Final Report of the ABI National Ethics Task Force

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April 21, 2013

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Best Practices for Limited Services Representation in Consumer Bankruptcy Cases

Introduction

The ABI Bankruptcy Ethics Task Force has considered the issue of Limited Scope Representation ("LSR"), also known as “unbundling legal services” and “discrete task representation.” We have also briefly examined the issue of “ghostwriting,” a form of LSR. These practices have developed as a means to serve the ever-increasing number of self-represented debtors (also known as pro se debtors).

LSR on behalf of a consumer debtor typically consists of the provision by an attorney of a subset of legal services in connection with the filing of a consumer bankruptcy case. LSR is in contrast to the plenary representation of a debtor, where the lawyer is paid a full fee to represent a debtor with respect to all aspects of his bankruptcy case—from pre-filing counseling to post-discharge proceedings. LSR is undertaken to achieve a lower overall cost, and typically in lieu of filing pro se or filing with the assistance of a petition preparer. This arrangement allows for legal representation by an attorney for cost containment purposes.

The problem of the high cost of consumer bankruptcy representation is well documented. The recent Consumer Bankruptcy Fee Study revealed a 24% increase in attorney fees post-BAPCPA for Chapter 13 cases, with mean fees in some jurisdictions approaching $5,000. For no-asset cases filed under Chapter 7, mean attorney fees have increased 48%—as high as $1,500 at the mean in some jurisdictions.

Although in most jurisdictions there is a mechanism for attorney fees in Chapter 13 cases to be paid through the plan (thus limiting the amount of cash a financially distressed debtor must have

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1 This proposed rule is restricted to consumer practice. LSR in the business context has a very different justification and implicates very different issues.
2 The Reporters’ Notes liberally draw on the excellent WHITE PAPER ON LIMITED SCOPE REPRESENTATION IN BANKRUPTCY, prepared by LSR Subcommittee member Theresa V. Brown-Edwards (ABI Ethics Task Force Multijurisdictional Practice/Limited Service Representation Subcommittee) 2012.
3 Due to the time and resource constraints, the Task Force decided to defer a thorough discussion of ghostwriting. It is expected that a future ABI working group will address this important issue.
4 The Task Force discussed at length the issue of consumers’ access to the bankruptcy system, and the tension between the time and skill it takes to responsibly and ethically represent a consumer debtor, and the legal fee the consumer can afford and the market will support. Ultimately the Task Force decided to limit the scope of its report addressing access to the consumer bankruptcy system to a discussion of the issue of Limited Services Representation.
6 Id. at 30.
7 Id.
in hand to pay an attorney prior to filing), high attorney fees remain a concern. In many instances, at least a portion of the fee must be paid to the attorney up front, and providing for the fee balance to be paid through the plan may adversely affect the plan’s feasibility. Thus, high fees in Chapter 13 cases may be pricing some debtors out of filing for bankruptcy under Chapter 13. Although it is difficult to measure how many consumers in financial distress do not file for bankruptcy protection, the Consumer Bankruptcy Fee Study did reveal that zero cases filed pro se under Chapter 13 ended with the debtor receiving a discharge. This is a result of the myriad new obligations imposed on debtors by BAPCPA, and the difficulty many debtors have had (and continue to have) in meeting these obligations.

The problem of pro se representation is even more compelling in Chapter 7, where it is far more common. The Consumer Bankruptcy Fee Study found that 5.8% of all Chapter 7 cases are filed pro se. This descriptive statistic is reflective of a national random sample of cases filed post-BAPCPA. We recognize, however, that the incidence of pro se filings is considerably higher in many jurisdictions. In the ten courts with the greatest number of pro se cases, 9.5% to 27.1% of all cases are filed without attorney representation.

