
The Bankruptcy Attorney Start-Up Kit

Learn how to start or expand a debtor bankruptcy law practice



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Introduction

Thank you for taking the time to download this free eBook. It is evident that you are interested in starting or expanding your current law practice to include debtor bankruptcy. You are not alone. For the first time in history, the field of bankruptcy is increasing at an alarming rate. This is caused by the financial crisis the United States is currently experiencing as I am sure you are aware of.

However, there is one question you are asking yourself: Where can an attorney go to learn how to set up a bankruptcy practice with no prior bankruptcy knowledge?

One solution some attorneys have tried in the past is hiring an experienced bankruptcy attorney to spend time training them. But right now, bankruptcy attorneys are very busy and finding one that is available to provide training to a new law firm is extremely difficult. Another problem is competition. What would be the incentive for an experienced bankruptcy attorney to spend time training the “new kid on the block”?

However, there is still an even bigger problem starting a new debtor bankruptcy law practice: There are no training materials specifically designed to train professional level skills in the preparation of the Chapter 7 and Chapter 13 bankruptcy petition.

This situation was caused because most attorneys were taught that the bankruptcy petition was nothing more than “filling out forms.” They did not think there was a skill in how to properly place information on the forms in order for cases to go smoother and increase their profits (due to the savings in time and overhead). Only until the bankruptcy law change in 2005 did the bankruptcy petition take on a more important role. And some attorneys are still struggling with accepting this new concept.

How was training conducted in the past? Until 2004, the only way an attorney or law firm employee learned how to properly prepare a bankruptcy petition was by trial and error. The petition was filed, the Trustee objected to the things that were wrong, the attorney amended the schedules and lessons were learned the old, time consuming method. Think of the wasted time that Trustees had to endure when new bankruptcy attorneys filed their first petitions. It was a nightmare for them as well as costing the attorney and the law firm employees a great deal of time and headaches.

This is why Victoria Ring, a paralegal who was trained by a wide variety of excellent, top-level bankruptcy attorneys, decided to begin developing training materials specifically for training the skills of preparing Chapter 7 and Chapter 13 bankruptcy petitions. Victoria released her first book: *How to Draft a Chapter 7 Bankruptcy Petition* in 2004, before the law changed. After the law changed, she removed this book from print and developed many more training products including a full line of eBooks, audios and videos.

Today, Victoria Ring continues to work in order to educate attorneys and their staff in ways that will improve the operational procedures within the law firm. She also helps them to save money, reduce time and overhead costs as well as providing the client with a better quality of services and excellent customer service due to a well-organizing operation.

But before these goals can be achieved, you will need to start at the beginning. This eBook is designed to take you from Point A to Point B so that you are armed with the information you need to make an informed decision on what steps to take moving forward.

Let's begin by reviewing some common and questions we receive and provide you with answers and options to consider.

Questions and Answers

Before we discuss the purchase of training materials, let us first address some concerns you may have about the debtor bankruptcy field.

Is this a good time to start a bankruptcy practice?

According to PACER (public access court electronic records), for the 30-day time period covering March 1, 2009 through March 31, 2009; a total of 134,282 bankruptcy petitions were filed in the United States with 99,575 of those being Chapter 7 and 33,123 being Chapter 13. The bankruptcy court was open 22 days during the month of March 2009, so this averages out to be 6,104 petitions filed per day, 254 per hour or 10.58 per minute.

During the same period of March 2008 (the previous year), a total of 92,173 bankruptcy petition were filed in the United States. The bankruptcy court was open 21 days during the month of March 2008, so this averages out to be 4,190 petitions filed per day, 175 per hour or 7.29 per minute.

Online Resource:

https://pacer.login.uscourts.gov/cgi-bin/login.pl?court_id=00idx

What does this tell you? It tells you that a lot of people are filing bankruptcy and it also tells you that the number of bankruptcy filings is significantly increasing. Just in the two statistics provided above, there was a just under a 46% increase. Statistics are projected to continue increasing throughout 2010, 2011 and even beyond.

