

# November 2014 Strategy Call



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## Part 5 of 10 - Raising Your Fees (As much as \$1,100)

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Rick Abelman from [Abelman Rollins Law](#) in Honolulu, Hawaii shares with us how he raised his fees by \$1,100 per case and includes 720 Credit Score as part of his package.

### Downloads from this call:

- 1) [Click here](#) to download the recording of this November 2014 Strategy Call.
- 2) [Click here](#) to download the "Rebuild Your Credit Score" Flyer.
- 3) [Click here](#) to view the Abelman Law "Attorney Fee Menu" mentioned on this call.
- 4) [Click here](#) to view the Abelman Law "Comment Card" example mentioned on this call.

### Key Points:

- 1) Including 720 Credit Score in your bankruptcy package adds so much value that your clients will not be affected by the higher fees.
- 2) By helping your clients with their "life after bankruptcy," they will be more inclined to refer your firm to their friends and family.
- 3) Rick shares some things that his firm does with their potential clients prior to them going in for their intake meeting (while they are still in the waiting room). For example, he has a binder of comment cards for them to read while they wait, as well as gives them the "Rebuild Your Credit Score" flyer to get them interested to learn more about 720.

## Call Transcription

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**Phil:** Welcome to the 720 System Strategies November 2014 strategy call. Today we have Rick Abelman from Abelman Rollins Law Firm in Honolulu, Hawaii. In the first part of this call, I'm going to discuss some things with Rick and I want to tailor the conversation to what's most effective for the listeners and then at the end I'm going to open up the call for those of you who have questions for Rick.

Rick, first of all, explain your firm a little bit, so people can get an idea of the volume you do, the number of employees you have, the number of attorneys, etc.

**Rick:** We have a pretty small firm, it's myself and my partner Chris Rollins. We have 3 fulltime support staff and a couple of part-time support staff. We do solely bankruptcy and every now and then a few derivative matters in tax resolution, debt settlement but I would say 95% is bankruptcy.

In Hawaii we only have one district, we average about 150 to 175 filings per month and we're approaching the low of the cycle here if not having been at the low for some time. Our firm does currently about 12% market share. We file between 10 and 20 bankruptcies per month, averaging about 15.

**Phil:** What percentage of your practice is chapter 7 versus 13?

**Rick:** We're above the norm in 13s. We do probably 60% 13 and 40% 7.

**Phil:** You joined 720 in October of 2013, so just over a year ago. You are in the 13th month right now. Over the past 13 months, what has changed? Obviously we know the fees, I've been telling people to get on the call because of that. Just go through different aspects about what has changed because of 720 and let's start with high level then after that, I want to dig a little deeper and specifically about how you use 720 to bring the clients in and talk to them before they're your clients, how you bring it up in the intake meeting and then how you generate referrals from past clients from it. What has changed over the past 13 months?

**Rick:** High level, I feel like we've become much stronger at differentiating ourselves from our competition and as a result we have been able to increase our fees and justify that increase in a way that's reasonable for our potential clients. We were in a race with the other main practitioners here to the bottom in a pricing war where essentially everyone was trying to slash below what the next guy was doing to try to capture enough business to keep competitive. It's brutal, there's a fee range where it almost doesn't make sense to do the bankruptcies anymore and we were getting close to that and it was just very tiring.

When we put 720 into place, we made that one of the center focuses of what I could call more holistic approach to the problem which is not just, "Please do my bankruptcy and be done" but it was "let us help you fix your financial difficulties and get back on your feet." The bankruptcy was the way to rip off the band aid and the 720 was pretty much the main focus of the healing aspect after where people wanted ultimately to be back where they were before they got into financial difficulty.

The bankruptcy helps but they would go through the bankruptcy and then they needed some guidance afterwards and we didn't really have a lot of concrete information to provide. Most of that work seems to be unpaid. It's really more of the counseling aspect, the advising part that people are not really sure how to do.

