

Please Note: These Notices are required by legislation adopted by Congress in October 2005, after intense lobbying by the credit industry. In my opinion, these notices are designed to scare and intimidate good people who have had bad things happen to them, and need debt relief. Please rest assured—so long as you are honest and meet the requirements set out under the law, you are entitled to debt relief. I can guide you through all the requirements of filing bankruptcy, so long as you provide me accurate and complete information. I am required by new law to receive your signature on the following disclosures. Without your signature, I cannot by law, consult with you about obtaining relief from your debts by filing bankruptcy.

**PEGGY A. MATZEN, ATTORNEY & COUNSELLOR AT LAW
9830 LORI ROAD, CHESTERFIELD, VA 23832
OFFICE: (804) 777-9006 FAX: (804) 796-6775
EMAIL: ATTORNEYMATZEN1@GMAIL.COM**

***Consultation Agreement and Acknowledgement of Receipt of Disclosures and
Instructions***

This agreement is entered into on this _____ day of _____, 2007, by and between _____ and _____, (hereinafter referred to as the “Client” whether one or more), and Peggy A. Matzen, (hereinafter the “Attorney”).

Client has requested the opportunity to consult with and obtain information and advice from the Attorney about obtaining relief from debts, including relief from debts by filing bankruptcy under the United States Bankruptcy Code. This agreement is for purposes of that consultation only. If at the end of the initial consultation, the parties agree that the Attorney is to provide any additional services the Attorney is to provide to the Client, the obligations of the Client, and the Attorney’s fees for such services. If the Client retains the Attorney to file a bankruptcy, the parties shall execute a separate contract setting forth the fees and other terms of such representations. With respect to the consultation, the parties agree as follows:

1. Attorney shall provide the Client the following services
 - a. Analyze the client’s financial circumstances based on information provided by the Client
 - b. To the extent possible, based on the information provided by the Client, advise the Client of the Client’s bankruptcy options and non-bankruptcy options.
 - c. If the Client has not provided the Attorney with sufficient information upon which to fully advise the Client on the Client’s options, inform the Client what information the Client needs to provide to enable the Attorney to provide such advice and information.
 - d. Advise the Client of the requirements placed upon the Client to file a Chapter 7 or 13 bankruptcy.
 - e. To the extent possible, quote the client an estimated fee for the Attorney’s services to provide bankruptcy assistance or other legal services to the Client.

2. The Client acknowledges that the first date upon which the Attorney has first offered to provide any bankruptcy assistance service is this date, and that the Attorney provided the Client with the Notice to Client Who Contemplates Filing Bankruptcy, the Statement Mandated by Section 527(b) of the Bankruptcy Code, and the Instructions on Providing Information Required to file Bankruptcy, copies of which are attached to this Consultation Agreement.

Peggy A. Matzen, Attorney & Counsellor at Law

Date: _____ /s/ Peggy A. Matzen
By: Peggy A. Matzen

Date: _____
By: Client

Date: _____
By: Client

§527(a) Disclosure – Rules for Filing Bankruptcy¹

I have consulted with Peggy A. Matzen, Attorney & Counsellor at Law, about representing me in connection with a bankruptcy case that may be filed on my behalf. I understand the following:

(1) All information that I am required to provide with a petition and thereafter during a case under this title must be **complete, accurate and truthful**.

(2) All of my assets, whether I possess it or not, and all of my liabilities are required to be **completely and accurately disclosed** in the documents filed to commence the case, and I must disclose the replacement value of each asset as defined in § 506 of the Bankruptcy Code in the documents I file where requested after I have made a reasonable inquiry to establish such value. Bankruptcy is not a “pick and choose” proceeding. You do not leave some debts or assets in and leave some debts or assets out. Everything must be included.

(3) My current monthly income, my actual living expenses (the amounts specified in §707(b)(2)), and, in a case under Chapter 13 of this title, all of my disposable income (which will be determined in accordance with §707(b)(2)) must be fully and accurately stated after I have made reasonable inquiry. This Current Monthly Income is more than just that paid to you by your employer and will include any income received in the past 6 months commencing with the first full month before your bankruptcy filing. This could include government assistance, social security, unemployment, or side jobs or any other sources. The regular actual living expenses should be as close as possible and should be based on a reasonable inquiry.

(4) I understand that information I provide during my case may be audited pursuant to this title, and that failure to provide such information may result in dismissal of the case under this title or other sanction, including a criminal sanction.

(5) A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a case under title 11 of the US Code shall be subject to fine, imprisonment; or both.

