bankruptcy to be delayed. We use a different provider for Spanish classes, but the deadlines still applies.

## HOMEOWNERS ASSOCIATION DUES

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s) that they will be financially liable for any home owners association dues that are due and owing post-petition until the property is foreclosed upon and the property is re-deeded.

## DENIAL OF DISCHARGE

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s) that a discharge can be denied for the following reasons:

- Debtor(s) have NOT listed all their assets and/or creditors
- Debtor(s) have lied about the information provided in the bankruptcy petition
- Failing to complete a Financial Management course as instructed
- Failing to attend any required meetings and/or hearings at the Courthouse by BOTH debtors if both debtors file together.
- Prior bankruptcies:

§727(8) the debtor has been **granted a discharge** under this section 1228 or 1328 of this title, or under section 660 or 661 of the Bankruptcy Act, in a **case commenced within six years** before the date of filing of the petition, unless payments under the plan in such case totaled at least –

- (A) 100 percent of the allowed unsecured claims in such case; or
- (B) (i) 70 percent of such claims; and  
(ii) the plan was proposed by the debtor in good faith, and was the debtor’s best effort;

§1328(f) Notwithstanding subsections (a) and (b), the court shall not grant a discharge of all debts provided for in the plan or disallowed under section 502, if the **debtor has received a discharge** –

- (1) In a case filed under **chapter 7, 11, or 12 of this title during the 4-year period preceding** the date of the order for relief under this chapter, or
- (2) **In a case filed under chapter 13 of this title during the 2-year period preceding the date of such order.**

## CREDIT NOTIFICATION

- The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, will send a letter along with their Discharge Notice to all three major credit bureaus, to ensure the credit report is cleaned up and accurate. The only creditors that will be listed as money being owed to them will be any debts that have been Reaffirmed by the Debtor(s) if it is the lender's policy. We can not force a creditor to resume reporting to a credit bureau. If they do not, the Debtor(s) may send in proof of on time monthly payment to the credit bureau.
- Furthermore, Debtor(s) understand that there is no guarantee their FICO score will increase after the discharge. Debtor(s) must exercise sound financial judgment when applying for credit post-discharge and it will be those decisions combined with the credit report that will solely determine the Debtor(s) FICO score. The Attorney has no control over the FICO score.
- Credit Bureau Reporting:
  - Delinquencies (30-180 days): Can remain seven years from the date of the initial missed payment.
  - Collection accounts: Remain seven years from the date of the initial missed payment that led to the collection (the original delinquency date). When a collection account is paid in full, it will be marked "paid collection" on the credit report.
  - Charged-off accounts: Remain seven years from the date of the initial missed payment that led to the charge-off (the original delinquency date), even if payments are later made on the charged-off account.
  - Closed accounts: Closed accounts that are no longer available for further use. Closed accounts may or may not have a zero balance. Closed accounts with delinquencies remain seven years from the date they are reported closed, whether closed by the creditor or by the consumer. Positive closed accounts remain 10 years.
  - Lost credit card: If there are no delinquencies, credit cards that are reported lost will continue to be listed for two years from the date the card is reported lost. Delinquent payments that occurred before the card was lost are reported for seven years.
  - Bankruptcy: Chapters 7, 11, and 12 remain for 10 years from the filing date. Chapter 13 remains seven years from the filing date. Accounts included in bankruptcy will remain seven years from the date they were reported as included in bankruptcy.
  - Child support judgments: Remain seven years from the date the judgment is filed.
  - Civil and small claims judgments: Remain seven years from the date the judgment is filed.
  - City, county, state, and federal tax liens: Unpaid tax liens remain 15 years from the filing date. Paid tax liens remain seven years from the paid date of the lien.
  - Inquiries: Most inquiries listed on your credit report will remain for two years. All inquiries must remain for a minimum of one year from the date the inquiry was made. Some inquiries, such as employment or preapproved offers of credit, will show only to you.

- Positive open credit information remains indefinitely and paid positive accounts remain 10 years, making your credit report a great benefit for you in obtaining and using financial services. Negative information is purged from your credit report so that if you have credit problems, you will have an opportunity to build a good credit history over time.