## Transcription, continued...

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We didn't know how to market it or how to monetize it and the 720 program gave us a way to give them that assurance upfront and let them know that we were in it for the long haul. We wanted to make it something that we didn't actually have to do much work for because the program is already set up for us. Our clients would be reminded every time they look at that program that our firm was the one that enrolled them and that our firm was helping them to get back on their feet and that proved to be a really good platform for soliciting referrals of new business.

As everybody listening who does bankruptcy knows it's not generally a repeat business type of structure. If you're not having repeat business, if you really want to get maximized value from the clients that you have had that you've done a good job for, it's really going to come back to you in the form of referrals for other people who are in that same situation who could use your services.

**Phil:** See that's what really hit me, when you told me ... 13 months ago your chapter 7 fees was \$1,400 a month right?

**Rick:** \$1,400 a month including the filing fees and that was pretty much where everybody was and we had numerous people walk away and say, "You know you want to do \$1,500 but I've got this guy doing \$1,400 so I'm going to go with him." It was frustrating because you would either have to say, "Okay, fine, we'll match it at \$1,400" which is pretty much \$1,000 when all is said and done and that was just not a sustainable model for us.

Everybody has a bad case that takes up all your time and we were having more of those because we were having to do more volume to try to keep our books right. It just wasn't good, so we decided we're going to build in some value here, we're going to throw in this \$1,000 course and we're going to boost our fees up like Phil was challenging us to do and we put it up to the \$1,800 range and then we put it up to the \$2,000 range, and we started shifting how we were talking about what our services were going to encompass and how we would pass out the flyer and say, "We're going to put you on this program" and for a lot of people that was the clincher, where they would say, "Oh, you know, nobody has ever talked to me about what happens after bankruptcy, you guys are the only ones. I met with three attorneys, you guys are the only ones who talked about this or even thought about it and to me that shows a lot."

Or they would say, "Well that seems like a lot of value, I know your fees are higher but I mean, I can see how this program is valuable and I'm paying less than \$1,000 for it." We got up to \$2,000 with no drop in the number of potential clients that were converting to actual clients and we said, "You know what? We're getting this down to where we can talk to people and we can feel confident, look I'm doing something more than just running you through the business, we're going to take care of you."

People feel that from us. It helped us feel more concerned for the client's whole situation and after that we went up to \$2,400 and we're currently at \$2,500 for chapter 7s. We're still \$1,100 over the average filings are still low. Here they've been decreasing about 25% year on year on a monthly basis for about 3 years now. Our market share has increased, we were at about 8% about 3 years ago, we're now at about 12% with probably 2% of that growth having come in the last year and our fees are at \$2,500 and going strong.

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**Phil:** I just want to update people on our conversation when we first talked. When I heard this, and I've heard people increasing their fees \$300 or \$500, but I never heard this much. You by far are the client that increased their fees the most. When we dug in deeper, one of the things we realized is that it's really increased your leads from your past clients referring their friends because when a past client refers a friend and a friend walks in the door and says, "Hi, I want what John got with that 720 credit score program", the fee reluctance is probably a little different than a Total Attorney lead or a Lead Rival from someone who's just price shopping.

**Rick:** Absolutely.

**Phil:** I want to get into that and how you generate referrals from past clients, but first I want to start from when before a client even knows you, and by the way, Rick's website is [AbelmannLaw.com](http://AbelmannLaw.com). I tell you that because you have 720 really prominent on there and you focus on education. It's possible to rehabilitate your credit right away. Let's start with a lead calling in. When a lead calls in, how do you differentiate yourself? How do you get that person in the door for an intake meeting?

**Rick:** We never really talk about our fees over the phone, we emphasize that every case is different. If somebody really pushes, we say, "You know, we've done cases for free, we've done cases for \$5,000 yours is probably going to be somewhere in the middle. What we do offer is a free consultation, it doesn't cost you anything. We sit down with you, we come in we'll go through your finances, we'll talk to you about, you know, what your options are and give you our advice and then from there you're welcome to go wherever you want and check it out somewhere else, you know, get a second opinion, but we do want to sit down with you and really give you our focus and attention."

