

**MINOR & BAIR PLLC**  
ATTORNEYS AND COUNSELORS AT LAW

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## **Chapter 7 Bankruptcy Information for Individuals and Engagement Letter**

Bankruptcy is a right provided by law to people who are deeply in debt and in need of a fresh start. If you qualify, Bankruptcy will discharge many of your debts and you will not have to pay them, except, in some cases, secured debts for the purchase of particular merchandise or debts on which you gave a mortgage or put up other property as collateral. If you do not qualify for Chapter 7, you may file a [Chapter 13 case](#). Before we meet, you are to fill out a long [questionnaire](#) on your computer screen. When completing the questionnaire, please use proper capitalization, e.g. not all small letters nor all capital letters: 123 Small St Houston TX 77001.

The law allows you to keep some money and most types of necessary property in bankruptcy. To receive this protection, it is necessary that you list all items asked for in the following questions: if you do not list an item, that item will not be protected in bankruptcy. You must also list everyone to whom you owe money. If you leave out one of your creditors, you may have to pay the money to that creditor or you may lose your right to bankruptcy. It may also be considered a crime if you intentionally give false information or leave out information. You must list everything of value to which you now or may have a right, such as an item someone else is holding for you, a claim against anyone even a relative you do not intend to pursue, a right to property or money in anyone's probate estate, etc. etc. If you have any questions about whether you can keep certain property or whether you should list a debt or property, include the information and write down that question and remember to ask me. We know this questionnaire is long. Preparing your bankruptcy papers properly takes a lot of time and a lot of information. If you and our firm work together on this, we can protect your family from great hardship and give you a new start.

(1) Fill out every question on all pages as directed by the instructions on the screens. Wherever you are given a choice of YES or NO on these forms, check either YES or NO, whichever is correct. Please fill out these pages as well as you can. We will [help](#) with any questions you don't understand.

(2) Use correct capitalization, ZIP Codes, account numbers, creditor names.

(3) **Wherever the name of a person or firm is asked for, give the full address. Make the address accurate.** Your discharge from each debt depends upon your giving a complete and correct address.

(4) If you do not know the exact amount you owe, fill in a HIGH estimate. Do not leave the amount blank and do not say "don't know."

(5) List every creditor and everybody who has had anything to do with your debts, including cosigners. Please include accurate account numbers. If a bill you owe has been sent to a collection agency or an attorney, list both the person you originally owed and the collection agency or attorney, giving the full address of each. If the collection agency has an attorney, list the person you originally owed, the collection agency, and the attorney, giving the full address of each.

(6) When listing your property, at household items, please list a room and its total content value with a breakout of the items making up the total, as follows:

Living Room \$1200

1 sofa 250

2 end tables 100

[Total Value for the room is \$1200.]

|

| These add up to \$1200

1 cocktail table	100	
2 lamps	50	
1 recliner	150	
1 tv	150	
1 stereo system	400	

Dining Room \$1225

1 table	500
6 chairs	300
1 china with hutch	400
1 rolling tray	25

and make a similar list for each Bedroom, Den, Playroom, etc. Each item listed is to be individually valued, but items below about \$25-50 need not be listed, such as knickknacks. As a value, use what an actual armslength sale of the item would bring, which is well less than you paid, but more than a garage sale or “firesale” value. The value is the purchase price of the used item, not what you would sell it for to a dealer.

Clothing items are to be listed and valued in the same way.

(7) A single person and both persons of a couple will have an in-person conference with Tom Bair or Sterling Minor; be sure to locate and bring with you the following items if the document applies to you:

- (a) Deeds and mortgages on your house or other real estate;
- (b) Copies of tax returns for past two years, and your last 6 months of paycheck stubs;
- (c) Lawsuits, including divorce papers; and
- (d) Each lease (“lease purchase” or “rent-to-own”) or installment sale agreement for housing (apartment, house, mobile home) or other property (cars, televisions, etc.) that you have signed and that is still in effect or not fully paid.

(8) Before filing for bankruptcy, an individual must take a short course involving financial counseling. The course may be taken over the Internet with the Debt Education and Certification Foundation. [Click here](#) to register and take the course.

**IMPORTANT NOTE: BANK ACCOUNTS.** The balance of a bank account is the actual balance at the bank on the date of filing, not your running total “after checks clear” so it is imperative that you not write checks the week or ten days before filing, to allow all your checks to actually clear. Also, cash and check account balances are not exempt, and so you will want to have only a small balance of both on the actual date of filing. This means for the last week before filing you should handle all your affairs with cash or money orders. **IF YOU HAVE AUTOMATIC DEPOSITS OR WITHDRAWALS, you must act in time to stop those before filing. Finally, if you are overdrawn, leave the account alone, list that bank account as a debt, and try to open another account elsewhere before filing.**

**[Sample Letter, for Use with a Chapter 7 Case]**

**ATTORNEY-CLIENT ENGAGEMENT LETTER**

The purpose of this letter is to welcome you as a client of the law firm Minor & Bair PLLC , and to set forth the conditions of our engagement.

First, we wish to express our enthusiasm about the opportunity to serve you. Ultimately your satisfaction with our services is the key to a successful professional relationship. This should begin with the mutual understanding of expectations regarding services to be performed and this requires full and candid communications between us. Please let us know promptly if you ever have any questions concerning any aspect of a matter our Firm is handling for you.