The burden that pro se debtors place on the court system has been widely recognized. Judges, trustees, and court staff have detailed the extra time and system resources eaten up by aiding

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8 Id. at 116.
9 Id. at 104.
10 Id. at 33-34.
11 As observed:
13 Id. at 31.
14 Lupica, supra note 5, at 102.
pro se debtors who are attempting to navigate the complexities of the bankruptcy process.\textsuperscript{15} Moreover, these efforts and resource expenditures are often for naught. The chance a pro se debtor’s case will be dismissed because of a failure to comply with the dictates of the Bankruptcy Code and Rules is considerably higher than if the debtor were represented.\textsuperscript{16}

In considering the issue of Limited Services Representation, the Task Force recognizes the necessity of reconciling the need to protect debtors from receiving inadequate and ineffective representation, even for a limited fee, and the interest of providing debtors with the option of limited legal representation in lieu of self-help resources or non-legal assistance. With the goal of addressing each of these concerns, the Task Force has examined the elements of debtor representation in consumer bankruptcy cases and has developed a framework for engagement of counsel for limited services. After due discussion and consideration, the Task Force is recommending a framework for LSR representation in Chapter 7 consumer cases only because of Chapter 13’s complexity and the difficulty of distinguishing between the “basic” and the “full service” elements of representation of a Chapter 13 debtor.\textsuperscript{17} In addition, the ability to pay legal fees paid through a plan and the historically low incidence of pro se Chapter 13 cases has led the Task Force to conclude that the concerns motivating the LSR Proposal are best met by the development of a proposal for best practices for limited services representation only in Chapter 7 consumer cases.

**LSR and Model Rules, Local Rules, Bar Association Opinions and Judicial Pronouncements**

Limited Scope Representation has been gaining attention among the federal and state judiciary. Typically, states and bar associations have been more receptive to “unbundled” legal services than federal courts. The Model Rules of Professional Conduct, largely adopted in some form in most states, permit Limited Scope Representation under certain, defined circumstances. Rule 1.2(c) reads, “[a] lawyer may limit the scope of representation if the limitation is reasonable under the circumstances and the client gives informed consent.”\textsuperscript{18} The Official Comments to Rule 1.2(c) provide:

The scope of services to be provided by a lawyer may be limited by agreement with the client or by the terms under which the lawyer’s services are made available to the client . . . . A limited representation may be appropriate because the client has limited objectives for the representation. In addition, the terms upon which representation is undertaken may exclude specific means that might otherwise be used to accomplish the client’s objectives. Such limitations may exclude actions that the client thinks are too costly or that the lawyer regards as repugnant or imprudent.\textsuperscript{19}

\textsuperscript{15} Id.

\textsuperscript{16} Id. at 103.

\textsuperscript{17} Note, however, that nothing in this Best Practices Statement obviates the need for attorneys for consumer debtors to comply with, e.g., the Bankruptcy Code provisions involving debt relief agencies. See 11 U.S.C. §§ 101(8), 101(12A), 526-258.

\textsuperscript{18} MODEL RULES OF PROF'L CONDUCT R. 1.2(c) (2011).

\textsuperscript{19} Id. at R. 1.2 cmt. 5.
The comments to Rule 1.2 further state that lawyers and clients may enjoy “substantial latitude to limit the representation,” so long as the proposed limitations are “reasonable under the circumstances.” The Official Comment [7] offers the following illustration.

If, for example, a client’s objective is limited to securing general information about the law the client needs in order to handle a common and typically uncomplicated legal problem, the lawyer and client may agree that the lawyer’s services will be limited to a brief telephone consultation. Such a limitation, however, would not be reasonable if the time allotted was not sufficient to yield advice upon which the client could rely.\(^\text{20}\)

Model Rule 1.0(h) defines “reasonable” as being consistent with the “conduct of a reasonably prudent and competent lawyer.”\(^\text{21}\) In determining the reasonableness of a proposed representation, the legal knowledge, skill, thoroughness and preparation required is informed by the nature of the unbundled representation.\(^\text{22}\)