Now is the perfect time to open up a debtor bankruptcy practice. In fact, many attorneys are finding it the best area of law to pursue at this moment in time. Since the surge of attorneys that are rushing to open new debtor bankruptcy law firms, one might think that the market will

become flooded. However, if you take a moment and view the statistical data on PACER (which provides the latest figures) or the American Bankruptcy Institute at <http://www.abiworld.org>, it will be easy for you to see that the demand for services is much higher than the number of attorneys practicing in debtor bankruptcy law.

What are your reasons for starting a new bankruptcy practice?

No attorney should ever start a bankruptcy law practice (or any type of practice) based solely on the goal of making money. If money is the only thought on your mind, you may want to concentrate on creditor bankruptcy versus debtor bankruptcy. Why? Because the only way you are going to succeed and establish yourself as an honest, reputable debtor bankruptcy attorney is your sincere desire to have a concern for people in general. Are you the type of person who stops your car to help a hurt animal who was struck by a car? Are you the type of person who has filed bankruptcy yourself or have a family member that experienced a period in their lives where they lost their income? Do you know what it is like to suffer catastrophes? If so, you may make an excellent debtor bankruptcy attorney.

Of course, not everyone fits this type of scenario; which is why some attorneys choose to work with businesses who file large Chapter 11 bankruptcy petitions. This area of bankruptcy requires knowledge of corporate law and litigation experience if you effectively want to have a financially rewarding Chapter 11 practice.

However, this publication is solely focused on the Chapter 7 and Chapter 13 bankruptcy field. We are the people who deal with the average consumer. For example: The guy next door who just lost his job; the wife that has no income and no spouse; a business woman who is unable to pay her back taxes; a hard worker who diagnosed with cancer and lost his insurance because of uncovered expenses. For people like this, and many more who are currently living in bad, financial times; a compassionate, caring bankruptcy attorney will be the person they need to help them.

Therefore, if you do not have a personality that understands and cares about your typical market of customer-clients, it would be a waste of time for you to start a debtor bankruptcy practice because you are not going to stay in business for very long and your job will become nothing more than a blur. If you really want to enjoy life, find something you enjoy doing and can get paid to do.

How much money will it take to start a bankruptcy practice?

The answer to this question will depend on how much of the actual work you want to do as an attorney. If you only want to attend the 341 Hearing, meet with the client and have others interview the clients and process the paperwork, you will require less training compared to an attorney who wants to do it all. However, the following guidelines will provide you with a general idea of the start-up costs involved in starting a new bankruptcy law practice:

Initial Research

The list of materials below is highly recommended to begin your initial study and understanding of debtor bankruptcy law:

- a. [Bankruptcy Basics](http://www.consumerlaw.org), a step-by-step guide for pro bono attorneys, general practitioners and legal services offices. Available from the National Consumer Law Center:
<http://www.consumerlaw.org>
- b. [Chapter 13 Bankruptcy, Keep Your Property and Repay Debts Over Time](#), by Robin Leonard, J.D. and Attorney Stephen R. Elias; and
- c. [How to File for Chapter 7 Bankruptcy](#), by Attorney Stephen R. Elias, ISBN: 9781413308976. Both available from Nolo Press:
<http://www.nolo.com>

The two recommended books published by Nolo Press, are actually written for the consumer to understand the basics of bankruptcy and how it affects them. An attorney told me one time: “If you study consumer law, study it both from the perspective of the consumer as well as the legalese. This allows you to study the law from both sides which results in a much better education.”

Bankruptcy Software

The major players in the bankruptcy software market are:

<http://www.BankruptcySoftware.Com>
<http://www.EZFiling.Com>
<http://www.BestCase.Com>

All of them charge approximately \$1,000 for their basic Chapter 7 package. But you do not need to purchase any bankruptcy software at this time. Instead, download the free demo versions and find out which one you like. Just like some people prefer WordPerfect over Word, only you can choose the right software with the look and feel you are comfortable with.

