

**Attachment to Rule 2016 Disclosure and incorporated therein by reference as if fully set forth therein. Original signature(s) on file in Law Offices of Alexander Gordon, IV, in Easton, Maryland. Each original page has been initialed by Debtor(s). Final original page is signed by Debtor(s). Designed for use in Electronic Filing as an Attachment to the Rule 2016 Fee Disclosure in chapter 7 and 13 cases filed in Maryland. Attorney signature is on Rule 2016 Disclosure and is incorporated herein.**

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**DEBTOR'S ACKNOWLEDGMENT**  
**(ELECTRONIC FILING VERSION- 2004)**

Pursuant to **BANKRUPTCY RULE 2016 (B) AND LOCAL BANKRUPTCY RULE 9010-5**, comes now the Debtor(s) (hereinafter jointly, severally, and individually referred to as "Undersigned") to acknowledge the following:

1. **POWER OF ATTORNEY**: The Undersigned have been advised as to the relative benefits, costs, and potential risks of chapters 7, 11, and, where appropriate, chapters 12 and 13 and gives Alexander Gordon, IV, his designated staff, employees, law clerks, secretaries, real estate brokers, investigators, title examiners, appraisers, auctioneers, mortgage brokers, and any co-counsel (hereinafter referred to jointly, individually and severally as "Attorney") the consent, assent, power, authorization and power of attorney and attorney-in-fact, to represent them in these proceedings and to create, complete and/or to file electronically or otherwise any necessary documents, motions, petitions, answers, consent lift stay orders, papers, pleadings, complaints, contested matters, exhibits, worksheets, adversary proceedings, schedules, or amendments deemed necessary and proper by Attorney or required by the Trustee. In the unlikely event of the death, incapacity or disability of Attorney, the Undersigned consents to this case being handled by Walter Gunby, Esquire or an attorney designated by Attorney's guardian, personal representative or Attorney's designee.

2. **INFORMED CONSENT**: The Undersigned have received a copy of the 60+ page bankruptcy information booklet and/or Compact Disc, as well as this Debtor's Acknowledgment contained therein at the prior to retaining Attorney or at the initial appointment have had ample opportunity to read both the booklet and this Acknowledgment therein contained, and to question Attorney about the booklet and this Debtor's Acknowledgment.

3. **VALUATION AND DISCLOSURE OF REAL AND PERSONAL PROPERTY OF THE BANKRUPTCY ESTATE**: The Undersigned recognize that it is their responsibility to determine a fair valuation of all of their assets and real estate holdings and have made this decision as to valuation after consultation with many people and with due regard to the current conditions of the property, as well as the market. The Undersigned acknowledge that it is solely their responsibility to ascertain, compile, document, and verify the accuracy of the creditors mailing matrix at each stage of its preparation and agree that as of the date hereof it is complete and accurate in every way. Household goods should be valued at "yard sale" values, which is generally accepted to be 10-15% of replacement cost for comparable goods. The Undersigned acknowledge that where real estate is owned, the trustee may have an opportunity to appraise and/or sell the real estate. The Equity Worksheet filed for real estate is an estimate only of the value of the real estate to the bankruptcy estate. The trustee may receive a higher valuation, or find some way to sell directly, or may receive unsolicited offers (particularly from ex-spouses, irate creditors, curious neighbors, irate lenders, etc.), so as to avoid brokerage commissions and the Trustee may unilaterally offer to reduce his or her commissions to

create equity in otherwise exempt assets. The Undersigned understands that tax refunds may constitute property of the bankruptcy estate and must be disclosed to Attorney and to the Trustee immediately upon receipt and all papers relating thereto must be provided to the Trustee. **Failure to schedule a potential claim or lawsuit, even if it may be a fully exempt personal injury claim may result in the subsequent dismissal of the action on grounds of judicial or collateral estoppel and a revocation of discharge for failure to disclose an asset.** To the extent personal injury claims include claims for lost wages, some of the claim may not be exempt. To the extent that a claim relates to medical bills, those medical bills may have to be paid from the settlement or judgment award. Failure to schedule real estate may render the title defective (even years later) preventing future sale, transfer or refinancing of the property and require re-opening the case for a legal fee of \$800.00 plus filing fees and noticing fees of \$2.00 per creditor. The court may deny the motion to reopen the case. The Undersigned recognize that commercial lenders have a right of offset: on the date of filing monies on deposit at a bank may be put on administrative hold and frozen to offset the debt. The Undersigned has been advised to move funds from any institution to which funds are owed to a neutral institution or risk losing the funds entirely. *The trustee may occasionally dispute your valuation of asset(s).* In other words, he may believe that he can sell the asset, pay the expenses, liens, and exemptions and still then have a meaningful return to the unsecured creditors. This is a most serious matter requiring immediate attention and consideration of options. If keeping this asset is important to you, which it usually is, there may then be six options:

1. Do nothing. Challenge the Trustee's valuation (*i.e.*, call his/her bluff) and see if he/she is able to sell the Asset for enough to make a meaningful return to unsecured creditors. *This has obvious risks.*
2. Offer the trustee a lump sum of, say one half the amount of his/her projected return, which will be subject to his counter-offer and court approval. Payment must come from exempt (*e.g.*, IRA) or non-estate assets (*e.g.*, post petition gift, earnings, or loans).
3. Offer the trustee a two year payment plan of, say, 60% of his projected return, subject to his counter offer and court approval. Payment must come from exempt (*e.g.* IRA) or non-estate assets (*e.g.*, post petition gift, earnings, or loans).
4. Convert to a chapter 13 payment plan (if you are not already in chapter 13): a new trustee is appointed, 36-60 months, payments designed to pay excess equity or the greater of 25% return to unsecured creditors, additional legal fees of \$1,100.00, 100% payment to priority taxes, and chapter 13 administrative fees of about \$600, all paid over time through the plan. In most cases, the plan is \$150.00 to \$300.00 per month for 36 to 60 months. If you are interested, we will work the actual numbers for you.
5. Promptly arrange for another appraisal of the Asset or a more detailed and interior appraisal.
6. Have a family member or trusted friend either purchase the asset on your behalf (or attend an auction sale and do so) or lend you the funds necessary to buy-out the Trustee.

*Where valuation is disputed by the Trustee, a creditor, or secured creditor, the Undersigned is encouraged to schedule one no-charge office consultation to discuss options in this very serious situation.*

#### 4. MARITAL ISSUES:

**(A) Single Filing and Joint Unsecured Debts:** The Undersigned understands the protection afforded for a husband and wife for tenants by entirety property where only one spouse files and where all debts are in the name of that one spouse. The Undersigned understands that where property is merely jointly owned (*e.g.*, tenants in common or joint tenants) , individual creditors are entitled to payment out of the equity in said

property and, in that case, the Trustee may sell the home or demand payment or reaffirmation of said joint debts. Where only one spouse files and marital property is claimed as exempt, the Trustee may require copies of all bills or copies of credit reports for the Undersigned and the non-filing spouse to establish that there are, in fact, no joint unsecured debts.

**(B) Non-Filing Family Members Need Their Own Attorney:** The Undersigned acknowledges that the Undersigned's attorney has tried in good faith to structure Undersigned's petition and case to accomplish Undersigned's expressed financial objectives without regard to secondary effects upon third parties, who must seek independent counsel.

**(C) Pre-Marital Property does not Automatically become TBE after Marriage:** The Undersigned acknowledges that where property is purchased by a man and woman before marriage it will not automatically later become TBE property simply by operation of law, but the parties must sign a new post marriage deed making the property TBE.

**(D) Marital Settlement - 180 days:** The Undersigned acknowledges that any property acquired as a result of a marital settlement within 180 days of filing, must be disclosed to the Trustee and may be subject to administration by the Trustee for the creditors.

**(E) Marital Exemption:** The Undersigned understands that where the tenants by entireties exemptions is used with respect to property owned with a non-filing spouse, the trustee will require credit reports from both spouses to verify that there are no joint debts, and if a divorce or marital settlement is entered within six months, the marital exemption may be lost by operation of law, subject to judicial interpretation.

**(F) Domestic Disharmony:** In the event of a joint filing (husband and wife) which occurs during a marital separation and/or divorce, both debtors acknowledge that the filing of this case is mutually beneficial and with benefit of independent counsel acknowledge that there is no conflict of interest between them in this case and understand that neither party is required to file bankruptcy, that both can file jointly, individually, or only one can file, nor are they required under federal law to file under the same chapter. Where property is going to foreclosure, family members and trusted friends may be consulted by the Undersigned to arrange for a friendly repurchase at auction and continued rental/possession/ and/or subsequent re-acquisition.

**(G) Joint Unsecured Debts and Non-TBE Property:** Property owned jointly (Joint Tenants or Tenants In Common) with a non-spouse may be sold in bankruptcy by the Trustee to pay one half the equity to the debtor's unsecured creditors.

**(H) Joint Petition:** A Joint Petition may only be filed if you are, in fact, legally married on the date of filing. By filing a joint petition, the Undersigned covenant and warrant that they are legally married.

**(I) Internal Revenue Service:** The Internal Revenue Service views equity in TBE property as 50/50, with the 50% owned by the filing spouse to be subject to administration.

5. **HONESTY AND FULL DISCLOSURE:** The Undersigned will carefully review the schedules, exhibits and statements filed in these proceedings and immediately notify counsel in writing of any errors in them or in any amendments thereto. The Undersigned acknowledges that a debt not scheduled may

not be discharged. The schedules are intended to disclose all assets and all debts. **The Undersigned acknowledge and affirm under penalties of perjury that they have listed all property, scheduled all assets and liabilities, and have been completely honest throughout the preparation of these papers and that all exhibits are true and correct** The Undersigned will execute the petitions under penalties of perjury and dishonesty, may be investigated by law enforcement, *e.g.*, the Federal Bureau of Investigation, falsehoods may be prosecuted by the U.S. Attorney, and is punishable by denial of discharge, prison sentences, and substantial fines.