Currently, dozens of federal judicial districts have adopted a local rule of bankruptcy procedure or written an opinion addressing LSR. The degree of enthusiasm for LSR by courts, who have examined this issue, ranges from high to very low. Some courts have embraced LSR as a tool to address the growing problem of pro se debtors.\(^\text{23}\) As reported above, legal fees have increased in almost every jurisdiction, pricing some debtors out of legal representation. Moreover, diminished funding for legal services organizations has decreased the availability of low- or no-cost legal representation for low-income debtors. Although the incidence of pro se debtors varies from jurisdiction to jurisdiction, at all levels pro se cases are reported to add to the already considerably administrative burdens on the courts and the trustees.\(^\text{24}\)

Other courts, however, have viewed the practice of unbundling more skeptically.\(^\text{25}\) Those

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\(^{20}\) Id. at R. 1.2 cmt. 7; see also In re Minardi, 399 B.R. 841, 851-52 (Bankr. N.D. Okla. 2009) (examining the reasonableness requirement based on the nature of the case and the financial circumstances facing a chapter 7 debtor).

\(^{21}\) Model Rules of Prof’l Conduct R. 1.0(h) (2011).

\(^{22}\) Id. at R. 1.2 cmt. 7.

\(^{23}\) See Hale v. United States Trustee, 509 F.3d 1139, 1148 (9th Cir. 2007) (agreeing with the bankruptcy court’s determination that bankruptcy counsel may not exclude from representation of the debtor “critical and necessary services”); In re Johnson, 291 B.R. 462, 469 (Bankr. D. Minn. 2003) (attorneys representing individual debtors in chapter 7 cases may not “unbundle the core package of ordinary legal representation reasonably anticipated in every case”); In re DeSantis, 395 B.R. 162, 169 (Bankr. M.D. Fla. 2008) (counsel for an individual chapter 7 debtor in a consumer case may not exclude from the scope of representation certain essential services; debtor’s counsel “must advise and assist their client in complying with their responsibilities assigned by Section 520 of the Bankruptcy Code, including helping their clients decide whether to surrender collateral or instead reaffirm or to redeem secured debts.”); In re Burton, 442 B.R. 421, 452-53 (Bankr. W.D. N.C. 2009) (disapproving of an attempt to limit representation to file lien avoidances or defend against stay relief motions on the basis that these constitute “key services” to the bankruptcy case).

\(^{24}\) Lupica, supra note 5, at 102.

courts that have viewed limited scope representation less favorably have expressed concern that LSR leaves debtors without guidance in the thick of the bankruptcy case, when they are most vulnerable. Moreover, some judges see full service representation as necessary to meet the minimum standards of a lawyer’s professional responsibility. Yet others have noted that what falls under the umbrella of “basic services” is fact-intensive and varies from case to case.

Although both sides of the argument have merit, the Task Force is viewing the LSR Proposal as a needed alternative to a debtor’s pro se representation. The Proposed Rule should be used as a guide for measuring the reasonableness of a particular Chapter 7 bankruptcy representation arrangement.

In recognizing that the concept of reasonableness is both fact-intensive and situation-specific, the Restatement (Third) of Law Governing Lawyers offers the following guidelines: (i) a client must be informed of and consent to any “problems that might arise related to the limitation,” (ii) a contract limiting the representation is construed “from the standpoint of a reasonable client,” (iii) if any fee is charged, it must be reasonable in light of the scope of the representation, (iv) changes to representation made after an unreasonably long time after beginning representation must “meet the more stringent tests...for post inception contracts or modifications,” and (v) the limitation’s terms must be reasonable in light of the client’s sophistication level and circumstances.

Informed Client Consent

The reasonableness of a representation cannot be evaluated without the client’s informed consent. Informed consent requires that the client knows of and understands the risks and benefits of the limited representation. The Model Rules define informed consent as “the agreement by a person to a proposed course of conduct after the lawyer has communicated adequate information and explanation about the material risks and reasonably available alternatives to the proposed course of conduct.”

In the context of consumer bankruptcy, any attempt to limit the scope of representation degree to which unbundling is permissible, no court appears to have allowed the exclusion of all post-petition services altogether. See In re Wagers, 340 B.R. 391, 398 (Bankr. D. Kan. 2006).