## **FBI ACKNOWLEDGEMENT**

**Federal Law provides severe criminal penalties** for bankruptcy crimes, which include: bribery, concealment of assets, false statements, false claims, filing under a fictitious name, and perjury. A party that violates Title 18, United States Code, §152, shall be fined, imprisoned not more than 5 years, or both.

July 22, 2008

### **WITCHITA MAN GOES TO FEDERAL PRISON FOR LYING TO BANKRUPTCY COURT**

WITCHITA, KAN. – Nazar Ali Haidar, 48, Wichita, was sentenced Monday to 33 months in federal prison for bankruptcy fraud.

Haidar, who from 1996 to 2002 operated a business called MNJ Used Cars, was convicted in a jury trial on two counts of bankruptcy fraud. Evidence presented at trial showed he made false statements inflating his home when he applied in 2000 and 2001 for credit cards. On Sept. 23, 2002, he filed a Chapter 7 bankruptcy. In his bankruptcy filing, he made false statements concealing that:

- He had money in a checking account at Commerce Bank.
- He had closed his business checking account at Commerce Bank shortly before the bankruptcy.
- He had transferred \$6,000 to his spouse.
- He had transferred \$8,500 to his brother.

Evidence also showed that from August 1, 2001, through August 30, 2002, he used credit cards to purchase airline tickets, jewelry, cash advances and other items to increase his total liability in excess of \$125,000. In his bankruptcy filing he claimed total assets of \$5,100 and total liabilities of \$211,278. He used 38 credit cards to charge most of the debt.

U.S. Attorney commended the U.S. Trustee and the Federal Bureau of Investigation for their work on the case.

July 9, 2008

### **GALENA MAN CHARGED WITH BANKRUPTCY FRAUD**

TOPEKA, KAN. – Frankie Dean McCumber, 49, Galena, Kan., is charged with one count of bankruptcy fraud. The crime is alleged to have occurred Aug. 27, 2003, and thereafter in Shawnee County, Kan.

According to the indictment, Frankie Dean McCumber and Marilyn Faye McCumber filed bankruptcy Aug. 27, 2003, in the U.S. Bankruptcy Court in Topeka, Kan. Frankie Dean McCumber did not disclose that he co-owned

7666 S.E. 75<sup>th</sup> St., Galena, Kan., with his father, Frankie J. McCumber. After the death of his father in November 2003, McCumber inherited his father's interest in the house. In July 2004 he sold the house for \$28,000 and did not disclose the sale to the bankruptcy trustee. McCumber also failed to report that after his father died he inherited his father's interest under the Radiation Exposure Compensation Program (RECA). The program provides payments to individuals who became ill as a result of working in uranium mines or being exposed to nuclear weapons testing.

If convicted, McCumber faces a maximum sentence of 5 years in federal prison and a fine up to \$250,000. The Federal Bureau of Investigation and the U.S. Trustee worked on the case. The U.S. Trustee oversees case administration in the federal bankruptcy system. Assistant U.S. Attorney Christine Kenney is prosecuting.

## Notices

I understand that if I mislead my attorney and/or fail to disclose fully and completely all of the information required for my case to either my attorney or to the Trustee or the Court that the following things may happen to me:

- |    |   |
|----|---|
| 1. | I could owe a \$250,000 fine (per count) and/or up to 5 years per count in prison |
| 2. | I could lose my employment  |
| 3. | I could lose my discharge   |
| 4. | I could fail to obtain a discharge  |

If I don't obtain my discharge, I understand that I will continue to owe all of the debts and likely more than I owed on the date of filing the case. No refunds of fees will be given.

I understand that my attorney has provided me with a copy of this notice and a copy of a contract for services.

I understand that my attorney will advise me on different courses of action and that some course may be good at one time but not at a different time or with different information.

I understand that I must provide the information that my attorney requests or that the court or the Trustee requests or my case may not move forward and may be dismissed.