6. **CHAPTER 13 MATTERS:** In chapter 13 the plan must be filed in good faith, for three (3) to five (5) years and subject the Undersigned and his spouses's net disposable income to the court and a wage assignment order directed at the Debtor's employer. A non-filing spouse must disclose his/her income and expenses within the filing spouses statement of income and expenses even though they are not filing. The plan is subject to objection by creditors and confirmation by the court. In chapter 13 criminal restitution debts, student loans (absent an optional-extra undue hardship adversary proceeding), and priority income taxes are not discharged. In chapter 13, the plan must:

- (1) be submitted in good faith, and
- (2) be feasible (*e.g.*, your budget shows enough disposable income to fund the plan), and
- (3) all tax returns must be filed before confirmation with full payment through consummation, and
- (4) all post-petition installment payments must be current, and
- (5) provide for monthly payments for 3 to 5 years, and
- (6) cure mortgage arrearages, legals fees, costs, ad fees, bond costs 100%, and
- (7) pay priority taxes 100%, and
- (8) all payments to the Trustee must be current in order for the plan to be confirmed.

**Self employed:** In chapter 13 if you are self employed or work for a corporation, L.L.C., Partnership, where the Undersigned has a controlling interest, you will be required to provide the Trustee with monthly operating reports.

**Employee:** In Chapter 13 if you are an employee, the Chapter 13 Trustee will require and the Court will Order direct wage withholdings from your employer.

Qualifications for chapter 13:

1. **Your secured debts must be less than \$922,975 (subject to periodic cost-of-living adjustments by Congress).**
2. **Your unsecured debts must be less than \$307,675 (subject to periodic cost-of-living adjustments by Congress).**
3. **You must have sufficient disposable income to fund a Chapter 13 plan.**
4. **Your creditors must do as well in chapter 13 as they would in chapter 7.**

7. **DISCHARGE OF DEBTS:**

(A) The Undersigned acknowledge that only debts acquired before the bankruptcy petition is filed may be discharged in bankruptcy. The Undersigned acknowledge that debts relating to alimony, child support, all student loans (absent undue hardship), income taxes less than 3 years old, trust fund debts (*e.g.*, F.I.C.A., sales and use taxes), criminal restitution orders, debts relating to a drunk driving case and debts relating to fraud, malicious destruction of property, false financial statements, or criminal conduct are, *inter alia, ceteris paribus*, not dischargeable in chapter 7.

(B) The Undersigned acknowledge that where credit has been extended, renewed, increased, or modified and where there was no realistic intent nor ability to repay, or based on materially false financial statements, financial statements which omitted debts, or exaggerated values, an objection to dischargeability may result.

(C) The Undersigned acknowledge that 11 U.S.C. §523 (a)(2)(c) makes luxury purchases or cash advances in excess of \$1,075.00 within 60 days of filing non-dischargeable. Luxury goods or services do not include goods or services reasonably required for the support or maintenance of the Undersigned for a dependent. Representation in these proceedings is an optional-extra.

8. **REAFFIRMATIONS:** The Undersigned acknowledge that in the event that they decide to reaffirm a debt, such reaffirmation shall continue personal liability on the Undersigned's part to maintain payments and failure to maintain payments could result in the creditor filing a lawsuit, conducting a sheriff sale of real estate, attaching wages, bank accounts, or other property. Absent good cause shown by clear and convincing evidence, an ability to repay, and no undue hardship on a dependent, a reaffirmation is not generally approved by Attorney, whose signature is required on the reaffirmation.

9. **NOT INCLUDED: ADVERSARY, CONTESTED PROCEEDINGS, AND RULE 2004 DEPOSITIONS:** The Undersigned recognizes that in the event that creditors file a Motion for 2004 Oral Examination of Debtor, an adversary or contested proceeding objecting to the dischargeability of a specific debt or a discharge in general containing, among other things, allegations are made of criminal activity, fraud, intentional torts, malicious destruction of property, DWI, student loans, alimony, child support, spouse's divorce legal fees, false financial statements, and the like, legal representations by Attorney in those proceedings are not included (**optional-extra**) in the initial retainer for filing this petition. In the event that the Undersigned desires representation in such ancillary, contested or adversary proceedings, they agree to request, in writing, a retainer letter and no representation is included until such retainer letter has been signed by both the debtor(s) and Attorney and an acceptable retainer has been received by Attorney.