In re Bulen, 375 B.R. 858, 866 (Bankr. D. Minn. 2007) (observing that unbundled legal representation is akin to putting a “Band-aid on a gun shot” and leads to an “unraveled legal process, no increased access to justice.”); see also In re Cuddy, 322 B.R. 12, 17 018 (Bankr. D. Mass. 2005).


MODEL RULES OF PROF’L CONDUCT R. 1.0(e) (2011). The Official Comments to Rule 1.0(e) further explain: “The communication necessary to obtain such consent will vary according to the Rule involved and circumstances giving rise to the need to obtain informed consent. The lawyer must make reasonable efforts to ensure that the client or other person possesses information reasonably adequate to make an informed decision. Ordinarily, this will require communication that includes a disclosure of the facts and circumstances giving rise to the situation, any explanation reasonably necessary to inform the client or other person of the material advantages and disadvantages of the proposed course of conduct and a discussion of the client’s or other person’s options and alternatives.” Id. at cmt. 6.
must be fully disclosed and clearly understood by the debtor before proceeding with the
e ngagement.29 This means that for a debtor to provide valid, fully informed consent to limited
services representation, the lawyer must fully explain the services that are omitted from the
representation, including the materiality of these services and the potential ramifications of their
omission. As a matter of “best practices,” the Task Force recommends that any informed consent
be in writing. A “Model Agreement and Consent to Limited Representation in Consumer
Bankruptcy” is found below.

In addition to executing the “Agreement and Consent to Limited Representation in
Consumer Bankruptcy,” the Task Force further recommends that an affidavit be signed by the
attorney and filed with the Bankruptcy Court attesting that the “Agreement and Consent to Limited
Representation in Consumer Bankruptcy” was signed by the debtor and the attorney and that the
debtor understood its substance.

Despite well-founded concerns for protecting the interests of consumer debtors, the trend in
bankruptcy cases (and non-bankruptcy cases) generally favors allowing limited representation in
some form. The target of this proposed rule is the debtor who falls in the liminal space between not
qualifying for legal aid but with limited funds to pay for full-service representation.

Best Practices for Limited Scope Representation

Given the fact-specific nature of limited scope representation in the context of consumer
bankruptcy, it is difficult to design the contours of a limited scope representation that fully addresses
the client’s needs for affordable counsel and that also meets the standard of competent
representation.30 Best practices, at a minimum, require the following:

29 See Hale v. U.S. Trustee, 509 F.3d 1139, 1147 (9th Cir. 2007); In re Castorena, 270 B.R. 504, 529
( Bankr. D. Idaho 2001) (“Unless debtors truly understand what they are bargaining away, the bargain is a
sham.”(citing In re Basham, 208 B.R. 926, 932-33 (B.A.P. 9th Cir. 1997), aff’d, 152 F.3d 924 (1998)).
30 In re Castorena, 270 B.R. at 530 (noting the difficulty of predicting which services would be deemed to
“part and parcel” of any debtor-engagement, but that “the closer to heart of the matter—the debtors’ desire
to obtain bankruptcy relief and the process necessary to do so—the less likely exclusion is appropriate.” The
court identified the following services as core: (i) proper filing of required schedules, statements, and
disclosures, including any required amendments thereto; (ii) attendance at the section 341 meeting; (iii)
turnover of assets and cooperation with the trustee; (iv) compliance with tax turnover and other orders of the
bankruptcy court; (v) performance of the duties imposed by section 521(1), (3) and (4); (vi) counseling in
regard to and the reaffirmation, redemption, surrender or retention of consumer goods securing obligations
to creditors, and assisting the debtor in accomplishing these aims; (vi) responding to issues that arise in the
basic milieu of the bankruptcy case, such as violations of stay and stay relief requests, objections to
exemptions and avoidance of liens impairing exemptions.). See also In re Kieffer, 306 B.R. 197, 207 (Bankr.
N.D. Ohio 2004) (characterizing the following matters as “routine”: (i) motion for turnover of tax refund, (ii)
Rule 2004 examination, (iii) objection to exemption, (iv) objection to motion for relief from stay, and (v)
simple notice of sale); In re Wagers, 340 B.R. at 398–99 (observing that objections to exemptions, objections
to discharge based on the schedules and statements and motion to dismiss for substantial abuse under section
707(b) likely “are so closely related to the advice the attorney gave the pre-petition preparation for filing that
the attorney would at least be morally bound, and might be legally bound, to defend the debtor’s position
against such attacks.”).
1. The initial client interview and counseling should make clear the expected scope of representation and the expected limited fee.

