

YOUNG, MORPHIS, BACH & TAYLOR, L.L.P.

Attorneys at Law

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Atty Fee:	\$_____.	.00
Filing Fee:	\$306.00	
Credit Counseling:	\$ 34.00	
Financial Mgmt:	\$_____.	.00
TOTAL:	\$_____.	.00

Amount Required Prior to Filing:	\$_____.	.00
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ENGAGEMENT AND FEE AGREEMENT - Chapter 13

Dear Client(s):

This letter will confirm our agreement under which Young, Morphis, Bach & Taylor, LLP ("the Firm") has been employed by you to provide the specific legal services below with regard to the filing of a Chapter 13 bankruptcy case.

1. Services to be Rendered

Our services will include consultation concerning bankruptcy, preparation of all pleadings necessary to commence the case, preparation of schedules (with your assistance), attendance at the §341 meeting of creditors and discharge hearing (if required), and other matter listed as part of the "base fee" on the *Disclosure to Debtor(s) of Attorneys Fee Procedure for Chapter 13 Cases in the United States Bankruptcy Court for the Western District of North Carolina*, attached hereto.

2. Exclusion from Services

Our services may also include any other matters which may arise in the case, including, but not limited to, representing you in connection with matters listed as "non-base" items on the *Disclosure* and matters not specifically listed as included in the "base fee". Our representation in "non-base" matters will be compensated at the rate of \$250.00 per hour plus expenses incurred, as stated in the *Disclosure*, unless a specific "non-base fee" is established by the *Disclosure*. Notwithstanding the foregoing, we reserve the right to decline representation for "non-base" items, including specifically, but without limitation, any adversary proceeding.

3. The Attorneys' Fees

The firm has agreed to represent you for a reasonable fee based upon the experience of the attorneys handling the matter, the results obtained, the difficulty of the work involved, and the attorneys' time involved in handling the matter. You have agreed to pay our Firm the sum of \$_____ as a reasonable fee for the above-referenced "base fee" services. The fee arrangement is as follows:

This is a set fee for the services set forth above. In certain circumstances you may be allowed to pay all or a portion of the above fee over time in your Chapter 13 payment plan. We agree to work with you in regards to payment, but reserve the right to require payment, in full, prior to filing your bankruptcy case.

Unless a specific “non-base fee” is set by the Court, you will be billed for “non-base” services at our hourly rates as set forth herein. “Non-base” fees awarded by the Court are routinely paid by the Trustee as part of your Chapter 13 payment plan; accordingly, it is possible that “non-base” fee awards may cause your payment to the Trustee to be increased, or the term of your payment plan to be extended. You may be requested to sign an additional fee agreement for any “non-base” services rendered after the filing of your petition and may also be requested to deposit an additional retainer towards those services.

4. Costs and Expenses

It is understood that the above attorneys' fees do not include fees, costs and expenses for outside services and assistance such as: Chapter 13 filing fees (the filing fee is now \$281), pre- & post-filing credit counseling, deposition costs, credit reports, reasonable charges for travel expenses, food and lodging outside of Hickory, long-distance telephone calls, photocopy expenses, appraisers, expert witnesses, investigators, associate counsel, accountants, and financial analysts. If any such fees, costs or expenses are to be incurred, it will be by prior agreement with you, and you shall be responsible for payment.

5. Payment of Fees and Costs

In the event our arrangement is based upon hourly billing, on a monthly basis, the Firm will submit to you itemized statements of services rendered setting forth the date, description of such service, time spent in rendering such service, name of the attorney, legal assistant, or other staff member rendering such service, and the hourly rate therefor, together with an itemization of all expenses incurred or paid. All of such charges shall be credited against the retainer fee paid. In the event there are insufficient funds remaining in the retainer, you shall pay to the Firm all such fees, costs and expenses upon submission by the Firm of its monthly billing statement. All payments of fees and costs that are billed are due and payable within 14 days after the billing date. Timely payment of the fees, costs and expenses are your personal obligation.

6. Withdrawal and Termination

Our engagement is subject to the understanding that you may terminate us as your counsel for any reason you choose upon ten (10) days' written notice to the Firm. It is understood that we may terminate our representation only for cause, such as irreconcilable differences with respect to policy decisions surrounding your particular matters, the failure to pay billings pursuant to this agreement or to otherwise comply with conditions normally required of clients in similar transactions.

7. Amendments to Schedules

Creditors who are not listed in the schedules may not be discharged at the conclusion of the bankruptcy case. It is your duty to provide a complete and accurate listing of **all** creditors. The Firm will rely upon this list and cannot conduct an independent investigation of the names and addresses of your creditors. A debtor has the right to amend his or her schedules at any time up to the closing of the case. The Firm will prepare any amendment to the Schedules (i.e., to add creditors, to add or change values of property, to change exemptions on property, etc.) at an **additional charge of \$250.00 per hour** together with any filing fee required for the amendments.