10. **TRUSTEE EFFORTS TO SELL ESTATE ASSETS:**

**Trustee sales: The Undersigned acknowledge that where the trustee desires to sell property, the trustee may do so at public sale, at public auction, sealed bid, private sale or through such other means as the trustee may devise and the court will ordinarily approve such sale at the trustee's price over the debtor's objection.** Where the trustee sells assets, the trustee will receive a commission of approximately 5% of the sales price, as well as incur broker commissions of another 6 or 7%, as well as accounting and legal fees, all of which are paid out of the sale of the property. If a direct offer is received (*e.g.*, from a neighbor, irrate ex-spouse, business competitor, etc.), the Trustee may avoid brokerage commissions and find it easier to sell your home or derive a settlement from the Undersigned. Where the Trustee sells your personal residence there is a capital gains tax only if the sales price exceeds cost basis by \$250,000 (single) or \$500,000 (married). Where

the Trustee sells rental or commercial property, there is no exclusion and the Trustee is personally liable for the payment of capital gains taxes for the difference between the net sales price and the depreciated basis as shown on your tax returns.

**Trustee abandonment of assets:** *The mere entry of a discharge order does not allow the Undersigned to sell, mortgage, transfer, release or assign assets.* The Undersigned acknowledges that until the case is closed, the Undersigned may not sell, mortgage, transfer, release or assign assets that are subject to the Trustee's possible future administration unless an unopposed 20 day notice of abandonment is agreed to by the Trustee, executed by the Trustee, and sent to all interested parties. Where the notice of abandonment is prepared by Attorney, the charge will be \$300.00 to prepare the notice and \$2.50 per creditor notified. An application, notice and order to approve a refinancing while the case is open will cost \$500.00 plus \$2.50 per creditor, hourly if opposed.

11. **COOPERATION, ATTENDANCE AND FEES AND COSTS FOR FAILURE TO DO SO:** The Undersigned agrees to cooperate fully with Attorney and the trustee in bankruptcy, U.S. Trustee, the court, and with all creditors, to attend the meeting of creditors, to attend any scheduled court hearings, and to provide originals of all documents and other records as may be necessary, and to timely perform the statement of intentions for consumer loans. **Where the Undersigned fails (for any reason) to appear at the first meeting of creditors, a fee will be charged of \$250.00 to reschedule the meeting of creditors, file and serve a consent motion and order extending the deadline to object to discharge and, where required, re-notice the meeting..** If a Motion to Dismiss is filed by the U.S. Trustee or the Panel Trustee for failure to appear at any meeting of creditors, a fee of \$300.00 will be charged for filing an Answer and/or appearing at the Hearing for the Motion to Dismiss. In the event that the first meeting of creditors is scheduled at an inconvenient date for the Undersigned, efforts to reschedule the First Meeting of Creditors, which most likely will not be successful, and may include notices to creditors of 50 or less shall cost \$250.00. For over 50 creditors, each additional creditor shall cost \$1.25.

12. **JURISDICTION, IDENTIFICATION AND VENUE:**

(A) **Qualification to file:** The Undersigned state that they have not filed for protection under chapter 7 for more than six years whether in this district or any where else in the United States, that they are not subject to any 180 filing bar (11 U.S.C. § 109 (g)) and that they have lived in Maryland for at least the last 91 days. The Undersigned will be required to provide a photo id at the first meeting of creditors AND a social security card or proof of social security number. The photo id should show a Maryland address and be issued in Maryland. If you do not have BOTH the photo ID and social security card or W-2 at the first meeting of creditors, it will be rescheduled at a cost of \$150.00 (optional-extra) and you will have to come back in two months.

(B) **Change of address:** If the Undersigned moves away from Maryland after filing, the Undersigned will keep counsel and the court aware of your new address and telephone number and you must return for your court dates and meeting of creditors. The Undersigned acknowledge that once the bankruptcy petition is filed, it is extremely unlikely that the court will permit the voluntary dismissal of these proceedings.

(C) **Foreign Jurisdictions:** Attorneys representation is limited to the United States Bankruptcy Courts in Maryland. In the event that litigation is filed against the Undersigned in another state, on request, filing a Suggestion of Bankruptcy will be Attorneys sole responsibility. If the foreign state disregards the Section 362

Bankruptcy Stay the Undersigned shall retain counsel admitted to practice in that jurisdiction at the sole expense of the Undersigned or shall represent themselves *pro se*. Representation is not included where a Maryland Court or Agency disregards the section 362 Stay.

**(D) Appeals:** An Appeal to the U.S. District Court, or any other court, agency, or arbitration, is not included in the representation and will only be an optional/extra, if Counsel is willing to handle the Appeal.