## Privacy Policy

The Kehl Law Firm aka The Kehl Law Firm, P.C. recognizes the importance of privacy and the sensitivity of personal information. The Kehl Law Firm has a professional obligation to keep confidential all information received by the Firm within a lawyer-client relationship. The Firm is committed to protecting any personal information the Firm holds. This privacy outlines how the Firm manages personal information and safeguards the Client's privacy.

The Firm collects information only by lawful and fair means and not in any unreasonably intrusive way. Wherever possible the Firm collects the Client's personal information directly from the Client, at the time of the Firm's retention and through the course of the Client's representation. Sometimes the Firm may obtain information about the Client from other sources: for example, insurance companies, real estate agent in a property transaction, from a government agency, public record or registry, accountants, etc.

In most cases, the Firm shall ask the Client to specifically consent, if the Firm collects, uses, or discloses the Client's personal information. Normally, the Firm will ask for the Client's consent in writing, but in some circumstances, the Firm may accept the Client's oral consent. Sometimes, the Client's consent may be implied through the Client's conduct with the Firm.

The Firm uses the Client's personal information to provide legal advice and services to the Client and for administrative purposes.

The Firm does not disclose the Client's personal information to any third party, except as agreed to by the Client, as required under applicable law or in order to provide the legal services for which the Firm has been retained.

The Firm takes all reasonable precautions to ensure that the Client's personal information is kept safe from loss, unauthorized access, modification or disclosure. We also use security software and firewalls to prevent hacking or unauthorized computer access and have passwords to log into our computer programs.

The Client may contact the Firm at 254-412-2300 if there are any questions or concerns.

Client's signature: By signing this agreement, you certify that you have read the agreement and understand and agree to carry out the terms of the agreement to the best of your ability, and that you have received a signed copy of the agreement.

Attorney's Signature: By signing this agreement, your attorney certifies that, before the case was filed, she personally met with you and counseled and explained to you all matters as required by this agreement.

Date: \_\_\_\_\_

\_\_\_\_\_  
The Kehl Law Firm

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Name

## **CHAPTER 13 BANKRUPTCY CLIENTS ONLY**

### **CHAPTER 13 PLAN PAYMENT CHANGES**

The Debtor(s) acknowledge that it is their duty to update counsel when their pay or their spouses pay has increased or decreased by 10% of the gross. This does not automatically indicate that your Plan payment will be increased or decreased, accordingly. The changes are case specific and must be reviewed.

Your case can be dismissed for under reporting income. This includes the reporting of bonuses, profit sharing, increased pay, over-time, etc...

Keep in mind; you still owe all the debt listed in the bankruptcy UNTIL you successfully complete the Plan.

### **DISMISSAL OF CHAPTER 13 FOR NON-PAYMENT**

The undersigned certifies and acknowledges that The Kehl Law Firm. and Samantha Kehl, hereinafter referred to as Attorney, have informed the Debtor(s) that:

It is your duty to make your Plan payment on time each and every month regardless if it is direct pay or through employer wage order. If you are on a wage order, it is still your responsibility to make your payment even if your employer is not. Your case can be dismissed for even missing one month's payment. Therefore, it is **CRITICAL** that you make the Plan payment on time. We recommend you monitor the Trustee's website to see that payments are being credited.

The maximum time you can be in a Plan is 60 months and the first month begins 30 days from the date your case is filed. Therefore, if you miss any payments your Plan payment will increase as a result. Missing payments may also result in additional attorney's fees and hearings before the Judge.

### **PURCHASING A VEHICLE, HOUSE OR REFINANCE OR OTHER PURCHASES DURING CHAPTER 13**

The undersigned certifies and acknowledges that The Kehl Law Firm and Samantha Kehl, hereinafter referred to as Attorney, has informed the undersigned Debtor(s) that they **MUST** file a Motion to Incur Debt before making any purchase greater than \$1,000 and or refinancing their current residence. If opposed by the Trustee, hearings before the Judge and additional attorney's fees may be required.

### **STUDENT LOAN**

If you fail to make direct payments to your student loan company as specified in the plan, the student loan company may opt to file a motion to dismiss your case under 11 U.S.C. § 1307(c)(4) or (6).

