

INITIAL FREE CONSULTATION AGREEMENT

1. You have requested advice and assistance with debt relief and related issues from Cox Law Group, PLLC (hereafter referred to as the “Attorney”). Should you and your spouse intend to participate in the initial consultation, you acknowledge that you have authority to agree to these terms on behalf of you and your spouse and wherever this agreement references “you” such term includes you and your spouse.
2. The Attorney agrees to meet with you for an initial consultation and to provide advice and assistance to you in making decisions about debt problems and the possibility of filing for Bankruptcy relief.
3. Either you or the Attorney may conclude the initial consultation at any time. The initial consultation may also be extended to include additional meetings and communications between the Attorney and you at the discretion of the Attorney.
4. The initial consultation is free of charge and with no obligation by either party to proceed beyond the initial consultation. The Attorney is not required to make an offer to represent you in a Bankruptcy or other matter for debt relief beyond the initial consultation, nor are you required to agree

to be represented by the Attorney if such an offer of further representation is made.

5. Should you hire the Attorney to represent you in a Bankruptcy or other matter for debt relief, the Attorney and you will execute an additional fee agreement at that time that will outline the fees and responsibilities of the parties.

6. You acknowledges that the Attorney has provided you with the following notices (all of which are attached to this Agreement) as required by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005:

- a. NOTICE #1: Mandated by Bankruptcy Code Â§342(b)(1) & Â§527(a)(1)
- b. NOTICE #2: Mandated by Bankruptcy Code Â§527(a)(2)
- c. NOTICE #3: Mandated by Bankruptcy Code Â§527(b)
- d. NOTICE #4: Mandated by Bankruptcy Code Â§342(b)

NOTICE NO. 1

Notice Mandated By Section 342(b)(1) and 527(a)(1) of the Bankruptcy Code

PURPOSES, BENEFITS AND COSTS OF BANKRUPTCY

The United States Constitution provides a method whereby individuals, burdened by excessive debt can obtain a “fresh start” and pursue productive lives unimpaired by fast

financial problems. It is an important alternative for persons strapped with more debt and stress than they can handle.

The federal bankruptcy laws were enacted to provide good, honest, hard-working debtors with a fresh start and to establish a ranking and equity amount all the creditors clamoring for the debt's limited resources.

Bankruptcy helps people avoid the kind of permanent discouragement that can prevent them from ever reestablishing themselves as hard-working members of society.

To the extent that there may be money or property available for distribution to creditors, creditors are ranked to make sure that money or property is fairly distributed according to established rules as to which creditors get what.

This discussion is intended only as a brief overview of the types of bankruptcy filings of what a bankruptcy filing can and cannot do. No one should base their decision as to whether or not to file bankruptcy solely on this information. Bankruptcy law is complex, and there are many considerations that must be taken into account in making the determination whether or not to file. Anyone considering bankruptcy is encouraged to make no decision about bankruptcy without seeking the advice and assistance of an

experienced attorney who practices nothing but bankruptcy law.

Types of Bankruptcy

The Bankruptcy Code is divided into chapters. The chapters which almost always apply to consumer debtors are Chapter 7, known as a “straight bankruptcy”, and Chapter 13, which involves an affordable plan of repayment.

An important feature applicable to all types of bankruptcy filings is the automatic stay. The automatic stay means that the mere request for bankruptcy protection automatically stops and brings to a grinding halt most lawsuits, repossessions, foreclosures, evictions, garnishments, attachments, utility shut-offs, and debt collection harassment. It offers debtors a breathing spell by giving the debtor and the trustee assigned to the case time to review the situation and develop an appropriate plan. In most circumstances, creditors cannot take any further action against the debtor or the property without permission from the Bankruptcy Court.

Chapter 7

In a Chapter 7 case, the Bankruptcy Court appoints a trustee to examine the debtor’s assets to determine if there are any assets not protected by available “exemptions”. Exemptions

are laws that allow a debtor to keep, and not part with, certain types and amount of money and property. For example, exemption laws allows a debtor to protect a certain amount of equity in the debtor's residence, motor vehicle, household goods, life insurance, health aids, retirement plans, specified future earnings such as social security benefits, child support, and alimony, and certain other types of personal property. If there is any non-exempt property it is the Trustee's job to sell it and to distribute the proceeds among the unsecured creditors. Although a liquidation case can rarely help with secured debt (the secured credit still has the right to repossess the collateral if the debtor falls behind in the monthly payments), the debtor will be discharged from the legal obligation to pay unsecured debts such as credit card debts, medical bills and utility arrearages. However, certain types of unsecured debt are allowed special treatment and cannot by discharged. These include some student loans, alimony, child support, criminal fines, and some taxes.

In addition to attorney fees, there is a filing fee in the amount of \$335.00 that must be paid to the Bankruptcy Court.

Chapter 13

In a Chapter 13 case, the debtor puts forward a plan, following the rules set forth in the bankruptcy laws, to repay

certain creditors over a period of time, usually from future income. A Chapter 13 case may be advantageous in that the debtor is allowed to get caught up on mortgages or car loans without the threat of foreclosure or repossession, and is allowed to keep both exempt and nonexempt property. The debtor's plan is a document outlining to the Bankruptcy Court how the debtor proposes to dispose of the claims of the debtor's creditors. The debtor's property is protected from seizure of creditors, including mortgage and other lien holders, as long as the proposed payments are made and necessary insurance coverages remain in place. The plan generally requires monthly payments to the bankruptcy trustee over a period of three to five years. Arrangements can be made to have these payments made automatically through payroll deductions.

In addition to attorney fees, there is a filing fee of \$310.00 that must be paid to the Bankruptcy Court.