13. **CONCLUSION OF REPRESENTATION AND FILE DESTRUCTION:**

**(A) Chapter 7: Local Bankruptcy Rule 9010-5(b) provides that representation in chapter 7 is concluded upon entry of the discharge except with respect to otherwise included matters then pending.**

**(B) Chapter 13: Local Bankruptcy Rule 9010-5 (d) provides that representation in chapter 13 is concluded upon the earlier of: 90 days following confirmation of the Plan or 10 days after dismissal. Thereafter, representation must be by retainer agreement and payment of a retainer. Modifications of a confirmed plan is an optional-extra.**

(C) Once the case is CLOSED, the archive retrieval fees will be an additional service charge of \$50.00 if the files still exist. Files may be destroyed after 6 years and the Undersigned should arrange pick-up of any original documents in Attorney's files that may be needed. Copies of court papers in your case may be purchased directly from the court and its copy service.

14. **FAMILY AND DOMESTIC MATTERS:**

**(A) Inheritance - 180 days:** The Undersigned has been advised that in the event that someone dies within 180 days of this petition being filed, said inheritance may become part of this bankruptcy estate to help pay the debts.

**(B) Intra-Family loans, gifts, transfers, repayments and remainder interests:** The Undersigned understand that gifts and even otherwise "legitimate" repayments to family members and friends of bona fide unsecured loans in excess of \$200.00 within four years of bankruptcy: (a) may be prohibited, (b) may constitute a preference or fraudulent transfer and (c) may be subject to recapture by the Trustee from the family member or friend. The Undersigned acknowledges that if a family member, for estate planning reasons or otherwise, puts property in the name of the Undersigned, whether immediately or as a residuary remainderman, that property interest is subject to the jurisdiction and sale of the trustee. Intentional failure to disclose a remainder interest is a bankruptcy crime. If you are not sure whether a family member has conveyed property into your name, the Undersigned shall consult a title attorney, title abstractor, family attorney, guardian, personal representative, trustee, trust officer, or family member directly. The Undersigned acknowledges that with respect to prior transactions, the creditors may absolutely set aside transactions in the last three years which were illegal under federal or state laws. **Transactions with family members over the past four years will be carefully scrutinized by the court and are also subject to being set aside under state law.**

**(C) Representation of family members not included:** The Undersigned acknowledge that they have been instructed to list any ex-spouse, their attorneys, and co-obligors on loans, partners on loans and mortgages,

loans to children that have been guaranteed or co-signed by the Undersigned, and to advise non-filing family and friends, who have co-signed for loans, of their potential exposure and need for independent legal representation and counsel. Attorney has been retained exclusively by the Undersigned and no representation is included for other parties or family members.

15. **MEETING OF CREDITORS, PLAN CONFIRMATION, LIFT STAY HEARINGS, COURT HEARINGS, REPRESENTATION BY ADDITIONAL COUNSEL:** The Undersigned understand that it is essential to appear at the First Meeting of Creditors and to bring a driver's license (or photo ID) and proof of the social security number. Reschedulings are rarely granted. If you arrive at the first meeting of creditors without photo ID and social security card, you will be required to return. Either Attorney, or Attorney Walter Gunby, or Attorney Chris Fascetta , Rodgers & Dickerson, Christman & Fascetta, (or their various Associates, Partners, Designees or Colleagues) will be designated and present to assist at the first meeting of creditors, confirmation hearing, lift stay hearing, or other matters in Baltimore, Greenbelt or Salisbury. In the unlikely event that a designated attorney does not appear, for whatever reason, and there is no substitute available, the first meeting of creditors may be conducted without counsel, at the total discretion of the Undersigned (to avoid a return trip), and the Undersigned will, in that case, receive as liquidated damages a credit of \$150.00. In the event the Undersigned desires to contest a lift stay hearing or other matter it must be prepared and filed by Attorney as **the Court will not accept letters, papers, answers, pleadings or motions for an individual who has counsel of record.** In the event that the Undersigned desires to be represented by an attorney other than Attorney, the Court will require a Joint Line Substituting the Appearance of the new Attorney be filed and signed by both Attorneys. Papers and pleadings from the new Attorney will not be accepted by the Clerk's Office from the Undersigned or a new Attorney until this Line is filed.

16. **CONVERSION:** The Undersigned has been advised that they have a one time absolute option to convert to another chapter, subject to reconversion back for cause by creditors, the court or the trustee. Where the conversion is from chapter 7 to chapter 13, the client will be credited with \$700.00 of the chapter 7 retainer (but not to exceed, of course, the original legal fee paid) if conversion is before the first meeting of creditors and \$400.00 (but not to exceed, of course, the original legal fee paid) if the conversion is after the first meeting of creditors. The conversion fee for conversion from chapter 13 to chapter 7 is: (a) without charge (\$0.00) if the first meeting of creditors has not been held in chapter 13 and no plan filed, and (b) four hundred dollars (\$400.00) if the first meeting has been held and/or a chapter 13 plan filed, and (c) eight hundred dollars (\$800.00) if the first meeting has been held, the plan filed, and a plan confirmed or a confirmation hearing held, if any. The court will impose a conversion fee, as well, of \$15.00.