I would say 85% of the people will respond to that. They say, "Okay, I can do that, it's not going to cost me anything." To me you have to be in front of the person. Obviously if it's somebody coming from a referral, they're like, "Yeah, no problem and that would be great." The people who could call who aren't looking at reviews or anything or haven't looked at your website, just going off a list tend to be ones that are more hesitant.

Very few people will say no to a sit down free consultation. It's really in that consultation where we have the 720 flyer printed out. We make that a part of the initial presentation. Obviously we get their information then we talk about, these are your options, this is the basics of what you're looking at in bankruptcy and assuming it is a bankruptcy situation and I'll go into when it's not in a second but assuming it is a bankruptcy situation, we say, "Look this is how we do it." We have the pre-printed menu with the fees on it that says, you know, "Here's the chapter 7" you point towards \$2,500.

Now included in that \$2,500, then we pull out the 720 flyer and we say, "You know a lot of people can do a bankruptcy for you but we're the only ones who have this 720 program which is a way to rebuild your credit after the bankruptcy and we want to get you back on your feet. We want you not to just be able to fix these problems but to be able to get back to where you were and this is the way that it's done. This is who Phil is, this is why he came up with it, and we loved it so much we invested in it and we bought it in bulk and we're offering that to you at no charge as part of this bankruptcy fees, it's \$1,000."

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A lot of people in their heads will say, "Okay, \$1,000 minus \$2,500 is \$1,500, well it's right about in the range." Some people will say that out loud and we're like, "Okay, yeah, you know you can think of it that way." But a lot of people who really like it say, "You know, I haven't seen somebody talk about that before" so they're interested. Some people do not need a bankruptcy, they really just need to fix their credit maybe a little bit of debt settlement. Again 720 is a good option for them.

Others will come in and they don't need a bankruptcy at all but they have some credit issues, again we throw 720 at them. At that point we might say, "You know you don't need a bankruptcy we have this program that we can offer to you at a discounted rate of \$500, \$300, whatever it is." We use that because I know the 720 contact emails always mention our firm and it's a constant reminder of people that I'm giving you something that you can enjoy.

Now you might say, "Well you're giving away something that you're paying for." To me it's like giving away business cards. Yeah, you pay for it but what comes off of that, if I give it away to a family that I helped out with a loan modification or something like that and they all go through the program, they send it to their friends, yeah, I give it to them but then they say, "You know what? This guy Rick helped us and he did this thing and my neighbor actually has some problems and I hope you don't mind but I gave him your name because you helped us so much." I say, "I really appreciate that and I appreciate your trust and we'll take care of them."

That kind of referral, you don't pay for your lead, you're paying for 720 anyways, you should be giving away like a bottomless supply of free candy and it's helpful to people, they like it, it doesn't obligate them to do anything, and those client referrals are golden. Our conversion rate for client referrals is so much higher than just your average you know, pay me or in total attorneys kind of thing or even just a phonebook or whoever's sending them to you.

For us, it's a huge part of that intake and conversion process and integrating it into the whole client experience means that they're going to be thinking of it. A lot of clients will call us, "When can I start the 720 program?" "Wait till after you're discharged." "When can I start it?" "Wait till your plan confirmation". They are excited, they want to get working on it, they feel like it something they have in their power to actual do, unlike most of the bankruptcy which is, "Do this stuff, wait around, and then we'll tell you hopefully the good news at the end."

The other thing is we try to talk about the highlights of the bankruptcy so right after the 41 meeting is concluded, there's this big sigh of relief, "Hey you know you've done the hard part, you know, don't forget about the 720 thing." "Oh yeah, yeah, I want to talk to you about that, I want to look into that." Right when the discharge comes in. "Hey guess what? Great news, you're discharge came in, you're case is closed. Remember the 720 thing we talked about? Now is the chance for you to start working on it."

It just reminds them, "Yes, you're giving me things. Yes, you're helping me out and I really appreciate it, I'm feeling really good." That's a great time to try to solicit referrals, to try to get them understanding, this is a good thing for me.