Chapter 11

By and large, Chapter 11 is a type of bankruptcy reserved for large corporate reorganizations. Chapter 11 shares many of the qualities of a Chapter 13, but tends to involve much more complexity on a much larger scale.

However, since Chapter 11 does not usually pertain to individuals whose debts are primarily consumer debts,

further information about Chapter 11 will be provided by reference to the following resource: The “Bankruptcy Basics” brochure prepared by the Administrative Office of the United States Courts, dated June 2000, and which can be accessed over the internet visiting the following website:
www.uscourts.gov/bankruptcycourts.html.

Chapter 12

Chapter 12 of the Bankruptcy Code was enacted by Congress in 1986, specifically to meet the needs of financially distressed family farmers. The primary purpose of this legislation was to give family farmers facing bankruptcy a chance to reorganize their debts and keep their farms.

However, as with Chapter 11, since Chapter 12 does not usually pertain to individuals whose debts are primarily consumer debts, further information about Chapter 12 will be provided by reference to the same “Bankruptcy Basics” brochure referred to above, which can be accessed over the internet at the same said website as mentioned for Chapter 11.

Most credit counselors offer services through local offices, the Internet, or on the telephone. Reputable credit counseling organizations can advise you on managing your money and debts, help you develop a budget, and offer free educational materials and workshops. Many such counselors

are certified and trained in the areas of consumer credit, money and debt management, and budgeting. Legitimate counselors will discuss your entire financial situation with you, and help you develop a personalized plan to solve your money problems. An initial counseling session typically lasts an hour, with an offer to follow-up sessions.

If your financial problems stem from too much debt or inability to repay your debts, a credit counseling agency may recommend that you enroll in what is known as a “debt management plan” or “DMP”. A DMP alone is not credit counseling, and DMPs are not for everyone. You should sign up for one of these plans only after a certified credit counselor has spent time thoroughly reviewing your financial situation, has offered you customized advice on managing your money, and has analyzed your budget to make sure that the proposed DMP is one you can afford. However, even if a DMP is not appropriate for you, a reputable credit counseling organization still can help you create a budget and teach you money management skills.

In a DMP, you deposit money each month with the credit counseling organization, which uses your deposits to pay your unsecured debts, like your credit card bills and medical bills, according to a payment schedule the counselor develops with your creditors. Your creditors may agree to lower your interest rates or waive certain fees, but it’s always best to check with all your creditors, just to make sure they

offer the concessions that a credit counseling organization is promising you. A successful DMP requires you to make regular, timely payments, and could take 48 months or more to complete. Ask the credit counselor to estimate how long it will take for you to complete the plan. You may have to agree not to apply for or use any additional credit while you're participating in the plan.

NOTICE NO. 2

Notice Mandated By Section 527(a)(2) of the Bankruptcy Code

NOTICE OF MANDATORY DISCLOSURE TO CONSUMERS WHO CONTEMPLATE FILING BANKRUPTCY

You are notified as follows:

1. All information that you are required to provide with the filing of your case and thereafter, while your case is pending, must be complete, accurate and truthful.
2. All your assets and all your liabilities must be completely and accurately disclosed in the documents filed to commence your case.
3. Some places in the bankruptcy code require you to determine and list the replacement value of an asset, as for

instance a car, or furniture. When replacement value is required, it means the replacement value, established after reasonable inquiry, as of the date of the filing of your bankruptcy case, without deductions for costs of sale or marketing. With respect to property acquired for personal, family or household purposes, replacement value means the price retail merchant would charge for “used” property of that kind considering the age and condition of the property.

4. Before your case can be filed, it is subject to what is called “Means Testing”. The Means Test was designed to determine whether or not you qualify to file a case under Chapter 7 of the Bankruptcy Code and if not, how much you need to pay your unsecured creditors in a Chapter 13 case. For purposes of means test, you must state, after reasonable inquiry, your total current monthly income, the amount of all expenses as specified and allowed pursuant to Section 707(b)(2) of the Bankruptcy Code, and if the plan is to file you a Chapter 13 case, you must state, again after reasonable inquiry, your disposable income, as the term is defined.

5. Information 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.

NOTICE NO. 3

Notice Mandated By Section 527(b) of the Bankruptcy Code

IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST. Ask to see the contract before you hire anymore.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate

how much service you need. Although bankruptcy can be complex, many cases are routine.

Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedule and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the Bankruptcy Court. You will have to pay a filing fee to the Bankruptcy Court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a Court official called a “trustee” and by creditors.

If you choose to file a Chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming your debts. It may not be in your best interest to reaffirm a debt.

If you choose to file a Chapter 13 case, in which you repay your creditors what you can afford over 3 to 5 years, you may also want help preparing your Chapter 13 plan and with confirmation hearing on your plan which, if help, will be before a bankruptcy Judge.

If you select another type of relief under the Bankruptcy Code other than Chapter 7 or Chapter 13, you will want to find out what should be done from someone familiar with that type of relief. However, please be advised that in most cases, you will only be concerned with Chapter 7 or Chapter 13.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in the Bankruptcy Court, but only attorney, not bankruptcy petition preparers, can give you legal advice.

NOTICE NO. 4

Notice Mandated By Section 342(b)(2) of the Bankruptcy Code

FRAUD & CONCEALMENT PROHIBITED

If you decide to file bankruptcy, it is important that you understand the following:

1. Some or all of the information you provide in connection with your bankruptcy will be filed with the Bankruptcy Court on forms or documents that you will be required to sign and declare true under penalty of perjury.
2. A person who knowingly and fraudulently conceals assets or makes false oath or statement under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both.
3. All information you provide in connection with your bankruptcy case is subject to examination by the Attorney General.