8. Bankruptcy Case

When the bankruptcy petition is filed, an automatic stay will go into effect which prohibits all creditors from taking any action to collect their claims outside of the bankruptcy court. For example, creditors are not allowed to file suit against you, nor to foreclose upon or repossess any of your property. It is essential, of course, that our office be told of any threatened lawsuits, foreclosures, or repossessions, as well as all pending lawsuits or other actions so that we can make sure that the creditors and their attorneys are notified and the action stopped.

As we have discussed, I anticipate that the bankruptcy will discharge all, or nearly all, of your debts. However, some debts, such as child support, most taxes, and other debts incurred through fraud and misrepresentations, may not be discharged. Likewise, if any obligations are secured by real property or personal property (such as a house or car), it will be necessary to pay these debts, or some portion of them, in order to keep the property.

9. Credit Reports

In order to aid us in properly completing your bankruptcy petition, we strongly recommend that you obtain a current credit report from each of the three major credit reporting agencies. The attorneys and staff of the law firm of Young, Morphis, Bach & Taylor, L.L.P. will not obtain credit reports for you, but that obtaining such a report is the sole responsibility of the debtor(s). Please carefully review the document *How Ordering Your Credit Report Can Help You in Bankruptcy* provided to you. One free credit report per person per year is generally available at www.annualcreditreport.com

10. Miscellaneous

This agreement is the sole and exclusive agreement covering the Firm's representation. Any modification of this agreement must be in writing, signed by you and an attorney of the Firm.

It is understood that we do not guarantee the accomplishment of any result but agree to give our best efforts on your behalf.

As the matter of our representation included in this agreement involves bankruptcy, this agreement is subject to modification and/or review by the bankruptcy court.

In the event of any litigation concerning this agreement, the prevailing party shall be entitled to attorneys' fees as a part of its damages.

PLEASE NOTE: OUR OFFICE WILL NOT COMMENCE PREPARATION OF YOUR BANKRUPTCY PAPERWORK UNTIL THE REQUIRED FEES AND EXPENSES SET FORTH ON PAGE ONE HAVE BEEN PAID IN FULL. WE RESERVE THE RIGHT TO ASSESS HIGHER FEE RATE IN THE EVENT OF SIGNIFICANT DELAY ON YOUR PART CAUSING US ADDITIONAL WORK IN PREPARATION OF YOUR PETITION. IN THE EVENT YOU DECIDE NOT TO FILE BANKRUPTCY AFTER WORK IS BEGUN ON YOUR PETITION WE WILL REFUND ANY RETAINER PAID TO YOU LESS APPROPRIATE CHARGES FOR OUR TIME AND EXPENSES INCURRED AT THE USUAL BILLING RATES SET FORTH HEREIN.

11. Agreement to Terms and Conditions

We trust that this agreement is not unduly complicated. From our experience, legal matters are complicated by nature. The purpose of this agreement is to set forth the essential terms and conditions of employment in writing, so that both parties have a full understanding. If any of the above is not clear, please advise.

The Firm looks forward to working with you in the future. If this letter represents your understanding of the fee and cost arrangements, please sign a copy of this agreement and return it to our office. Our representation of you does not begin until this agreement is signed by you and the agreed retainer paid to the Firm.

The undersigned client(s) acknowledge(s) that they have read the above engagement agreement, fully understand(s) its contents, and agree(s) to its terms and conditions.

Agreed to on this _____ day of _____, 20_____.

CLIENT(S):

FIRM:

YOUNG, MORPHIS, BACH & TAYLOR, LLP

By: _____
Jimmy R. Summerlin, Jr.

DISCLOSURE TO DEBTOR(S) OF ATTORNEYS FEE PROCEDURE
Eff. July 2009

**FOR CHAPTER 13 CASES IN THE UNITED STATES BANKRUPTCY
COURT FOR THE WESTERN DISTRICT OF NORTH CAROLINA**

After consultation with the undersigned attorney, you have decided to file a petition for relief under Chapter 13 of the United States Bankruptcy Code. Accordingly, you are hereby given notice that pursuant to the local rules of the Bankruptcy Court, the base fee for a Chapter 13 case is established at **\$3,250.00**. Payment of all or part of this fee is included in your payments to the Trustee. The attorney's services included in the base fee are those normally contemplated in a Chapter 13 case. They are as follows:

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| (a) Providing the pre-filing notices required by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. | (f) Review of order confirming plan and periodic reports. |
| (b) Preparation and filing of your petition, schedules, supplemental local forms, Chapter 13 Plan, and mailing matrix. | (g) Review of Trustee's report of allowance of claims. |
| (c) Drafting and mailing notice to creditors advising of filing of case, including a copy of your Chapter 13 Plan. | (h) Maintaining custody and control of case files. |
| (d) Drafting and mailing to you a letter regarding your attendance at the Section 341 meeting and your other responsibilities. | (i) Service of orders on all affected parties. |
| (e) Preparation for and attendance at Section 341 meeting. | (j) Verification of your identity and social security number. |
| | (k) Defending objections to confirmation of your Chapter 13 Plan filed by the Trustee. |
| | (l) Preparing and filing Local Form 8 and Local Form 9. |

