



Fresh Start Funding's Defense Guaranty and Indemnity Policy

At Fresh Start Funding, we want you to know that we have your back. We believe so strongly in the legality and ethical propriety of chapter 7 bifurcation, that we'll stand behind you if it's ever challenged.

As you know, there is one right way to bifurcate chapter 7 cases, and a lot of ways to mess it up. But if you follow our guidance about best practices, we'll stand behind you if you're challenged in court. Here's how it works:

Your Responsibilities

1. You must use separate pre- and post-petition engagement agreements to bifurcate your case.
2. Both your pre- and post-petition engagement agreements must contain our recommended disclosures to your client in order to obtain their informed consent.
3. You must actually split your services into clear pre- and post-petition portions.
4. You must reasonably allocate your fees for all of the work between the pre- and post-petition portions, and your overall fee must also be reasonable for your jurisdiction.
5. You must disclose the bifurcated fee structure to the court, and use our recommended language in your Rule 2016/Form B2030 disclosure.
6. You must finance the case with Fresh Start Funding.

Our Promise to You

If you follow the best practices set out above (and we'll provide you all of the training and forms to make that easy), and you're challenged in court by a panel trustee, the United States Trustee or a judge, *we'll defend you and indemnify you if we're unsuccessful*. What does that mean? Here's what we'll do:

1. We'll represent you with one of our in-house attorneys or, if needed, outside counsel.
2. We'll draft all necessary briefs using our extensive research and analysis on bifurcation, the bankruptcy code and rules, and the rules of professional responsibility.
3. We'll provide counsel to conduct oral argument on any motion.
4. We'll also represent you on any appeal of an adverse decision.
5. If a final non-appealable order is issued holding that bifurcation of Chapter 7 cases is not allowed under the Bankruptcy Code, we'll indemnify you against disgorgement for up to \$50,000.00.*

Fresh Start Funding has your back.