2. Attorneys counseling unsophisticated consumer debtors must be mindful, when gathering initial information to assess a case, to avoid the formation of the debtor’s perception that a full-scale attorney-client relationship is being formed.

3. An engagement letter and informed consent should be prepared in plain language and carefully reviewed with the debtor. This letter must clearly and conspicuously set forth the services being provided, the services not being provided, and the potential consequences of the limited services arrangement.

4. The engagement letter must also clearly describe the fee arrangement, including a statement of how fees for additional services will be charged.\(^31\)

5. All documents and disclosures filed with the bankruptcy court should be done with full candor consistent with the attorney’s duty of confidentiality, disclosing the exact nature of the representation and the calculation of fees for services being provided.

6. In the event that withdrawal from the unbundled representation becomes warranted, attorneys must be mindful of protecting their client’s interests to the fullest extent practical when exiting the case.

7. As is the case with all legal representation, if the attorney becomes aware of a legal remedy, problem, or alternative outside of the scope of his or her representation, the client must be promptly informed. The attorney has the further obligation to provide his or her client with a thorough explanation of the potential benefits and harms implicated, in order for the client to make an informed decision as to how to proceed.

In considering the range of tasks and services an attorney typically provides to consumer debtors, the Task Force recognized a distinction between the representation of Chapter 7 individual debtors with secured consumer debts, and those Chapter 7 debtors with only unsecured consumer debt.

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\(^31\) There are always risks with asking the client to pay, post-petition, for fees incurred pre-petition as part of the engagement. If the Proposed Rule suggested in this Best Practices Statement is not enacted, then perhaps a better approach would be that taken by a case in the Middle District of Florida. In that case, the court approved a payment system in which “the client execute[d] separate fee agreements for prepetition and postpetition services.” See Walton v. Clark & Washington, 469 B.R. 383, 384 (Bankr. M.D. Fla. 2012).
Even in the context of providing limited services representation, a lawyer representing a Chapter 7 debtor must comply with all of the relevant governing Rules of Professional Conduct. These rules include the requirements of (i) competency (Rule 1.1), (ii) diligence (Rule 1.3), (iii) communication (Rule 1.4), (iv) confidentiality (Rule 1.6), and (v) conflicts of interest (Rules 1.7, 1.8, 1.9, 1.10, and 1.11).

“A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.” Model Rules of Prof'l Conduct R. 1.1 (2011). The issue of attorney competency in the bankruptcy context will be further addressed elsewhere in the Task Force’s Reports.

“A lawyer shall act with reasonable diligence and promptness in representing a client.” Id. at R. 1.3.

(a) A lawyer shall:

1. promptly inform the client of any decision or circumstance with respect to which the client’s informed consent, as defined in Rule 1.0(e), is required by these Rules;
2. reasonably consult with the client about the means by which the client’s objectives are to be accomplished;
3. keep the client reasonably informed about the status of the matter;
4. promptly comply with reasonable requests for information; and
5. consult with the client about any relevant limitation on the lawyer’s conduct when the lawyer knows that the client expects assistance not permitted by the Rules of Professional Conduct or other law.

(b) A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

Id. at R. 1.4.

“(a) A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).” Id. at R. 1.6.

Id. at 1.7 (prohibiting representation of current clients whose interests conflict with other current clients).

Id. at 1.8 (prohibiting the representation of clients whose interests conflict with the lawyer’s personal or business interests).