The base fee shall also include the following services to the extent they are requested or reasonably necessary for your effective representation:

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| (a) Preparation and filing of proofs of claim on your behalf for your creditors. | and advising the Court and the Trustee of the same. |
| (b) Drafting and filing objections to scheduled and unscheduled proofs of claim. | (k) Communicating with you regarding payment defaults, insurance coverage, credit disability, and the like. |
| (c) Assumptions and rejections of unexpired leases and executory contracts. | (l) Obtaining and providing the Trustee with copies of documents relating to lien perfection issues. |
| (d) Preparation for and attendance at valuation hearings. | (m) Notifying creditors of entry of discharge. |
| (e) Motions to transfer venue. | (n) Notifying creditors by certified mail of alleged violations of the automatic stay. |
| (f) Consultation with you regarding obtaining postpetition credit (no motion filed). | (o) Drafting and mailing letters regarding voluntary turnover of property. |
| (g) Motions to avoid liens. | (p) Defense of objection to confirmation filed by any party other than the Trustee. |
| (h) Calculation of plan payment modifications (no motion filed). | (q) Review of documents in relation to the use or sale of collateral (no motion filed). |
| (i) Responding to written creditor contacts regarding plan terms, valuation of collateral, claim amounts, and the like. | (r) Providing you with a list of answers to frequently asked questions and other routine communications with you. |
| (j) Responding to your contacts regarding changes in your financial and personal circumstances | |

In some Chapter 13 cases, legal services which are beyond those normally contemplated must be performed. These legal services are not covered by the base fee. These "non-base" services include the following:

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| (a) Abandonment of property post-confirmation. | (i) Stay violation litigation, including amounts paid as fees by the creditor or other party. |
| (b) Motion for moratorium. | (j) Post-discharge injunction actions. |
| (c) Motion for authority to sell property. | (k) Adversary proceedings. |
| (d) Motion to modify plan. | (l) Wage garnishment orders. |
| (e) Motion to use cash collateral or to incur debt. | (m) Turnover adversaries. |
| (f) Defense of motion for relief from stay or co-debtor stay. | (n) Conversion to Chapter 7. |
| (g) Defense of motion to dismiss filed after confirmation of your plan. | (o) Motions to substitute collateral. |
| (h) Non-base fee requests. | (p) Any other matter not covered by the base fee. |

For such "non-base" services you will be charged on the basis of attorney's time expended at the rate of **\$250.00** per hour plus the amount of expenses incurred (such as court fees, travel, long distance telephone, photocopying, postage, etc.). Such "non-base" fees are chargeable only after the same are approved by the Bankruptcy Court. Except as set forth below, before any such fees are charged you will receive a copy of my motion filed in the Court requesting approval of any such "nonbase" fees as well as a notice explaining your opportunity to object if you do not agree with the fee applied for. Any fees awarded for "non-base" services will be paid to the undersigned attorney from your payments to the Trustee in the same way as payment of "base" fees. **It is possible that "non-base" fees approved by the Court may cause your payment to the Trustee to be increased, or the term of your Chapter 13 plan extended.** Whether or not a payment increase or an extension will be necessary depends upon the facts of your case. If a payment increase is necessary because of a court- approved "non-base" fee, the Trustee will notify you of the amount of the increase.

In the Court's discretion, a debtor's attorney in a Chapter 13 proceeding may request, in open court, and without any other notice, "non-base" fees for the following services in amounts not exceeding those shown below. Without other notice, the debtor's attorney may also request up to \$1.00 for each item noticed to creditors as expense for postage, copying, and envelopes. These fees may be adjusted (increased) by the Court at a later date, and, if so, those adjusted fees will then be charged.

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| (a) Defense of motion to dismiss. | \$200 |
| (b) Motion to modify and order, including motion for moratorium. | \$350 |
| (c) Substitution of collateral. | \$450 |
| (d) Prosecution or defense of motion for relief from stay or co-debtor stay and order. | \$450 |
| (e) Motion for authority to sell property and order. | \$450 |
| (f) Motion to obtain credit | \$450 |
| (g) Permission from trustee to obtain credit, to be filed as an administrative proof of claim | \$200 |
| (h) Motion to continue or impose the automatic stay | \$350 |
| (i) When substitute legal counsel is retained by a Chapter 13 debtor, such substituted counsel is entitled to a presumptive base fee of \$500 without formal application to the Court, provided that the order allowing substitute counsel specifies both the amount of the fee and whether the fee is paid direct by the debtor or through the plan. | |