If you do decide to make the investment into purchasing bankruptcy software at this time, remember that it is always best to purchase the least expensive version and purchase upgrades as you need them. Additionally, never purchase add-ons for Chapter 13 Plans because they are available free from the bankruptcy court.

To read an excellent article on this topic, read: Warning: Do Not Get Ripped Off Purchasing Federal Forms at:

<http://www.713bankruptcy.com/archives/347>

Training

At this time, 713Training.Com is the only company dedicated to the training and support of debtor bankruptcy attorneys. Depending on the method you choose to use in setting up your bankruptcy practice, you may be interested in the following options:

Basic Chapter 7 Petition Training - Under \$360

http://www.713training.com/shop/cart.php?m=product_detail&p=35

This complete set of 10 CDs covers every form and schedule within a Chapter 7 bankruptcy petition and provides all the basic skills needed to prepare all bankruptcy petitions.

Complete Bankruptcy Petition Training Kit - Under \$900

http://www.713training.com/shop/cart.php?m=product_detail&p=59

Fourteen products that provide a complete training package for both Chapter 7 and Chapter 13 bankruptcy petitions. Includes 3 months of free support via email or telephone.

Chapter 13 Seminar Training Kit - Under \$190

http://www.713training.com/shop/cart.php?m=product_detail&p=106

For attorneys who already have the basic knowledge of preparing Chapter 7 bankruptcy petitions, this excellent set of a book, audio and video provides complete training in advancing your knowledge to include Chapter 13s. The training methods used in these materials was initially developed by bankruptcy trustees and customized to meet the training needs of bankruptcy attorneys at the 713Training.Com seminars.

Bankruptcy Petition Review - Under \$70

http://www.713training.com/shop/cart.php?m=product_detail&p=86

Attorneys, who prefer to prepare their own bankruptcy petitions, will often purchase the basic CD training video series. After self-training they prepare their own bankruptcy petition and email to 713Training.Com for review. However, this review is different because it contains a training lesson.

Here is how the review works:

The attorney prepares the petition as complete as possible.

The attorney emails the petition to 713Training.Com

713Training.Com calls the attorney and goes through every form and schedule of the petition; providing tips along the way for improvement of skills.

Most attorneys only require 4 or 5 petition reviews before they can be totally independent.

However, 713Training.Com is always available to help with difficult cases or as a consultant on various matters via email or telephone.

Virtual Training - \$175.00 per hour

The process is simple: You tell us when you want to schedule a training session. You can attend alone or with your entire office staff. At the appointed time you will click on a link (sent to you by email) to connect online to a web meeting. The web meeting allows you to view the computer screen of the instructor; who will provide training visually. The topics covered in the training are varied and depend on your law firm's specific needs.

To discuss scheduling a virtual training session, call **719-472-4109** or email Victoria Ring directly at victoriaring1958@gmail.com

Training in Colorado - \$500.00 per person, per day

For groups over 10, price per person is reduced by 10%

713Training.Com has a business center with 2 computers as well as a media room. You are welcome to schedule a visit to our office; or even bring your entire staff. We can accommodate any size group.

To discuss scheduling a training session at the 713Training.Com Colorado Springs, Colorado office, call **719-472-4109** or email Victoria Ring directly at victoriaring1958@gmail.com

Training at Your Location - \$1,200 per day (unlimited students)

This price is all inclusive. It includes the instructor's food, lodging and transportation expenses. Most attorneys schedule a minimum of two (2) days so the instructor can assist the attorney in establishing office procedures, developing and personalizing forms the law firm needs to begin accepting bankruptcy cases, and marketing their new practice.

Training in all these areas provides the attorney with a well set-up law practice from Day 1. This service also includes many perks, such as ongoing training and support, 10% discount off the purchase of all training products and development of office forms and/or procedural manuals to help keep your practice on-track and managed well.

To discuss scheduling an onsite training session at your office, call **719-472-4109** or email Victoria Ring directly at victoriaring1958@gmail.com

Other Start-Up Costs

Essentially, other than purchasing your software, and the training for you and your staff; the only other expenses are: (1) Obtaining your ECF number; (2) Finding a location to meet with your clients; and (3) Joining professional bankruptcy attorney organizations that appeal to you.

