

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

IN RE:)
)
) CHAPTER 13
)
) EMILY ROSARIO G. BARCELO,)
)
) CASE NO. 03-22074 (ESS)
)
) DEBTOR.)
-----)
)
) DEIRDRE A. MARTINI, as the)
) UNITED STATES TRUSTEE,)
)
)
) PLAINTIFF,)
)
) v.) ADVERSARY NO. 04-01117
)
) WE THE PEOPLE FORMS AND)
) SERVICE CENTERS, USA, INC.,)
)
) GAIL MARTIN, individually, and)
)
) WE THE PEOPLE FORMS AND SERVICE CENTER)
) OF FOREST HILLS,)
)
)
) DEFENDANTS.)

STIPULATED FINAL JUDGMENT

Deirdre A. Martini, United States Trustee for Region 2 (the “United States Trustee”), and We the People Forms and Service Centers, USA, Inc., its successors, parents, subsidiaries, franchisees, agents, employees and assignees (“WTP”) have agreed to the entry of a Stipulated Final Judgment in the above-entitled adversary proceeding (the “Adversary Proceeding”), to set the parameters of WTP’s bankruptcy petition preparer business, in compliance with 11 U.S.C. § 110 as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (the “BAPCPA”), and 11 U.S.C. §§ 526-528 (2005), provisions relating to debt relief agencies. Based on the agreement of the parties and their consent to the terms and conditions of this Stipulated Final Judgment, it is hereby **ORDERED, ADJUDGED, AND DECREED:**

1. WTP is permanently enjoined from engaging in the unauthorized practice of law,

including:

- (a) **Orally** (1) advising customers when or whether to file bankruptcy; (2) explaining or deciding which debts are secured, priority or unsecured; (3) advising customers on exemptions; (4) explaining the difference between chapters or advising customers which chapter to file; (5) explaining information necessary to complete the petition, except that WTP may verify accuracy and legibility to the extent required by the provisions of the BAPCPA; (6) explaining the effect of a bankruptcy discharge; (7) explaining the effect of bankruptcy on property ownership, foreclosure or eviction; (8) advising customers whether they will be able to retain their home, car, or other property after filing a petition; (9) explaining the tax consequences of a bankruptcy case or the dischargeability of tax claims; and (10) advising customers whether they may or should promise to repay debts to a creditor or enter into a reaffirmation agreement with a creditor to reaffirm a debt.
- (b) Distributing any handouts, including, but not limited to, step-by-step guides to bankruptcy, bankruptcy workbooks, exemption sheets, bankruptcy overviews and court lists, to WTP's customers or prospective customers, except for the Official Bankruptcy Forms, or other forms or papers which correspond to the Official Bankruptcy Forms, provided, however, that WTP may make available for reference or sale generally, materials on the subject of bankruptcy that are publicly available from the United States Bankruptcy Court, the Administrative Office of the United States Courts, the Office of the United States Trustee or other government instrumentality, and/or commercial publishers.
- (c) Using the words "legal," "law," or "lawyer," "attorney," or any variations thereof,

in advertising bankruptcy services in the print media, broadcast media, or the Internet;

- (d) Accepting or handling the Bankruptcy Court filing fee from any customers or delivering the bankruptcy documents to the Court. However, WTP may provide a locked drop box where a customer may deposit the petition and required filing fee, for pick up by a messenger service unaffiliated to WTP, on the following conditions: (1) the customer will deposit the completed petition, the filing fee, and payment for the messenger service in the drop box; (2) WTP staff will not have a key to the drop box; (3) the drop box will be located inside the store in a low traffic area; (4) WTP will not receive any payment from the messenger service for the use of the service; and (5) the messenger service will make a daily pick up from the drop box;
- (e) Providing any bankruptcy-related services other than typing Official Bankruptcy Forms from hand-written facsimiles of the Official Bankruptcy Forms submitted to WTP by customers, except to the extent provided in the Stipulated Judgment or required by BAPCPA;
- (f) Providing customers with access to a “Supervising Attorney” or any other legal counsel compensated by WTP. Should a customer seek legal advice from WTP, WTP shall state that WTP is not authorized to provide legal advice of any kind in connection with the bankruptcy case or proceeding unless otherwise permitted by the provisions of BAPCPA or state law;
- (g) Requiring customers, as a condition of providing bankruptcy-related services, to enter into a “Hold Harmless Agreement” or any other document purporting to waive any legal rights of the customer. However, WTP may require their customers to

execute an acknowledgment that is consistent with the terms of this Stipulated Final Judgment and 11 U.S.C. § 110 or other provisions of the BAPCPA.