(6) All information supplied by a debtor in connection with a case under this title is subject to examination by the Attorney General.

(7) The Bankruptcy Code requires you to perform certain tasks including filing certain documents with the Court. Your attorney will notify you of the need and time limits for performing these tasks. If you fail to meet these deadlines your case will automatically be dismissed and you may be barred from re-filing a case.

¹ *These rules are given as a warning and not as an attempt to scare you from filing bankruptcy. Bankruptcy is a right provided to you under Federal Law. These Rules are only given to prevent people from intentionally abusing this by cheating and being dishonest. This notice is required by law under the Bankruptcy Reform Act enacted by Congress under intense lobbying by the credit industry and should not intimidate you from filing bankruptcy. My Office has observed that my clients are honest and hardworking people who due to circumstances beyond their control cannot repay their debts. Nevertheless, it is the actions of a few in this country that have made all these disclosures become required under the law.*

By signing this, I assert that I have read and understand the above information provided to me.

Client: _____

Client: _____

Date: _____

Date: _____

BAPCPA REQUIRED NOTICE NO. 4 (§ 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 anyone.

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. An attorney can help guide you through this intricate process, making it easier and less stressful for you.

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, Schedules 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 will be questioned by a court official called a "trustee" and, much more rarely, 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 with preparing your chapter 13 plan and with the confirmation hearing on your plan which, if held, 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 and chapter 13.

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

Client Signature & Date

Client Signature & Date

TERMS AND DEFINITIONS ADDENDUM – pursuant to § 527(c)

1. **How to value assets at replacement value:** Section 506 of the Code states that replacement value is determined as of the date of the filing of the petition without deduction for costs of sale or marketing. Replacement value shall mean the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined. You may look to Good Will prices and Ebay prices to help with your determination.

2. **How to determine Current Monthly Income:** – Section 101(10A) defines current monthly income as the average monthly income from all sources that the debtor receives (or in a joint case the debtor and the debtor’s spouse) without regard to whether such income is taxable, derived during the 6-month period ending on-
 - i. the last day of the calendar month immediately preceding the date of the commencement of the case if the debtor files the schedule of current monthly income required by section 521(a)(1)(B)(ii); or
 - ii. the date on which current income is determined by the court for purposes of this title if the debtor does not file the schedule of current income required by section 521(a)(1)(B)(ii); and
 - a. includes any amount paid by any entity other than the debtor (or in a joint case the debtor and the debtor’s spouse), on a regular basis for the household expenses of the debtor or the debtor’s dependents (and in a joint case the debtor’s spouse if not otherwise a dependent), but excludes benefits received under the Social Security Act, payment to victims of war crimes or crimes against humanity on account of their status as victims of such crimes, and payments to victims of international terrorism (as defined in section 2331 of title 18) or domestic terrorism (as defined in section 2331 of title 18) on account of their status as victims of such terrorism.

3. **Amounts required to be stated pursuant to 707(b)(2) and, in a chapter 13 case, how to determine disposable income in accordance with section 707(b)(2) and related calculations:** In order to determine your disposable income, you will need to provide me with proof of your expenditures over the last six months. These will then be compared to amounts specified under the IRS National and Local Standards. for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent. Such expenses shall include reasonably necessary health insurance, disability insurance, and health savings account expenses as well as reasonably necessary expenses incurred to maintain the safety of the debtor and his or her family from family violence and reasonable and necessary expenses for care and support of an elderly, chronically ill, or disabled household member or member of the debtor’s immediate family (including parents, grandparents, siblings, children and grandchildren of the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case who is not a dependent) and who is unable to pay for such reasonable and necessary expenses.. Notwithstanding any other provision of this clause, the monthly expenses of

the debtor shall NOT include any payments for debts. In addition, if it is demonstrated that it is reasonable and necessary, the debtor's monthly expenses may also include an additional allowance for food and clothing of up to 5% of the food and clothing categories as specified by the National Standards issued by the Internal Revenue Service. In summary, the current monthly income figure is reduced by certain amounts and is then multiplied by 60. This amount is then studied to determine if any abuse motion could automatically arise. In a Chapter 13, the debtor can also deduct the actual administrative expenses of the plan for the district in which the debtor resides, up to an amount of 10 percent of the projected plan payments.

(IV) In addition, the debtor's monthly expenses may include the actual expenses for each dependent child under the age of 18 years up to \$1,500 per year per child to attend a private or public elementary or secondary school, if the debtor provides documentation of such expenses and a detailed explanation of why such expenses are reasonable and necessary, and why such expenses are not already accounted for in the National Standards, Local Standards, or Other Necessary Expenses referred to in subclause (I).