Obtaining Your ECF Number

ECF Number means “electronic court filing” number. We assume that you have already following the procedures necessary in your jurisdiction to practice before a federal judge. Now all that is left to do before you should start accepting bankruptcy clients is to obtain your ECF Number.

There is no simple set of rules to follow for obtaining your ECF Number. Every jurisdiction is different. Some states will only require you to attend a short training session at the court and your ECF Number is issued before you leave the class. While other states (like California) make it extremely difficult and time consuming to obtain an ECF Number. In fact, their rules are so strict attorneys are allowed to file their first 20 petitions manually while they go through the testing process to obtain their ECF Number.

The only way to know the procedure you need to follow as an attorney is to visit your bankruptcy court website. To find your bankruptcy court, visit:

<http://www.uscourts.gov/courtlinks/>

Joining Professional Bankruptcy Attorney Organizations

The bankruptcy-related national organizational links below will help connect you to specialized resources that will be important to the growth of your bankruptcy practice:

National Association of Consumer Bankruptcy Attorneys

<http://nacba.org/>

Use the Attorney Directory and search for bankruptcy attorneys you may wish to contact. Send them an email, tell them you are considering opening up a new law practice and would like to schedule a time to talk to them. Not every attorney will reply, but many will probably provide you with links to other ideas that can help you.

American Bankruptcy Institute

<http://www.abiworld.org/>

This organization will not allow you to view their Member Directory unless you pay to join as a member. This is a good thing because it helps to stop bogus email filled with advertisements and spam. However, the bad side is that attorneys cannot use this organization for marketing. Consumers would never pay to join this organization and therefore would not look for an attorney here. However, this is an excellent organization to join and you get a wide range of other benefits to help your law firm grow.

National Conference of Bankruptcy Judges

<http://www.ncbj.org>

According to their website, and in their own words: “The National Conference of Bankruptcy Judges is an association of the Bankruptcy Judges of the United States which has several purposes: to provide continuing legal education to judges, lawyers and other involved

professionals, to promote cooperation among the Bankruptcy Judges, to secure a greater degree of quality and uniformity in the administration of the Bankruptcy system and to improve the practice of law in the Bankruptcy Courts of the United States.”

American College of Bankruptcy

<http://www.amercol.org>

According to their website, and in their own words: “The American College of Bankruptcy is an honorary association of bankruptcy and insolvency professionals. Its Fellows include: Commercial Bankruptcy Attorneys, Consumer Bankruptcy Attorneys, Corporate Turnaround Specialists, United States Trustees, Bankruptcy Trustees, Investment Bankers, Insolvency Accountants, Law Professors, Judges, Government Officials, Appraisers, and others involved in the bankruptcy and insolvency community. Nominees are extended an invitation to join based on a proven record of the highest standards of professionalism and service to the profession.”

National Association of Chapter 13 Trustees

<http://www.nactt.org>

Founded in 1965, this organization is dedicated to the highest standards of education related to Chapter 13 bankruptcy and education is the focal point of the NACTT's annual seminar. Members of the NACTT receive the NACTT Quarterly, the official publication of the organization, and reduced rates on NACTT seminars. Membership consists of trustees, bankruptcy judges, lawyers for debtors and creditors, certified public accountants and other insolvency related professionals.

National Association of Bankruptcy Trustees

<http://www.nabt.com>

Membership benefits in this organization include a directory, listserv, case summaries, access to bankruptcy assets for sale and much more. Once you become a member you also can enjoy discounted Errors and Omission insurance as well as excellent resource information such as seminar materials, creditor contact lists, Trustee Tips, NABTalk articles, and much more.

Finding a Location to Meet With Your Clients

We assume that you already have a computer (or laptop) and a printer to set up your new law practice, as well as all the beginning office supplies you need. The next question is: Where will you conduct your client intake interviews? You will need to have a secured area to meet with clients to obtain a retainer fee and have them sign a Retainer Agreement. This can be accomplished in several ways.