**Phil:** Yeah, let's talk about how you solicit referrals. I think it's pretty unique what you do with the cards.

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**Rick:** Again we look for the highlight times, we send out batches of business cards maybe from sample 4 or 5. Plan confirmation, an annual letter that goes to chapter 13 clients to remind them to send in their tax returns to the trustee and keep up on their payments, call us with any questions and by the way if you know anybody we could help, here are some business cards. Definitely a discharge, we send them a packet that includes a comment card and includes some of our business cards, it includes the 720 information and we make sure that they get set up, we follow up with a call, we say, "Is there anybody else that we can help? You know I know you're feeling relieved.. if you have anybody we'd be happy to talk to them and you know that we will take care of them. We'll hook them up and we'll make sure that they're in a good spot."

That comment card comes back 99% of the time, I think we've had 1 negative one we've had about 1,000 good ones, we keep them in a book in our waiting area, just bound with a punch in the corner in a ring, and people flip through that, we put a bunch of them on our website and you can see those. It's great, people say, "You know what? I was sitting out there waiting for you and I read the comment cards, I totally trust you guys, we haven't even talked yet but just based on that, I love it."

Trust me, Yelp review, the Google plus reviews, the website reviews, those are all a lesser form of a referral. You're looking at a peer, somebody who was in your situation who used us and had a great result and then talked about it. To us, that's really key, we've pulled almost all of our print advertising, we don't do any telephone marketing, any direct mail. We're pretty comfortable on the volume that we have because we're not trying to maximize the volume, we're not trying to get 100 clients a month. We're very comfortable at the level that we're at, we're making a lot more per case so it's a very good position to be in.

**Phil:** You follow up one more time with your clients, right? When do you call them and specifically ask for the referral? How far out through the discharge is that?

**Rick:** It's actually right when the discharge comes in. Chris and I will personally call them when the discharge comes in, talk to them, we solicit referrals, we actually hunt for stun discharge of violations at that point and a lot of those come up, that's another show I guess, then we ask for referrals. Once we actually get them hooked up with 720, we'll usually talk to them again, once they've started the program to ask how things are going if they had any question and then again to mention the referrals.

The referral thing is something that you can say off hand, it's not like we put the pressure on. I don't pause for 5 seconds waiting for them to give me a name. It's just a remainder, look, we're here for you, we're here for your people, your friends, your neighbors, your relatives, and people always know somebody who's like "Oh yeah, that person is having a tough time." You know, it's probably 40-50% of our new clients are from referrals. They will say, "You know I talked to my friend ..." It may be somebody I haven't seen for 5 years and they say, "You know what? I thought of you and I sent you to this person." Again that's the way that you want it to be. You want those referrals like that.

**Phil:** Well see, that's why it makes sense how you've been able to increase your fees \$1,100 per filing in a down market when 40-50% of your leads are referrals. If all your leads were coming in from ad words or Total Attorney, it's just not possible, right?



## Transcription, continued...

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**Rick:** It will be harder although I will admit, when I increased them... You challenged me to increase them and I did and I was nervous. I thought, I hope I'm not shooting myself in the foot here by pushing the fees up so high that people are going to be like, "That's nice but I just can't afford it." At the end of the day, people will pay for quality and that's what we're offering. We are saying, we are quality because we have this level of service, because we care about you even after the bankruptcy, and it justifies the higher fees.

We've had people specifically say, "I'm so glad I paid Abelman Rollins the higher fees because it was worth it." To me that's really what you're selling. You have to believe that what you're offering is worth it and when you do and when you understand that, you might be nervous but it's going to translate. When you say, "Look, I have this product that's \$2,500 and it's worth every dollar", yeah absolutely.

**Phil:** Right, especially if you back into it, like we talked about, and if anyone needs a copy of our strategy call from December of last year, where I talked about how if you plan on getting a car in the next 1, 2, 3, 4 years, this is what you say to the client. I mean everyone is going to say yes I want a new car but if they don't rebuild their credit score, they're going to overpay about \$250 per month on a \$15,000 car. It's \$3,000 per year for every year they don't raise their credit score.

If you start building that type of value, they can't help but say yes to it. Rick I wanted to dive in a little deeper on this. When they call in for the first time, is your front office staff bringing up 720 in any capacity?