17. **APPRAISALS, TAX ISSUES, CREDIT AGENCIES NOT INCLUDED IN REPRESENTATION:**

**Taxes:** The Undersigned recognize that if they have questions relating to tax matters, offers in compromise, short tax years, net operating losses (NOL) carrybacks and carryforwards, tax-free exchanges, like-kind exchanges, tax basis for depreciation, dischargeability of taxes, interest, assessments, penalties, and fines, and the like, they must consult with their own tax attorney or Certified Public Accountant. The Undersigned acknowledge that Attorney has not been retained with respect to the preparation, filing, or interpretation of federal or state tax issues, forms, nor any other tax matters whatsoever. For example, in the event that the

bankruptcy is an “asset” bankruptcy, the Undersigned will consult with a CPA or tax professional to determine whether, when and how a “short tax year” election should be made to allow taxes accrued to date-of-filing to participate in the distribution. The Undersigned in conjunction with advice from their tax advisor, will select a filing date that is most beneficial and which takes into account extensions to file, late filing, bad faith filings, and pending or current offers in compromise which all may toll the statute of limitations for discharge of a tax obligation.

**Foreign jurisdiction and non-bankruptcy court representation:** See Section 12 (C) above.

**Subdivision:** Questions relating to the potential subdivision of real estate must be referred to a licensed engineering and surveying company. Questions relating to the marketing of any assets must be referred to an appropriate real estate broker or knowledgeable expert.

**Appraisal:** Questions relating to the appraisals or market analysis of properties must be referred to an auctioneer or other professional. In all cases where real estate is owned, provide a market analysis unless the purchase was a third party purchase (not refinance) in the last 9 months.

**Pre-Bankruptcy Sales, Going-Out-of-Business Sales, Bulk Transfers, UCC Transfers, and Private Transfers:** Where assets are sold shortly before bankruptcy, the Undersigned will provide the Trustee with a list of items sold, fair market value, sales price, name and address of purchaser, and disposition of sales proceeds.

**Credit Reports:** The Undersigned acknowledge that bankruptcy is a matter of public record, that while it is rather *doubtful that it will appear in the newspaper*, it may, and that *it may show on all credit reports for ten (10) years*. The Undersigned acknowledge that Attorney has not been retained with respect to dealing with credit reporting agencies, correcting errors in credit reports. Where one spouse is filing and it is the intent to take advantage of the tenants by entireties exemptions, the Undersigned will provide copies of credit reports and/or monthly account statements, as requested by the Trustee, to verify that there are no joint unsecured debts.

18. **LIFT STAY MOTIONS:**

(A) The Undersigned acknowledge that in Chapter 7 all installment loans must be current both pre-petition and post-petition and in Chapter 13 all installment loans must remain current post-petition or the secured creditor may file a lift stay motion so as to reclaim or foreclose the security (*e.g.*, home, car, furniture, or appliances). **Failure to receive a bill from a secured creditor does not in any way reduce the obligation to make monthly payments. If you are used to receiving a bill on secured installment loans, continue making post-petition payments whether you receive a bill or not if you intend on keeping the collateral (e.g., car, home, jewelry, furniture, major appliances, electronics). The Debtor's inability to: (a) make payments post petition in Chapter 13, or (b) to immediately come current and stay current in Chapter 7 or (3) to receive a bill is no defense to such a lift stay motion. In chapter 13 all installment loans must remain current post petition AND the Chapter 13 Trustee must receive the monthly payments due under the Plan. BOTH PAYMENTS IN CHAPTER 13 ARE ESSENTIAL. The cost of defending or responding to a lift stay motion is NOT included in the basic filing fee.** In the event the Undersigned falls behind in payments on secured loans post petition, the charge for attempting to negotiate a modification to the existing

loan repayment terms is three hundred fifty dollars (\$350.00). Where a secured installment loan falls into arrears post-petition (after you file), the Undersigned consents to an unconditional lift stay by consent and/or without opposition where the collateral is intended to be surrendered.

**(B) Consent, power, and authority for Attorney to enter into consent lift stay stipulations: Where the Undersigned desires to keep secured property and falls into arrears post-petition (e.g., monetary default, insurance lapse default, real estate tax payments default), the Undersigned consents to an attempt to reach a stipulated lift stay consent order that modifies the existing loan covenants and allows not less than three months to cure the arrearages, defaults, late fees, legal fees and costs where thereafter an affidavit of default will be filed by the lender (with no further hearings available unless the affidavit is false) if the Undersigned violates the agreement, an execution and sale of the collateral will result without further hearings.**

19. **BALLOON MORTGAGES:** The Undersigned acknowledge that while most mortgages are 30 year mortgages, some are not and, while amortized based on, say, 25 or 30 years, balloon in, say, just three years. Bankruptcy will not re-write the obligation to repay and it is unlikely the lender will consent to an extension. It will also be difficult to find a new lender to refinance the ballooned loan and constitutes a serious problem in bankruptcy. If you are uncertain as to whether you have a balloon mortgage, immediately consult with your settlement attorney or lender.