For example, one attorney rented a small office space in downtown Los Angeles for only \$400 per month. She used it only to meet with clients for a short period of time. Most of the preliminary work had been done by email and telephone. By the time the clients met with the attorney they were ready to retain her services. The attorney collected the fee, had the Retainer Agreement signed and gave the clients a set of Client Intake Forms to take home and complete.

For a free set of Client Intake Forms as well as other bankruptcy attorney tools, visit:
<http://www.713attorney.com/freeproducts.html>

Small offices like these can normally be found on Craig's List; or attorneys can consider renting a fully equipped office by the hour. Two examples of national companies providing this type of service are:

<http://www.regus.com/>
<http://intelligentoffice.com/>
<http://www.virtualofficecenters.com/>

You can find several more by using the search words: "virtual office space" at any search engine.

How much do attorneys charge per bankruptcy petition?

At the time of this writing, the average price charged for Chapter 7s throughout the United States is approximately \$2,500. Chapter 13s are charged a fee of approximately \$3,500. In most cases, attorneys charge one price (\$2,500) for both Chapter 7 and Chapter 13 petitions. All petitions are first prepared as a Chapter 7. If the Means Test dictates that the client becomes a Chapter 13, the attorney places an additional \$1,000 into the Chapter 13 Plan and is paid first, along with the Trustee and other administrative costs.

In order to obtain the most up-to-date attorney fees charged by bankruptcy attorneys in your area, do a search on PACER for recent filings and view the Attorney Compensation Statement which is included in every bankruptcy petition.

How much do virtual bankruptcy assistants charge?

If you do not want to hire and train a staff, or hire new employees to help run your bankruptcy law firm; virtual bankruptcy assistants are the perfect choice.

Victoria Ring (CEO of 713Training.Com) is the developer of the virtual bankruptcy assistant industry. She developed the first training materials that provided training to virtual bankruptcy assistants (VBAs) and is fully aware that some VBAs have poor skills. That is why she developed the VBA Certification Exam which is difficult to pass unless the VBA has invested time and money into training. Many bankruptcy attorneys have come to rely on the results of this Exam, which can be viewed and downloaded at no cost at:
<http://www.vbacertification.com>

Attorneys who understand the value of hiring professionals who produce professional work over saving a few dollars by hiring an untrained VBA will appreciate a long-term business

relationship with a Certified VBA. At the time of this writing, the standard fee for professional level work from a trained and knowledgeable VBA is approximately \$500 or more for a Chapter 7 and \$700 or more for a Chapter 13.

Therefore, on the average, an attorney will make approximately \$2,000 for every Chapter 7 case and \$3,000 for every Chapter 13. Attorneys who charge less and hire unskilled VBAs to make a quick profit are only defeating their purpose in building a solid bankruptcy practice. We hope you are the type of attorney who is striving for much more.

How do I find Certified VBAs?

To find Certified VBAs, scroll down to the bottom of the front page at:

<http://www.navba.org>

To find members of the National Association of Virtual Bankruptcy Assistants, some of which may not be certified are located at:

<http://navba.org/FindaVBA>

Get Information from Other Attorneys

Please feel free to contact any of the attorneys below for additional information on starting your own bankruptcy practice. All of these attorneys are at various stages in the development of their law firms, but they will be able to share their personal stories with you about the status of the industry and the projected growth.

Dina Farhat, Esq.
The Ewaniszyk Law Firm, Victorville CA
Email: farhatdina@yahoo.com

Rosie Barmakszian, Esq.
Attorney at Law, Burbank CA
Email: rosie.barm@gmail.com

John Gonzalez, Esq.
Attorney at Law, Medford NY
Email: netlink@optonline.net

Chris R. Borgia, Esq.
Florida Bankruptcy Law Firm, Miami FL
Website: <http://www.floridabankruptcylawfirm.net/>

Thomas Wall, Esq.
Doyle and Wall, LLC, Annapolis MD
Website: <http://www.doyleandwall.com/>