**Rick:** Not in the very first call but they do bring it up as soon as they walk in, they give them a copy of the 720 flyer.

**Phil:** When you say the flyer, do you mean the "Rebuild Your Credit Score" flyer, the big one like the 11 by 17?

**Rick:** Yeah, the big poster. They are big and they're like, "Wow do I get to keep this?" Then we say, "Yes, frame it put it up in your house." They like it because they can read it. Number 1, it's big enough. We tried to make it smaller but the older people couldn't read it so it's a good size where they can see everything. It looks fancy, it's a value thing. You're saying, "Look, if this is worth enough for me to color print it, then it's got to mean something" and they like it. We put it in the follow-up email that goes out right after they leave our office and then we talk about it again when we do the signing and then again at the 341 meeting, at the discharge for a chapter 7 or after confirmation for a chapter 13.

**Phil:** Going back to the intake meeting, they are walking into the intake meeting with this 11 by 17 color printout right?

**Rick:** Yup.

**Phil:** It's a natural bring up type of moment like "Oh, by the way, let me tell you about this" and at the bottom of it, it has our \$1,000 price. You can go 720 Credit Score for \$1,000 right?

**Rick:** Yup and that comes up right when we start talking about the price of their bankruptcy.

**Phil:** Got it, so it's that automatic distinction. This is something that any attorney or client of ours who (and we have over 100 in the program) distinguish that \$1,000 fee, it really is the ultimate value add and the reason why is most attorneys when I ask them, "How do you differentiate yourself from other attorneys?" they typically say, "Well, I've been doing this a long time, I give better service ..." those type of things which are very abstract, and this is black and white.

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**Rick:** Yeah, it's hard for them to put a finger on it.

**Phil:** Yeah, by the way, I've got to make a point here, when they call in the office for the first time, some of my top attorney's are having their front office staff say, "Hey the reason why you've got to come in and speak to Chris or Rick is because we offer something that others don't. Call different bankruptcy attorneys and ask them what they're going to do for your credit after your bankruptcy. Ask them how they're going to get your life back to normal. No other bankruptcy attorney is going to do what we do and let me tell you about it." I tell you that because that could even be more of an enhancement.

**Rick:** I learned something good from this call too.

**Phil:** Does anyone have any questions? Hit 5\* and it will raise your hand and I'll unmute you. We have a 304 area code. I'm unmuting you now.

**David:** Hi, it's David Hinkle.

**Phil:** Hey David, how are you doing?

**David:** I'm doing well. Hey, I do have a couple of questions for Rick. We have our set fees but every once in a while you get that little old lady that comes in and there's no way she's going to be able to pay the fee. Do you find that now that you've got the value added, do you just not take the clients that can't pay the higher fees and just justify it by not trying to do a volume type of business or do you still occasionally offer some concessions to maybe some of the lower income clients?

**Rick:** Yeah David, that's a great question. One of the reasons why I like to be in business for myself is because I feel like I can give a break to those little old ladies but the problem that you know is that there's a lot of little old ladies out there and if you do too many of them then you're looking at your own bankruptcy. What we've done personally is, we have 5 spots for basically free or low-bono type of cases, and we will fill those slots and when one case is done and there's an open slot, if somebody comes in then we'll take that case.

Other than that, if somebody can't afford our fees, we have a couple of other attorneys in town that we know are good and will do it for a cheaper price, and we will always raise that. If somebody says, "You know, the fee is just a little bit high", I say 2 things, I say, "Well, you know the advice that I've heard that I fully believe in is you should go with the best attorney you can afford and for some people that would be us, for some people that would be no attorney at all and I understand that and you know I hope you understand as well. Between Chris and I we've got 7 kids to feed and I can't, you know, go too cheap for what we provide. We're not a fast food, you know, type of attorney um, we, we try to provide in this level of quality and we can't do it at that lower level. So if you'd like some names I'd be happy to refer you to some cheaper people."

Sometimes people will do that, a lot of times people will listen to that and they'll say, "You know what? I'm going to try to make it work" and a lot of them do. I don't feel back, I feel like I've... like we have those slots open, we can take a case. I would say we probably do 3 or 4 a month and that's generally not included in our fixed inventory that I'm talking about, but 3 or 4 a month that are either free or very low priced. That's just something I like to do personally. I don't mind skipping a couple of meals out if I can feel good about doing that.