### **RIGHTS AND RESPONSIBILITIES AGREEMENT BETWEEN CHAPTER 13 DEBTORS AND THEIR ATTORNEYS**

It is important for persons who file Chapter 13 bankruptcy case to understand their rights and responsibilities. It is also important for them to know what their attorneys' responsibilities are and the necessity of communicating openly with their attorneys to make the case successful. Attorneys' clients also are entitled to expect certain services to be performed by their attorneys. In order to assure that clients and their attorneys understand their rights and responsibilities in the bankruptcy process, the following Rights and Responsibilities have been

adopted by the Bankruptcy Court for the Western District of Texas.

Any attorney retained to represent you in a Chapter 13 case is responsible for representing you on all matters arising in the case (unless otherwise agreed as to adversary proceedings or otherwise ordered by the Court). The attorney may not withdraw from a bankruptcy case in this District unless (a) the attorney and you agree to the attorney's withdrawal and another attorney enters the case on your behalf, or (b) the Court, after notice and a hearing, approves an attorney's motion for withdrawal or substitution of attorneys. When appropriate, the attorney may apply to the Court for compensation that is additional to the maximum initial fees set out in this agreement.

- | <b>I.</b>   | <b>BEFORE THE CASE IS</b>             |
|---|---------------------------------------|
| <b>FILED, YOU AGREE TO TIMELY:</b>  |                                       |
| 1.  | Discuss with your attorney your       |
| goals in filing the case.   |                                       |
| 2.  | Cooperate with your attorney in       |
| preparing all required bankruptcy papers and documents, thoroughly reviewing drafts of documents, and     |                                       |
| advising your attorney of corrections needed.   |                                       |
| 3.  | Provide your attorney and staff       |
| with all documentation he or she requests, including but not limited to accurate copies of the following  |                                       |
| documents:  |                                       |
| a.  | Proof of income you received          |
| from all sources in the 6-month period before your case was filed. Some examples include paycheck         |                                       |
| stubs, Social Security statements, worker's compensation payments, income from rental property,           |                                       |
| pensions, disability payments, self-employment income, child and spousal support, and other               |                                       |
| payments. If you are self-employed or own a business, you should provide report(s) disclosing             |                                       |
| monthly income and expenses for the 6-month period before the filing date.                                |                                       |
| b.  | If another person is expected to      |
| contribute to your Chapter 13 case, proof of that person's income and ability to pay.                     |                                       |
| c.  | Copies of federal and state income    |
| tax returns or transcripts of returns, for the most recently ended tax year, as well as any other returns |                                       |
| requested by your attorney.   |                                       |
| d.  | Proof of your identity and Social     |
| Security number. Some examples are your driver's license, passport, or other document containing          |                                       |
| your photograph.  |                                       |
| e.  | A record of your interest, if any, in |
| any retirement account.   |                                       |
| f.  | A record of your retirement           |
| account loans including monthly payment amount, remaining length of loan, and balance of loan.            |                                       |
| You must provide this information for each individual loan.   |                                       |
| g.  | A record of your interest, if any, in |
| an educational individual retirement account or a qualified State tuition program.                        |                                       |
| h.  | The name, address, and telephone      |
| number of any person or state agency to whom you owe back child or spousal support or make                |                                       |
| current child or spousal support payments to. Include all supporting documents for the payments.          |                                       |
| Some examples of supporting documents are a court order, a declaration of voluntary support               |                                       |
| payments, a separation agreement, a divorce decree, and a property settlement agreement.                  |                                       |
| i.  | Any insurance policies requested      |
| by your attorney.   |                                       |

- j. inheritance in which you are entitled. Documents relating to any
- k. action in which you are a party. Documents relating to any legal

**II. AFTER THE CASE IS FILED, YOU AGREE TO TIMELY AND PROMPTLY COMPLY WITH ALL APPLICABLE CHAPTER 13 RULES AND PROCEDURES, INCLUDING BUT NOT LIMITED TO:**