Jennifer Tuffnell, Esq.
Spunaugle & Tuffnell Law, Pinole CA
Website: <http://spunaugle.com/>

John Spurgeon, Esq.
Attorney at Law, Pasadena CA
Website: <http://www.jsfamilylaw.com/>

Michael Warren, Esq.
Warren Law Firm, Chillicothe OH
Website: <http://www.buckeyelegal.com/>

Arthur R. Hausmann, Esq.
Irvine Bankruptcy Law Firm, Irvine CA
Website: <http://www.gimmieshelter.net/>

VBA Services Provided by 713Attorney.Com

Some attorneys prefer to have 713Attorney.Com manage all of their Chapter 7 and Chapter 13 bankruptcy petitions. This means that the case is personally reviewed, critiqued and triple checked for accuracy by Victoria Ring, a Certified Paralegal with over 33 years of paralegal experience. This service is more expensive compared to working directly with a VBA, but for those attorneys who prefer this level of service, we offer the following:

Costs

Certified VBAs who work under the direction of 713Attorney and 713Training are independent contractors. They are paid a minimum of \$500 per Chapter 7 petition and \$700 per Chapter 13. Because we personally know the amount of time and effort involved in the preparation of a well-detailed petition, we believe it is well worth the price to pay the VBA a professional fee.

713Attorney.Com will charge an additional \$250 for the management of the case from beginning to end regardless of whether the case is a Chapter 7 or Chapter 13. For every bankruptcy petition we process for your law firm you also receive:

- Initial consultation with attorney to gather basic information about the case; and to find out the direction the attorney wants to take the case.

- Initial consultation with client to acclamate them to our role as well as providing contact information. This immediately reduces telephone calls from clients to your office to answer general questions.
- Complete search and verification of all data in order to fulfill due diligence of the attorney.
- Asset, background and criminal records search for all clients.
- Compilation of Attorney Cover Sheet which is used to take to court in order to address any issues the case may have that are unordinary. The attorney will know before going to court the complexities of every bankruptcy case, simply by reviewing the Attorney Cover Sheet.
- Ongoing communication by email with the attorney so that he or she is fully aware of the progress of all bankruptcy cases.
- Responses to emails within hours of receipt.
- Attorneys are provided with Victoria Ring's private phone number for emergency situations.
- Professional behavior and complete adherence to Unauthorized Practice of Law regulations.
- Accurate recordkeeping of all correspondence on the case.
- Entire case and all documents provided on CD-Rom upon request at no additional charge.
- Preparation of Chapter 13 Plan as well as any amendments (if necessary) to achieve confirmation of the case.
- Case strategy consulting with attorney on more complicated and complex cases. (This perk is rare to find in any legal services company). However, Victoria Ring has been referred to as "Erin Brokovich" of bankruptcy. Therefore, attorneys value her direct insight based on 33+ years of legal experience in a wide variety of law firms throughout the United States.

To sign up to begin using our services, please fill out the form on the next page and fax back to us. When we receive the form we will personalize you a set of Client Intake Forms so you can begin using them to gather information from your clients.

Fill out and fax to 719-325-8332

Upon receipt, 713Attorney.Com will provide you with the following at no cost:

1. A set of Client Intake Forms personalized with your law firm information to provide to your clients. The information for the personalization will be taken from the information you provide below under "Agreement for Services."
2. A sample Retainer Agreement in Word format so that you can personalize it to fit your law firm. This Retainer Agreement was written by a veteran bankruptcy attorney and permission was granted for us to provide it free to bankruptcy attorneys without cost.
3. A two-page Document List that you provide to clients in order to obtain the necessary documentation for their bankruptcy case. The documents listed on this form will also help to fulfill your due diligence in order to eliminate possible fines caused by attorney neglect.

AGREEMENT FOR SERVICES

This Agreement for Services is made between

Attorney Name _____

Law Firm Name _____

Address _____

City _____ State _____ Zip _____

Office Phone _____

Fax Number _____

Email _____

Website _____

Cell Phone (our use only) _____

Today's Date _____

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