(V) In addition, the debtor's monthly expenses may include an allowance for housing and utilities, in excess of the allowance specified by the Local Standards for housing and utilities issued by the Internal Revenue Service, based on the actual expenses for home energy costs if the debtor provides documentation of such actual expenses and demonstrates that such actual expenses are reasonable and necessary.

(iii) The debtor's average monthly payments on account of secured debts shall be calculated as the sum of—

(I) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

(II) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's primary residence, motor vehicle, or other property necessary for the support of the debtor and the debtor's dependents, that serves as collateral for secured debts;

divided by 60.

(iv) The debtor's expenses for payment of all priority claims (including priority child support and alimony claims) shall be calculated as the total amount of debts entitled to priority; divided by 60.

Disposable Income – (A) means current monthly income received by the debtor (other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law to the extent reasonably necessary to be expended for such child) less amounts reasonably to be expended for

- (i) for the maintenance or support of the debtor or a dependent of the debtor or for a domestic support obligation that first becomes payable after the date the petition is filed; and
 - (ii) charitable contributions (that meet the definition of “charitable contribution” under §548(d)(3)¹) to a qualified religious or charitable entity or organization (as defined in section 548(d)(4)²) in an amount not to exceed 15 percent of gross income of the debtor for the year in which the contributions are made; and
- (B) if the debtor is engaged in business, for the payment of expenditures necessary for the continuation, preservation, and operation of such business.

(3) Amounts reasonably necessary to be expended under the above paragraph shall be determined in accordance with subparagraphs (A) and (B) of section 707(b)(2), if the debtor has current monthly income, when multiplied by 12, greater than—

(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner;

(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals; or

(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus \$525 per month for each individual in excess of 4.

3. **How to Complete the List of Creditors, including how to determine what amount is owed and what address for the creditor should be shown:** Section 342 states that notice to a creditor shall contain the name, address, and last 4 digits of the taxpayer identification number of the debtor. If the notice concerns an amendment that adds a creditor to the schedules of assets and liabilities, the debtor shall include the full taxpayer identification number in the notice sent to that creditor, but the debtor shall include only the last 4 digits of the taxpayer identification number in the copy of the notice filed with the court. If, within the 90 days before the commencement of the case, a creditor supplies the debtor in at least 2 communications sent to the debtor with the current account number of the debtor and the address at which such creditor requests to receive correspondence, then any notice required by this title to be sent by the debtor to such creditor shall be sent to such address and shall include such account number. If a creditor would be in violation of applicable nonbankruptcy law by sending any such communication within such 90-day period and if such creditor supplies the debtor in the last 2 communications with the current account number of the debtor and the address at which such creditor requests to receive correspondence, then any notice required by this title to be sent by the debtor to such creditor shall be sent to such address and shall include such account number. There is also a list that creditors may join with the bankruptcy courts that contains the address at which they desire their notices to be sent which may trump the

notices that the debtor has received. Notice that a debtor supplies a creditor other than as stated above, is ineffective notice.

4. **How to determine what property is exempt and how to value exempt property at replacement value as defined in section 506:** Section 522 of the Code discusses the complicated process on how to exempt property based on state or federal law. To determine which state's exemption laws apply, the attorney must look to where the debtor's domicile has been located for the 730 days immediately preceding the date of the filing of the petition or if the debtor's domicile has not been located at a single State for such 730-day period, the place in which the debtor's domicile was located for 180 days immediately preceding the 730-day period or for a longer portion of such 180-day period than in any other place. If the effect of this domiciliary requirement is to render the debtor ineligible for any exemption, the debtor may elect to exempt property that is specified under Section 522(d). I refer you back to paragraph 1 of this handout to read about how to determine replacement value for exemptions.

By signing here, I indicate that I have received a copy of the 527(c) terms and definitions.

Client

Client

Date

Date

CERTIFICATE OF RECEIPT

By signing my name below, I am certifying that I received the following documents from Peggy A. Matzen, Attorney & Counsellor at Law:

- (a) 11 *U.S.C.* §342(b) notice
- (b) 11 *U.S.C.* §527(a) disclosure
- (c) 11 *U.S.C.* §527(b) disclosure
- (d) 11 *U.S.C.* §527(c) terms, instructions, etc.
- (e) initial consultation letter no later than three days after my initial consultation
- (f) engagement letter no later than five days after my initial consultation

Client

Date

Client

Date