- 1. Keep the Chapter 13 Trustee and your attorney informed of your current address and telephone number and employment status.
- 2. Attend the §341(a) Meeting of Creditors at the time(s) ordered.
- 3. Make all required Chapter 13 plan payments on time.
- 4. Submit a payroll deduction order, if one is required.
- 5. Inform your attorney of any change in your marital status, the commencement of any child support or spousal support obligation, or any change in any existing child support or spousal support obligation.
- 6. Inform your attorney of any wage garnishments, seizure of assets or liens that occur or continue after the filing of your bankruptcy case.
- 7. Contact your attorney if you lose your job, if your income increases, if you have new or unexpected financial problems, or if you receive (or find out that you might be entitled to receive) any money or property from an inheritance or legal action.
- 8. Inform your attorney of any change in a creditors address or in the amount of any payment you are required to make.
- 9. Keep records of all mortgage payments you make to secured creditors during the case.
- 10. Provide copies of all federal and state tax returns or transcripts to your attorney yearly, and pay over to your attorney or the trustee, as directed, the amount over \$2,000.00 from tax refunds.
- 11. Contact your attorney if any tax refunds are seized or are not received when expected.
- 12. Contact your attorney if you are sued during the case or if you file a lawsuit or intend to settle any dispute relating to events that occurred either before or after the filing of your bankruptcy case.
- 13. Contact your attorney before buying, refinancing, or selling any real estate, automobiles or any personal property with a value of more than \$1,000, and before incurring any additional debt.
- 14. Provide on a timely basis all information or documentation requested by your attorney, including all information needed to respond to any motion or objection seeking relief in your bankruptcy case.
- 15. Provide your attorney with all documentation necessary to comply with any audit request.
- 16. Respond promptly to all communications from your attorney.

**III. BEFORE THE CASE IS FILED, YOUR ATTORNEY AGREES TO PROVIDE ALL LEGAL SERVICES NECESSARY FOR REPRESENTATION, INCLUDING BUT NOT LIMITED TO:**

1. Meet with you to review your assets, liabilities, income, and expenses.
2. Counsel you regarding the advisability of filing either Chapter 13 or a Chapter 7 case, discuss bankruptcy procedures, and answer your questions.
3. Review the completed bankruptcy petition, statements, schedules, and all amendments with you. This may be done on Attorney's dual monitor computer system.
4. Explain to you that the attorney is being engaged to represent you on all matters arising in the Chapter 13 case, and reach an agreement with you on whether the attorney is to represent you in adversary proceedings that might be filed in the case.
5. Explain to you the attorney's fees that are being charged in the case, how and when those attorney's fees are determined and paid, and whether additional fees will be charged for representation in adversary proceedings that might be filed in the case.
6. Explain to you which payments must be made directly to creditors by you and which payments will be made through the Chapter 13 plan.
7. Explain to you how, when, and where to make the Chapter 13 plan payments.
8. Explain to you how, when, and where to make your mortgage payments after the bankruptcy case is filed. The majority are included in the bankruptcy Plan payment made to the Chapter 13 Trustee.
9. Advise you of the need to maintain appropriate insurance, such as homeowner's insurance on your home and liability, collision, and comprehensive insurance on vehicles that are leased or are security for a loan.
10. Provide a fully signed copy of this agreement to you.
11. Verify the number and status of any prior bankruptcy case(s) filed by you or any related entity.
12. Timely prepare and file your petition, statements, schedules, required documents, and certificates, and all necessary amendments to these filings.

**IV. AFTER THE CASE IS FILED, YOUR ATTORNEY AGREES TO PROVIDE ALL LEGAL SERVICES NECESSARY FOR REPRESENTATION, INCLUDING BUT NOT LIMITED TO:**

1. Advise you of the requirement to attend the §341 (a) Meeting of Creditors and inform you of the date, time, and place of the meeting. In the case of a joint filing, inform you and your spouse that both of you must appear at the meeting.

