

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

Attorneys at Law

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ENGAGEMENT AND FEE AGREEMENT

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

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 7 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 routine hearings for reaffirmations and lien avoidances.

2. Exclusion from Services

Our services will not include any other matters which may arise in the case, including, but not limited to, representing you in connection with objections to exemptions, objections to discharge, and complaints to determine dischargeability of debts. Our representation in any matters arising and not covered by this agreement will be subject to a separate employment agreement. Unless we enter into a separate agreement in writing, it is expressly understood that this agreement does not obligate the Firm in any way to represent you in any matters other than described in Paragraph 1 above.

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 \$ _____ .00 as a reasonable **non-refundable** retainer fee for the above-referenced services. The fee arrangement is as follows:

This is a set fee for the services set forth above and must be paid, in full, prior to our initiation of any work beyond the initial consultation on your behalf.

You will be billed for excluded services at our hourly rates as set forth herein. You may be requested to sign an additional fee agreement for any excluded 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 7 filing fees (the filing fee is now \$306), 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. These costs and expenses will be billed with the monthly fee billing.

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.