2. In addition, WTP shall agree to the following affirmative actions:
 - (a) WTP shall make employees available for questioning by the United States Trustee if issues regarding compliance with the Stipulated Judgment arise. WTP shall maintain the last known addresses and phone numbers of former employees, along with the most recent date of communication by WTP with the former employees.
 - (b) Each responsible person and typist who prepares a petition shall sign and print his or her name, address, and social security number on all bankruptcy documents prepared. Each responsible person or typist who signs a petition shall sign a certification to be included with the Official Bankruptcy Forms and filed with the court, that he or she has been advised of the terms of the Stipulated Judgment, has agreed to the terms of the Stipulated Judgment, and did not violate the Stipulated Judgment in preparing the customer's Official Bankruptcy Forms. As part of the certification, WTP shall certify that each customer (1) signed the bankruptcy documents after preparation and (2) received a copy of the completed documents.
 - (c) WTP shall provide each customer, and file with the Court, a Customer Disclaimer, which states (1) WTP is not a law firm; (2) WTP staff are not attorneys; (3) WTP staff will not provide legal advice of any kind; (4) WTP is authorized to provide typing and debt relief services as defined by the BAPCPA; (5) customers should consult an attorney if they have any questions about bankruptcy; and (6) customers who own a residence, condominium, cooperative, raw land, or any interest in real property should consult a lawyer because the property may be at risk in bankruptcy.

Customers shall initial each line and sign the Customer Disclaimer.

- (d) WTP shall post a sign in a prominent place in each WTP office which states that WTP is not a law office, is not authorized to give legal advice, and is authorized to provide typing and debt relief services as defined by the BAPCPA.
 - (e) WTP shall disclose to all customers and potential customers, through personal contact and advertising, all costs of bankruptcy document preparation, including, but not limited to, copying costs.
 - (f) WTP shall use the full legal name of any WTP entity involved in the case on all documents.
 - (g) WTP shall provide the United States Trustee with a list of all existing WTP stores in New York, Connecticut and Vermont, with their full corporate names, including an explanation of the corporate structure of WTP, each franchise, and each wholly or partly owned subsidiary. In addition, WTP shall provide the United States Trustee with a copy of all articles of incorporation of new WTP entities within 30 days after the opening of a store or transfer of ownership, whichever is earlier.
3. The Stipulated Judgment shall have effect in the Southern District of New York, the Eastern District of New York and the District of Connecticut.
 4. Within thirty days after entry of this Stipulated Final Judgment, WTP will provide the United States Trustee with copies of its corporate guidelines and manuals produced to ensure WTP's compliance with the Stipulated Final Judgment and the Bankruptcy Code.
 5. The United States Trustee reserves the right to file an adversary proceeding to enforce the Stipulated Judgment and/or enjoin any WTP entity from acting as a

bankruptcy petition preparer.

6. WTP shall save customer worksheets for three years after it completes its services for each customer.
7. This Stipulated Final Judgment adjudicates all of the claims and rights and liabilities of the parties raised in the Adversary Proceeding.

Dated: New York, NY
October 12, 2005

Deirdre A. Martini
DEIRDRE A. MARTINI
UNITED STATES TRUSTEE

Dated: Greenwood Village, Colorado
10/12/05

Jason E. Searns
JASON E. SEARNS
EXECUTIVE VP AND GENERAL COUNSEL
WE THE PEOPLE USA, INC.

APPROVED AND SO ORDERED:

s/Elizabeth S. Stong
UNITED STATES BANKRUPTCY JUDGE
Brooklyn, NY
October 24, 2005