

Bankruptcy Retainer Agreements – Why You Need One

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Hiring a bankruptcy lawyer is no small task. You're putting your trust and faith in a professional who is going to help you end your bill problems. And as emotional a time as it may be, you also need to remember that this is a business arrangement. Exchange money for services that are worth the money you spend.

To keep things simple, retainer agreements are absolutely, positively a must when you hire a bankruptcy attorney. Retainer agreements have got to be in writing, signed by both of you, so that you eliminate all chances of confusion later on. This is too big of a deal to do on a handshake, but more to the point you have to know exactly who is going to do what during the course of your relationship. That's right, I called it a relationship. Any time you are going to be working closely with someone for an extended period of time, that's relationship.

Lots of clients come to me for help with filing a Chapter 7 or Chapter 13 after meeting with – and in some cases, hiring – another attorney. A large number of these people paid money to their former lawyers for ... well, something. They're not real clear on exactly what the lawyer was going to do, when they were going to do it, and how much money it was going to cost. They've got a vague idea, but not much beyond that.

If your bankruptcy lawyer does not "do" written retainer agreements, you should run away.

If you require a law degree to understand your lawyer's retainer agreement, you should run away.

These are deal-breakers for you. No two ways about it.

Bankruptcy retainer agreements usually provide for at least the following:

- How much it will cost to file for bankruptcy using the lawyer's services;
- What the legal fee covers, and what it doesn't;
- How much it will cost if the lawyer has to do something not covered by the legal fee;
- When your case will be filed with the court;
- Whether your lawyer will be using another attorney for your court appearances; and
- What you have to do in order to get the case handled properly.

When making a decision to file bankruptcy with a lawyer, always read the retainer agreement when you sign it. Doing so will save you a lot of headache later on.

Jay S. Fleischman is a New York bankruptcy attorney and Managing Partner of Shaev & Fleischman, LLP. Jay is also the author of *The Consumer's Guide To Bankruptcy: The Truth About Ending Your Bill Problems And Getting Back The Good Credit You Deserve*.