## Transcription, continued...

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**David:** Got it. Do you do anything different or unique in terms of how the clients pay you? If it's \$2,500 they're going to come in with a check for \$2,500 or ... I try to lower the initial bar for them to retain me in some ways, understanding with the chapter 7s you've got certain ... We're limited in terms of having to get fees prior to filing the case obviously but do you do anything different from allowing people to pay in installments towards that or is it simply just, "When you're ready come in and see us and we'll get started?"

**Rick:** We do believe in installments. We have a fair number of clients that will just write the check but I would say 70% are on an installment basis. We try to target a 3-month lifespan for that installment and if they can do it sooner. Also, we like to stagger our business, like for instance, we want to have a slow December so we would encourage people to file in November by saying something like, if you can pay us the whole fee in 30 days we'll reduce your fee by \$200. Sometimes we will offer incentives like that to help people.

Otherwise on an installment basis, we tend to do very well. We don't usually get it going longer than 5 months. We try to target 3 months and often it takes them 3 paychecks of so to be able to get us enough fees or to be able to borrow the money from somebody to pay us. We don't do any post-petition fee acceptance though.

**David:** Right, yeah understandable. Okay, well I appreciate that. I don't have more questions.

**Rick:** Yeah, no problem.

**Phil:** Thanks David. Any other questions, 5\*, while we're waiting for anyone to raise their hand, Rick, let me ask you this, when we talked about selling to past clients, say someone who you discharged a year ago, you told me that you don't force on collecting payment every time right? Give us your mindset on that.

**Rick:** This goes back to what David was talking about, even if you take a free or a low-paying client a couple \$100 in fees or whatever they can afford, that person is still a very valuable source of potential referrals for you. If somebody comes in to me and I give them either some free advice or I give them 720 at no charge, or I do a cheap bankruptcy for them, I still ask them if I can help their friends and family members and neighbors the same way I would ask somebody who paid me \$2,500 or \$4,000.

I would basically say, "Look, we've done this for you, I think you're happy, it seems like you're satisfied and that we've done a good job. Is there anybody else you can think of that we might also be able to help? It may not be now, but if you do think of somebody, here's 5 more cards." A lot of them will be like, "Give me 10 cards, you know, I love what happened here and I'm so happy, I'm going to go find some people for you." That's not something we're asking them to do, again, I'm not a hard sell kind of guy. I'm very back ... I live in Hawaii, that's just the way things are done here, but we get a lot of that coming back.

We get a lot of people who come in 2 years later, "Hey I'm trying to get a mortgage and my credit report is all screwed up, shouldn't this stuff have been handled in bankruptcy." Perfect opportunity, "You know what? Since I talked to you last we have the 720 program, let me hook you up with it. Let's talk about what's going on with your credit report. And by the way, now that things are going well and you're back on your feet, anybody else we can help?" Good opportunities to ask for things, good opportunities to insert 720 and I've tried asking people for money to pay for 720 and it's worked okay. I haven't been super successful at it but I have been very successful in giving it away and then having them feel like, you know what? Rick did this thing for me, yeah, I can think of somebody that you could help out. That persons coming in is going to bring me way more in fees than I would get from selling 720s.

## Transcription, continued...

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**Phil:** Awesome Rick. Okay, we've got 2 other questions. If you have a question for Rick, 5\*, first one here is a 305 area code, you're unmuted.

**John:** Hi this is John Voss from the Bellinson Law Firm here in Miami.

**Phil:** Hey John, how are you doing?

**John:** Doing good. It sounds very different and I like giving them a big fat 11 by 17 flyer, but if I was the client, the first thing I want to do is start talking about 720 at \$1,000 price before I ease them into what is bankruptcy and how we can benefit, etc. Am I missing the point? Is that what happens or...?

