

ASSIGNMENT OF FUNDS HELD BY CHAPTER 13 TRUSTEE

This Assignment (this and other capitalized terms are defined in paragraph 1 below) is executed by Debtor on the date set out below.

RECITALS

- A. Counsel is Debtor's bankruptcy counsel in the Chapter 13 Case.
- B. Debtor and Counsel anticipate that Debtor will make regular chapter 13 plan payments to the Trustee, and that Counsel's fees, if Approved, will be paid from those payments. Nevertheless, Debtor executes this Assignment to help ensure that Counsel is paid for its work in the Chapter 13 Case, if the case is later dismissed or converted to chapter 7.
- C. Counsel and Debtor signed an engagement letter before the Chapter 13 Case was filed. The engagement letter contains the following paragraph:

Promptly after Counsel files Debtor's chapter 13 bankruptcy petition and a case number is assigned, Counsel will ask Debtor to sign an Assignment of Funds Held by Chapter 13 Trustee (the "Assignment"), a copy of which is attached to this letter. Debtor is under no obligation to sign the Assignment. If for any reason Debtor does not wish to sign the Assignment, Debtor agrees to inform Counsel before Counsel begins working on the case. Counsel reserves the right to withdraw from the representation if Debtor is not willing to sign the Assignment.

- D. Debtor has signed an Agreement to acknowledge the effect of this Assignment.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor executes this Assignment.

ASSIGNMENT

1. Definitions. As used in this Assignment, the following terms have the following meanings:

"Action Date" means the date an order of dismissal is entered or a notice of conversion is filed in the Chapter 13 Case.

"Allowed" means that Counsel's attorney fees charged to Debtor in the Chapter 13 Case have been approved by the United States Bankruptcy Court for the District of New Mexico, after notice and a hearing.

"Agreement" means Agreement Regarding Assignment of Funds Held by Chapter 13 Trustee, signed before the filing of Debtor's Chapter 13 Case.

“Assignment” means this Assignment of Funds Held by Chapter 13 Trustee.

“Available Funds” means any funds held by the Trustee on Action Date that she received from or on account of Debtor, less amounts needed to pay allowed administrative expenses, if such payment is permitted by law).

“Chapter 13 Case” means the bankruptcy case filed by Debtor on _____, case no. _____, in the United States Bankruptcy Court for the District of New Mexico.

“Counsel” means _____, Debtor’s bankruptcy counsel in the Chapter 13 Case.

“Debtor” means _____, who has executed this Assignment.

“Trustee” means Tiffany M. Cornejo, the standing chapter 13 trustee in New Mexico.

2. Assignment. Subject to paragraph 5 below, Debtor absolutely assigns to Counsel the Available Funds, to be applied to Counsel’s Allowed attorney fees as set forth below.

3. Application of Available Funds to Fees Allowed on the Action Date. If any of Counsel’s attorney fees and costs have been Allowed on the Action Date but remain unpaid, Debtor directs the Trustee to pay the Available Funds to Counsel until either Counsel’s Allowed fees have been paid in full, or else all of the Available Funds have been disbursed to Counsel.

4. Application of Available Funds to Fees Not Allowed on the Action Date. If any portion of Counsel’s fees and costs have not been Allowed on the Action Date, Debtor directs Trustee to hold sufficient Available Funds until Counsel has submitted a final fee application and the bankruptcy court has ruled on it. Counsel must file a final fee application within seven calendar days after the Action Date. If Counsel does not meet this deadline, the Trustee is directed to disburse all Available Funds to Debtor. If Counsel meets the deadline, then upon the bankruptcy court ruling on the fees, Debtor directs the Trustee to pay the Available Funds to Counsel until either Counsel’s Allowed fees are paid in full, or else all of the Available Funds have been disbursed to Counsel.

5. Disbursement or Remaining Available Funds to Debtor. After paying Counsel its Allowed fees in accordance with paragraph 3 and/or 4, any remaining Available Funds shall be paid to Debtor.

IN WITNESS WHEREOF, Debtor has executed this Assignment on the _____ day of _____, 20__.

Agreed and accepted:

Debtor

Counsel

Date