Id. at 1.9 (prohibiting the representation of current clients’ whose interests conflict with former clients).

Id. at 1.10 (imputing certain conflicts of interest to other members of a lawyer’s law firm).

Id. at 1.11 (addressing conflicts of interest when an attorney leaves government service and enters private sector practice).

For example, it is a breach of the obligations of competence and diligence to have non-lawyer staff to counsel a debtor. See generally In re Sledge, 353 B.R. 742, 749 (Bankr. E.D.N.C. 2006); In re Pinkins, 213 B.R. 818, 820-21 (Bankr. E.D. Mich. 1997).
Proposed Rule Providing for Limited Scope Representation in Consumer Bankruptcy Cases

(1) If permitted by the governing Rules of Professional Conduct, a lawyer may limit the scope of the representation of an individual debtor (or debtors in a joint case), whose debts are primarily consumer debts, if the limitation is reasonable under the circumstances and the client gives informed consent in writing.

(2) Limited Services Representation for Individual Chapter 7 Debtors with No Secured Debts.

A. With respect to a Chapter 7 case filed by an individual debtor, whose debts are primarily consumer debts, where such debtor has no secured debt listed on the bankruptcy schedules or statements, reasonable limited representation includes all of the following:

1. An initial meeting with the debtor to explain the bankruptcy process and discuss pre-bankruptcy planning (including exemptions) as well as non-bankruptcy alternatives.
2. Advice to the debtor concerning the debtor's obligations and duties under the Bankruptcy Code and Rules and applicable court orders.
3. Preparation and filing of the documents and disclosures required by the Bankruptcy Code, including performance of the duties imposed by Section 521 of the Code.
4. Provision of assistance with the debtor's compliance with Section 707(b)(4) of the Bankruptcy Code.
5. Preparation and filing of the petition, the Statement of Financial Affairs, and the necessary schedules.
6. Attendance at the Section 341(a) meeting.
7. Communication with the debtor after the Section 341(a) meeting.
8. Monitoring the docket for issues related to discharge.

B. In addition to the limited service representation in a Chapter 7 case, as it is defined above, the representation may also include the following services, to be indicated with a check on the Model Agreement:

- Representation of the debtor in connection with a motion by the Chapter 7 Trustee to reopen the case for the inclusion of newly discovered assets.
- Representation of the debtor in connection with a challenge to the debtor's discharge and/or the dischargeability of certain debts.

42 As used herein, the term “debtor” shall include an individual debtor, as well as debtors in a joint case. Counsel should be particularly careful in joint debtor cases to ensure that both debtors are fully cognizant of the limitations of LSR. Counsel should also be mindful of the danger of joint debtors implicating conflict of interest concerns.
• Preparation and filing of all motions required to protect the debtor’s interests.
• Representation of the debtor with respect to defending objections to exemptions.
• Preparation and filing of responses to all motions filed against the debtor.
• Representation of the debtor in connection with a motion for relief from stay.
• Representation of the debtor in connection with a motion for relief from stay that is resolved by agreement.
• Representation of the debtor in connection with a motion seeking dismissal of the case.
• Other ________________________________

(3) Limited Services Representation for Chapter 7 Debtors with Listed Secured Debts.

A. With respect to a Chapter 7 case filed by an individual debtor, whose debts are primarily consumer debts, where such debtor has listed secured debt on the bankruptcy schedules or statements, reasonable limited representation includes all of the following:

1. An initial meeting with the debtor to explain the bankruptcy process and discuss pre-bankruptcy planning (including exemptions) as well as non-bankruptcy alternatives.
2. Advice to the debtor concerning debtor’s obligations and duties under the Bankruptcy Code and Rules and applicable court orders.
3. Preparation and filing of the documents and disclosures required by and performance of the duties imposed by Section 521 of the Bankruptcy Code.
4. Provision of assistance with the debtor’s compliance with Section 707(b)(4) of the Bankruptcy Code.
5. Preparation and filing of the petition, the Statement of Financial Affairs, and the necessary schedules.
6. Representation of the debtor (including counseling) with respect to the reaffirmation, redemption, surrender, or retention of consumer goods securing obligations to creditors.
7. Attendance at the Section 341(a) meeting.
8. Communication with the debtor after the Section 341(a) meeting.
9. Monitoring the docket for issues related to discharge.