The general character of the legal service you have asked the Firm to perform is to represent you concerning filing a bankruptcy case. If we are to file for a married couple, **the client in this matter is both of you, as a married couple. Only the client is to be treated as the client by the Firm.**

A. If, in our judgment, we determine that a conflict of interest exists, we will notify all affected interests and will continue in a manner consistent only with the ethical standards contained in the Texas Disciplinary Rules of Professional Conduct.

B. Fee arrangements are another topic that we need to address clearly. Experience has shown that our relationship will be stronger if we start it with a mutual understanding about fees and their payment. Concerning our fee arrangements in this matter, by your execution of this letter and payment we will have agreed as follows:

Most of our Firm's legal services are rendered on an hourly fee basis at the then current rates, now \$250-350 per hour, and so we expect that our time spent will yield that return. However, the Bankruptcy Code requires that for Chapter 7 representation, the attorney charge a flat fee that is all paid before the case is filed. Therefore, a fee is necessarily an estimate of matching time and the hourly rate. If the attorney receives a fee which is "too much" the excess would be returned to the estate, but if the fee is "too little" the attorney cannot receive more and ends up underpaid. The range of Chapter 7 fee we have quoted, and for which the Firm is to receive check(s), \$2,750 - 3250 (which includes the filing fee and expenses of about \$400), is based upon assumptions about what tasks the Firm will be expected to perform, and thus the time we will devote to the representation of you in the case. Upon receipt of your completed [Questionnaire](#), we will provide the bankruptcy code chapter (7, 11 or 13) we recommend and the exact fee. An \$800 fee deposit is required for our work.

The fee for a Chapter 7 case includes the following tasks: the meetings, telephone calls, emails and faxes that we have had and will have to advise you in the filing before the petition commencing the case is filed; to advise and assist in your preparation of the Schedules and Statement of Affairs that are required to be filed shortly after the case is commenced; to communicate by telephone, email or fax with the trustee in the early stages of the case concerning the location of documents and things and the identification of individuals with information; the preparation for and attendance at the meeting of creditors that will take place about six weeks after the case is commenced; and, for a few weeks thereafter to further communicate by telephone, email or fax with the trustee concerning the location of documents and things and the identification of individuals with information.

It is possible, for example, that you would wish advice or assistance in working with the reaffirmation of secured debt or similar activity, or in defending a motion of a creditor to recover property, or for you to defend against an objection to your general discharge or the discharge of a specific debt. The fee does not contemplate such work, and if you wish to have us be prepared to undertake such work, an additional fee would need to be paid as those matters arose after the case was filed, to be billed at \$250.00-350.00 per hour plus expenses or as otherwise authorized by the Court and its procedures.

Clearly we do not, and under the law we cannot, represent either a husband or wife against the other, now or in the future.

**You are under an obligation to assist the Firm** in carrying out the requests you make of the Firm. These obligations include **providing full and truthful information to us, and promptly complying with our requests for information, documents or payment.**


C. Under certain circumstances, we may each terminate our attorney-client relationship prior to the completion of the matter for which the Firm has been engaged. In that regard, you and the Firm agree that: The firm will withdraw if discharged by you and the Firm may withdraw from your representation in this matter at any time. Such discharge shall be communicated in writing. If there is withdrawal from employment, the Firm will take reasonable steps to avoid foreseeable prejudice to your rights, including delivering all papers and property to which you are entitled and complying with the applicable laws and rules governing such withdrawal from employment.

All of the firm's work product will be owned by the Firm. Subject to the Firm's obligations in the event of its withdrawal, and further subject to casualties beyond our control, the Firm will endeavor to retain the significant components of the files of the Firm relative to its legal representation for a period of 3 years (5 years in the case of documents electronically filed with the Houston bankruptcy court) following the conclusion of such matter, and during such time we will afford you reasonable access to such files. Thereafter, such files may, at the Firm's discretion and without notice to you, be destroyed.

No representation has been made, nor can any representation be made, as to the ultimate success of the undertakings we make for you. The only material representation that is made by us is that we will exert our best professional effort in our representation of our client's interests. If any of the matters set forth herein are not clear, I hope you will call me so that we might discuss them. If you need any explanation of the matters set out here, please let me know.

Attorneys in Texas are regulated by the State Bar of Texas per the State Bar Act. Clients have certain rights and privileges under the Act. The State Bar of Texas investigates and prosecutes professional misconduct committed by attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar Office of General Counsel will provide you with information about how to file a complaint if you believe one is necessary. For more information about your rights as a client, you may call the State Bar office, toll free, at 1-800-932-1900.

We look forward to a happy relationship. Please return to us a copy of this three page letter signed by you. You will need to pay some or all of the fee prior to our commencing further work. I thank you for this opportunity to be of service.

Yours most truly,  
MINOR & BAIR PLLC  
  
Sterling A. Minor

AGREED AND ACCEPTED THIS \_\_\_\_\_ day of March 2010.

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\_\_\_\_\_

**Representation of Both Spouses**

It is commonplace for spouses to engage the same firm for a bankruptcy case. However, when a law firm represents two persons concerning common or related matters, conflicts of interest can arise within the ethical codes of the legal profession. Joint representation is appropriate in our experience in husband-wife bankruptcy and in several other circumstances. However, strict ethical requirements dictate that we thoroughly disclose the ethical ramifications of the joint representation.

This is to confirm that our firm is to represent you jointly. As such:

- We will not maintain, and **you waive confidentiality between the two of you**; the information we receive from either of you or from third parties will be shared with both of you.
- Each of you waive any objection to our representation of the other regarding potential conflicts of interest between you.

**I accept representation under the terms above:**

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

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