20. **POST PETITION PAYMENT OF INSTALLMENT LOANS:** The Undersigned acknowledges the critical importance of making timely and complete post petition payments on car loans, mortgages, installment loans and similar secured transactions. In the event that a lift stay motion is filed by a secured creditor, an answer must be filed if there is just cause but the Court will reject any pleading filed by an individual represented by an attorney of record. **The Undersigned will mail all post petition mortgage and car payments with proof of delivery and keep a copy of the check or money order while the case is pending as lenders often lose or misplace post-petition payments. Failure to keep copies of payments may result in the foreclosure of the property and substantial additional fees.**

21. **EXEMPTIONS, OBJECTIONS TO DISCHARGE, AND FINAL CLOSING ORDER:** The Undersigned understand that objections to exemptions may be filed within 30 days of the first meeting of creditors, subject to court-ordered enlargement, and objections to discharge may be filed within 60 days of the first meeting of creditors, subject to court ordered enlargement and additional time when the creditor was not timely notified of the bankruptcy. There are two orders in the closing of this case, the discharge order and the final distribution order. Where the trustee is considering administering assets, the discharge order may be entered long before the entry of the final distribution order, the case is open and the Debtor(s) acknowledge that they cannot contract to sell, sell, mortgage or give away assets (e.g., real estate) of the estate even though the Discharge Order has been entered.

22. **JUDGMENTS, TAX LIENS AND LIEN STRIPPING:**  
**(A) Judicial Liens:** The Undersigned acknowledge that a judgment recorded in the Circuit Court in any County where they own real estate (and District Court in Baltimore City) constitutes a lien, much like a mortgage, on all real estate in that County (or Baltimore City). That judgment debt will be wiped out by the

discharge but the judgment lien will survive the bankruptcy and ride through it as a lien on the land. Subsequent efforts to sell or refinance the property will be blocked by the judgment and the judgment creditor may schedule a Sheriff's sale of the lot. Where a judgment lien impairs exemptions, an action may be filed in the Bankruptcy to void the lien. Each such action, if not opposed, will cost \$500.00 in legal fees plus any court costs in effect. If opposed, it will be billed hourly at the rates then in effect. Under the local Bankruptcy Court Rules, each judgment MUST be INDIVIDUALLY voided at the \$500.00 per judgment rate if uncontested, hourly at \$225.00 per hour if contested. Where the Undersigned has real estate that is to be kept, the Undersigned is solely responsible for checking with the local courthouse for a judgment and lien search.

**(B) Federal Tax Liens:** IRS liens recorded in the land records in any county in which you own real estate are not voidable, even if the personal liability for the tax is discharged as a result of the age of the tax debt.

**(C) Title Examination:** A local attorney, title company, or court personnel may be consulted for the title search. Client is SOLELY responsible to determine if judgments have been recorded against their real estate. Where property is owned by a husband and wife, a 2002 Supreme Court (*U.S. v. Craft*) decision with respect to federal tax liens has held that it attaches to marital property even where the federal tax debt is only from one spouse. **Where a state District Court judgment has been entered, the Undersigned are solely responsible for checking with the Circuit Court to see if the judgment has been recorded there. In Baltimore City, a District Judgment does not need to be recorded in the Circuit Court and becomes a lien in Baltimore City of all property located there. If a lien has attached to real estate, a judicial lien avoidance action is mandatory before the case is closed (chapter 7) or before the first meeting of creditors (chapter 13) to remove the judgment lien. If the lien is not avoided it will ride through the bankruptcy and it may be necessary to attempt to reopen the case (optional/extra) later to file a judicial lien avoidance action (optional/extra).**

**(D) Redemption:** Where there is a lien (whether first, second or otherwise, e.g., cross-collateralized with another debt so that the car is collateral for two or more accounts) on an automobile's title, the lien and obligation to repay will survive bankruptcy unless the lien impairs exemptions and a legal fee of \$350.00 is paid to file an uncontested redemption action. A *contested* redemption action shall be billed @ \$225.00 per hour. Where service is on the Department of Assessments and Taxation, a nominal additional fee will be required by them from the Undersigned. How redemption works: your car is worth \$5,000.00 and it is collateral for two loans totaling \$6,000.00 on the first loan and \$11,000.00 on the second loan. Rather than pay \$17,000.00 to keep a car worth only \$5,000.00, you have the right to redeem the car for \$5,000 cash money. If you want to pay over time, your lender does NOT have to agree to it, but may if you offer to reaffirm the \$5,000.00 debt. If your lender does not respond to the \$5,000.00 offer, which most do not, an adversarial redemption action (optional-extra) must be filed. Once the redemption order is signed, you MUST immediately be prepared to tender the \$5,000.00. If \$5,000.00 is not at hand, rather than pay \$17,000.00 for a \$5,000.00 car, you might consider giving the vehicle back to the lenders and your personal liability for the vehicle is extinguished.