B. In addition to the limited service representation in a Chapter 7 case, as it is defined above, the representation may also include the following services, to be indicated with a check on the Model Agreement:

• Representation of the debtor in connection with a motion by the Chapter 7 Trustee to reopen the case for the inclusion of newly discovered assets.
• Representation of the debtor in connection with a challenge to debtor’s discharge and/or the dischargeability of certain debts.
- Preparation and filing of all motions required to protect the debtor’s interests.
- Representation of the debtor with respect to defending objections to exemptions.
- Preparation and filing of responses to all motions filed against the debtor.
- Representation of the debtor in connection with a motion for relief from stay.
- Representation of the debtor in connection with a motion for relief from stay that is resolved by agreement.
- Representation of the debtor in connection with a motion seeking dismissal of the case.
- Other __________________________________________________
Model Agreement and Consent to Limited Representation in Consumer Bankruptcy Cases

In order to provide you with reasonable and affordable representation in connection with your consumer bankruptcy case, I, ________________________, attorney-at-law, licensed in the State of ___________, Bar No. __________, agree to provide you, for a limited fee (as described in Section III below, hereinafter referred to as the “Fee”), with some, but not all, of the services and advice you may need in connection with your bankruptcy case.

You agree that I am being hired to provide you limited bankruptcy-related representation and recognize that at any time between now and when your case is concluded (either because you receive a discharge, your case is converted to a case under another chapter, or because your case is dismissed), circumstances may arise that require additional legal advice and/or legal services. In such event, you have the option of engaging my services for an additional fee, hiring another attorney, or representing yourself.

You understand that you are seeking legal representation under Section ___ (I OR II) below.

Within the scope of my representation, I agree to act in your best interest at all times, and agree to provide you with competent legal services.

I. For Chapter 7 Debtors Who Have No Secured Debts.

If you have no secured debts and are filing for bankruptcy under Chapter 7, the Fee includes all of the following services:

1. An initial meeting with you to explain the bankruptcy process and discuss pre-bankruptcy planning (including exemptions) as well as non-bankruptcy alternatives.
2. Advice to you concerning your obligations and duties under the Bankruptcy Code and Rules and applicable court orders.
3. Preparation and filing of the documents and disclosures required by and performance of the duties imposed by Section 521 of the Bankruptcy Code.
4. Provision of assistance with respect to your compliance with Section 707(b)(4) of the Bankruptcy Code.
6. Attendance at the Section 341(a) meeting.
7. Communication with you after the Section 341(a) meeting.
8. Monitoring the docket for issues related to discharge.
If you have no secured debts and are filing for bankruptcy under Chapter 7, the Fee does not include any of the following services unless the box next to the service is checked. If a box next to a service is checked, that service will be included in the Fee.

- Representation of your interests in connection with a motion by the Chapter 7 Trustee to reopen the case for the inclusion of newly discovered assets.
- Representation of your interests in connection with a challenge to your discharge and/or the dischargeability of certain debts.
- Preparation and filing of all motions required to protect your interests.
- Representation of your interests with respect to defending objections to exemptions.
- Preparation and filing of responses to all motions filed against you.
- Representation of your interests in connection with a motion for relief from stay.
- Representation of your interests in connection with a motion for relief from stay that is resolved by agreement.
- Representation of you in connection with a motion seeking dismissal of the case.
- Other ________________________________

II. For Chapter 7 Debtors Who Have Secured Debts.

If you have secured debts and are filing for bankruptcy under Chapter 7, the Fee includes all of the following services:

1. An initial meeting with you to explain the bankruptcy process and discuss pre-bankruptcy planning (including exemptions) as well as non-bankruptcy alternatives.
2. Advice to you concerning your obligations and duties under the Bankruptcy Code and Rules and applicable court orders.
3. Preparation and filing of the documents and disclosures required by and performance of the duties imposed by Section 521 of the Bankruptcy Code.
4. Provision of assistance with respect to your compliance with Section 707(b)(4) of the Bankruptcy Code.
6. Representation of your interests (including counseling) with respect to the reaffirmation, redemption, surrender or retention of consumer goods securing obligations to creditors.
7. Attendance at the Section 341(a) meeting.
8. Communication with you after the Section 341(a) meeting.
9. Monitoring the docket for issues related to discharge.
If you have secured debts and are filing for bankruptcy under Chapter 7, the Fee does not include any of the following services unless the box next to the service is checked. If a box next to a service is checked, that service will be included in the Fee.

- Representation of your interests in connection with a motion by the Chapter 7 Trustee to reopen the case for the inclusion of newly discovered assets.
- Representation of your interests in connection with a challenge to your discharge and/or the dischargeability of certain debts.
- Preparation and filing of all motions required to protect your interests.
- Representation of your interests with respect to defending objections to exemptions.
- Preparation and filing of responses to all motions filed against you.
- Representation of your interests in connection with a motion for relief from stay.
- Representation of your interests in connection with a motion for relief from stay that is resolved by agreement.
- Representation of your interests in connection with a motion seeking dismissal of the case.

Other______________________________

III. The Fee

Because you have agreed to a limited services representation arrangement, I have agreed to a limited fee (the “Fee”). You shall pay for the services described and indicated in Section ___ (I or II) above as follows:

- A flat fee of $______, plus $____ for out of pocket expenses,^{43} OR
- An hourly fee. The current hourly fee that I charge is $______. The current hourly fee that my legal assistant charges is $______. I expect your case will take about ____ hours. The total Fee you will be charged will be capped at $______, plus $____ for expenses.

In the event that you ask me to provide additional services (in addition to those services set forth in Section ____ (I or II) above) after I have begun representing you, there shall be an additional fee paid to me to be calculated as follows: _______________________

You acknowledge that the fee for additional services (on top of those services set forth in _______________________

^{43} These expenses may include long-distance telephone and fax costs, photocopy expenses, and postage. Costs such as filing fees, if any, and debtor counseling and debtor education fees shall be paid directly by you.
Section ____ (I or II) above) requested after your bankruptcy petition is filed must be paid from funds that are not part of your bankruptcy estate (such as your post-petition earnings).

You understand that I will exercise my best judgment while performing the limited legal services described in Section ____ (I or II) above, and you also understand:

a. that I am not promising any particular outcome;

b. that you entered into this agreement for limited services because I am charging you a Fee that is less than a fee would be for full-service legal representation in connection with your bankruptcy case;

c. that issues may arise in your case that are not covered by the list of core tasks. If that happens, you have the option of (i) representing yourself with respect to the new issues, (ii) entering into another agreement with me, whereby I will continue to represent you for an additional fee, or (iii) hiring another lawyer to represent you; and

d. that I have no further obligation to you after completing the above-described limited legal services unless and until we enter into another written representation agreement.

Except as required by law, I have not made any independent investigation of the facts and I am relying entirely on your limited disclosure of the facts necessary to provide you with the services described in Section ____ (I or II) above.

If any dispute arises under this agreement concerning the payment of the Fee, we shall submit the dispute for fee arbitration in accordance with [__________]. This arbitration shall be binding upon both parties to this agreement.

YOU ACKNOWLEDGE THAT YOU HAVE READ THE ABOVE AGREEMENT BEFORE SIGNING IT. YOU FURTHER ACKNOWLEDGE THAT I HAVE ANSWERED ANY QUESTIONS YOU HAVE ABOUT THE LIMITED SERVICE REPRESENTATION ARRANGEMENT INTO WHICH WE ARE ABOUT TO ENTER.

Signature of client/s 1.____________________________________________

2.____________________________________________

Signature of attorney ____________________________________________

Date:   ___________________