2. Inform you that you must be punctual for the §341 (a) Meeting of Creditors or the meeting may be continued on a later date and an additional attorney fee charged.
3. Attend the §341 (a) Meetings and any court hearings, either personally or through another attorney from his or her firm or through an appearance attorney who has been adequately briefed on the case.
4. Advise you if an appearance attorney will stand in for him or her at the §341 (a) Meeting or any court hearing, and explain to you in advance, if possible, the role and identity of the appearance attorney. In any event, it is your attorney's responsibility to adequately prepare the appearance attorney for the meeting or hearing by providing all documents and information in sufficient time to allow for proper representation of you.
5. Serve the Chapter 13 plan on all creditors and other parties on a timely basis.
6. Submit to the Chapter 13 trustee on a timely basis properly documented proof of all sources of income for you.
7. Notify you on a timely basis if any pleading seeking relief against you is filed. This notification shall specify a deadline by which you should contact your attorney to discuss a response to the pleading and may state that if you do not contact the attorney timely, such attorney may choose not to file a response. Such notification should explain the potential consequences of not filing a response to the pleading.
8. If your attorney is contacted by you on a timely basis, as provided in paragraph 7, such attorney will timely respond in an appropriate manner to any pleading seeking relief against you.
9. Prepare, file, and serve on a timely basis any necessary amended statements and schedules and any change of address, based on information provided by you.
10. Monitor all information filed in your case for accuracy and completeness, including but not limited to reviewing the order of confirmation, the claims register, and notices concerning the payment of claims, and promptly notify the trustee of any problems or discrepancies.
11. File objections to claims when appropriate.
12. Prepare and file proofs of claim for creditors when appropriate.
13. Prepare, file, and serve timely motions to modify the plan after confirmation, when necessary.
14. Explain to you that additional legal fees may be charged for filing or responding to motions after confirmation, and explain that the fees for those services are set or approved by the Court.
15. Prepare, file, and serve motions to buy, sell, or refinance real estate or personal property, when appropriate.
16. Prepare, file, and serve any other motion that may be necessary to appropriately represent you in the bankruptcy case, including but not limited to motions to impose or extend the automatic stay, motions to avoid, liens on real personal property, and motions to value the collateral of secured creditors.
17. Respond promptly to your questions and communications throughout the term of the plan, and provide all other legal

- services that are necessary for the administration of the bankruptcy case.
18. Unless otherwise agreed before the bankruptcy case is filed, your attorney may not represent you in adversary proceedings, including but not limited to objections to discharge and/or dischargeability. Additional attorney's fees may be charged.
  19. If your attorney has not been retained to represent you in adversary proceedings, and an adversary proceeding is then filed against you, the attorney will explain to you the estimated cost of providing representation in the adversary proceeding, the risks and consequences of an adverse judgment, and the risks and consequences of proceeding without counsel.
  20. Advise you of the requirement to complete an instructional course in personal financial management, and the consequences of not doing so.
  21. Represent you at a discharge hearing, if required.
  22. Represent you in connection with any audit request.

V.

**PAYMENT OF ATTORNEYS' FEES**

**ALLOWANCE AND**

The guidelines in this District for payment of attorneys' fees in Chapter 13 cases without a detailed fee application provide for maximum initial fees of \$3,600 for a consumer Chapter 13 case and \$4,000 for a business Chapter 13 case for legal services provided up to confirmation of the Chapter 13 Plan.

Such fee does not include representation in adversary proceedings. Fees for post-confirmation services are subject to court approval, based on the local rules, or based on actual time records submitted by attorney.

Other than the initial retainer, your attorney may not receive fees directly from you. All other fees due shall be paid through the Chapter 13 Plan unless otherwise ordered by the Court.

If you dispute the legal services provided or the fees charged by your attorney, you may file an objection with the court. Should your attorney's continued representation create hardship, such attorney may seek a court order allowing him or her to withdraw from the case. Under local rules, such attorney will not be allowed to withdraw until another attorney enters the case, unless good cause is shown to permit the withdrawal.

Client's signature: By signing this agreement, you certify that you have read the agreement and understand and agree to carry out the terms of the agreement to the best of your ability, and that you have received a signed copy of the agreement.

Attorney's Signature: By signing this agreement, your attorney certifies that, before the case was filed, she personally met with you and counseled and explained to you all matters as required by this agreement.

Date: \_\_\_\_\_

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The Kehl Law Firm

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Client's Name

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Client's Name