**(E) Mortgages & Deeds of Trust:** In chapter 7 even fully unsecured mortgages and deeds of trust may not be stripped off. In chapter 13 **fully unsecured mortgages and deeds of trust** may be stripped off at a fee of \$500.00 if uncontested, hourly if contested. In either chapter 7 or 13 judgments that impair exemptions may be stripped off to the extent exemptions are impaired at a fee of \$500.00 each.

**(F) Household Goods:** Non-purchase-money-security interests ("Non-PMSP") in household goods (e.g.,



Archive Retrieval:	\$50.00 + 0.25/copy
Client requested PACER docket review	at cost
Student loan dischargeability complaint	\$1,500.00 plus costs
Negotiate cure of post petition default	\$250.00 plus costs
Uncontested:	
Household goods lien avoidance	\$250.00 plus costs
Redemption	\$350.00 plus costs (See item 22)
Lien Stripping	\$500.00 plus costs (See Item 22)
Reopen Case	\$800 + filing fee
Abandonment	See Item 10 above
Refinancing	See Item 10 above
Balloon Mortgage Refinancing	\$600 fixed engagement fee

**Garnishments within 90 days of filing:** An additional contingent fee will be charged of one-third (1/3) of any monies recovered from a creditor relative to monies garnished in excess of \$600.00 during the ninety (90) day period prior to filing pursuant to 11 U.S.C. §547 (c) (8). (Where the garnished funds are less than \$600.00, no recovery is permitted).

**Omitted Creditors and Amendments:** The Undersigned acknowledge that if they forget to list a creditor in their original petition or list the creditor with an incorrect address, they may amend the petition to add that creditor or correct the address as long as the case is open. The cost of the first amendment to the Schedules, other than Schedule C (exemptions), will be a filing fee to the clerk for new creditors of \$26.00 and there is no legal fee. Each subsequent amendment will incur a legal fee of \$125.00 plus any fee to the Clerk. Amendments, including the first, to schedule C (exemptions), will incur a legal fee of \$125.00 plus \$1.00 handling per creditor to be notified. **The Undersigned will be provided with ONE FREE COPY of the petition and court papers. This copy should be kept in a safe place for at least ten years to avoid additional fees.** Additional copies while the case is open will cost \$0.25 per page. The archive retrieval fee after the case is closed is \$50.00 plus .25/page. The above fees are for uncontested matters. Hourly rates apply to contested matters.

**Court fees:** Where court fees are referred to herein, they are subject to change at any time and are solely the responsibility of the Undersigned. Court fees were raised in December 2003 and go up frequently. These potential fees are disclosed pursuant to 11 U.S.C. § 329.

## 26. MISCELLANEOUS PROVISIONS

(A) **Merger:** This Acknowledgment incorporates and merges all prior discussions and shall be governed and construed according to the laws of Maryland and only by courts of competent jurisdiction in the State of Maryland. Unless waived by Attorney, any dispute with respect to the Debtor's Acknowledgment or fees shall be first submitted to Fee Arbitration. Any amendment or modification to this Acknowledgment shall be in writing signed by Attorney and the Undersigned.

(B) **Consent to Disclosure:** The undersigned consents to all accountants, surveyors, engineers, health care providers, banks, lenders, physicians, attorneys, and other professionals to provide any and all information,

reports, files, and electronic media requested by Attorney at the sole expense of the Undersigned.

(C) **Change in Laws:** Client acknowledges that legal advise is given based on the current state of the law, and acknowledges that future changes in state and federal laws, rules, and court decisions could require different strategies or result in unanticipated effects. In addition, statutes relating to exemptions and filing fees are subject to change at any time.

(D) **Attorney Work Product:** Other than original documents, all original attorney work product in the Attorney’s file belongs to Attorney and is subject to a retaining lien for payment.

(E) **Competence:** The Undersigned certifies under penalties of perjury that they are over 18, competent to testify on personal knowledge, execute this acknowledgment, and have read and fully understand this acknowledgment. The Undersigned acknowledge that they have been given adequate opportunity to do so and to ask questions and make full inquiry.

(F) **Severability:** Pursuant to 11 U.S.C. § 329 (b) the Court may regulate legal fees and retainer agreements. If any provision in this Acknowledgment is deemed unenforceable for any reason by a court of competent jurisdiction, the balance of this Acknowledgment shall remain enforceable.

(G) **Rule 2016 Amendment:** Where court papers are filed with respect to the optional/extras referred to herein, the Rule 2016 Disclosure shall be deemed amended in accordance herewith.

NOW WITNESS OUR HANDS AND SEALS.

\_\_\_\_\_  
Date

/s/Signature on file \_\_\_\_\_ (Seal)  
Debtor

\_\_\_\_\_  
Date

/s/Signature on file \_\_\_\_\_ (Seal)  
Co-Debtor