**Rick:** Yeah, that's a good question. When they're looking at the flyer, they're generally reading it while they're filling out my questionnaire. They look at it and see the big words which are credit errors, \$1,000, credit rebuilding. They see that stuff and I think most of them just say, "Okay, this is something that I'm going to have to look at and I presume we're going to talk about."

In the beginning, if they start asking about it or if they have it in their hand, "I'll say, I'm going to tell you how this fits in, in just a minute" and then I'll go through the bankruptcy consultation and basically say, "Okay, look, this is the program you read about. You need a chapter 7, this is why and these are the benefit that are going to happen for you."

Then they say, "Okay, well how much is it going to cost?" Then I say, "Well, you know, our standard fees are this ..." and I, I would emphasize having a pre-printed menu. I find that it's weird but if it's on the menu then it must be the normal price, and that's the reaction that we get from people. It's dated June 1st 2014 and it says, "Chapter 7, \$2,500" there's additional add ins if it's like a business owner or something like that but \$2,500 is the base rate and I point to that, and I say as part of this fee, we're going to talk about the 720 program and the 720 program is actually something that is going to help you after your bankruptcy, the bankruptcy, and we go to the number 2 which is get rid of the old debt and we say, "This is how- What you're going to be doing. In the bankruptcy you're going to be getting rid of the debt and then you're going to go through this program and the goal is to have a 720 credit score within 12 to 18 months after your bankruptcy."

This is \$1,000 program put together by Phil Tirone who, you know, was having trouble trying to help people understand what they could do to actually fix their credit and he's turned the system inside out to figure out what is going to impact you the most and what is going to help you to get your credit score increased by taking specific steps. And it's nothing shady" and we just point to the points on the poster and they're looking at the poster saying, "Okay, that makes sense, that makes sense." It's \$1,000 course but because we care about you and we want to make sure that you get back on your feet after the bankruptcy, we bought this in bulk and we're throwing it in at no extra charges, part of your fee.

Then we go back to the \$2,500 and most of the time they will say, "That sounds great." It's very uncommon now, this conversation about price happened half the time when we were at \$1,500. They would say, "Well you know, I just talked to somebody for \$1,400." I would say when we say it's \$2,500 and we go through this explanation, use 720, it comes up many 5% of the time, very uncommon now.

**John:** The close rate? Better, worse, the same?

**Rick:** Better. Like I said, we would use people if we were at \$1,500 and they could get \$1,400 somewhere else.

## Transcription, continued...

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**Phil:** Part of that is because of the leads you're getting. When you get a past client referring you and they want the 720 program, it's naturally an easier sale than some shopper who doesn't have relativeness to you. Wouldn't you agree with that, Rick?

**Rick:** Yeah, absolutely, the people who insist on a price over the phone, we just let go. They tend to be more problematic, it's a less satisfying experience for us as attorneys, it's harder on our staff and we've tried to eliminate the problem cases in favor of these ones that come in that are willing to pay the fee and that already want to be our client before they walk in the door. It's a much better outcome for us. I think you definitely want to try to avoid those problem cases as much as possible. As you present this to somebody, you're going to see right off the bat if they are going to be working with me or they're saying, "Well, I've already looked at this on my own and I don't need you or ...". This may translate into other parts of the bankruptcy as well, they're going to cause me problems down the road.

**Phil:** John, if you need a copy of that "Rebuild your Credit Score" flyer just email me and I'll get back to you right away.

**John:** Okay, great.

**Phil:** Okay, thanks John. Okay, 619 area code, you are unmuted.

**Chris:** Yeah, hi this is Chris Denton calling for Kerry Denton's office in San Diego. I was just calling because I have a question on the pre-printed menu. I was wondering, do you have just one set pre-printed fee menu for chapter 7s or are there variations depending on payment plans or the type of client?

**Rick:** I have it set up as the top half is chapter 7, the bottom half is chapter 13. The chapter 13 fees are no look fees that we usually go by and so that's pretty straight forward. The chapter 7 fees are broken down in a similar fashion. We have a base rate of \$2,500, we'll also add another \$300 if they're married, filing jointly with other spouses employed. If they are doing a redemption, we charge another \$200. Things of that nature we try to break it out but it is just one menu that has those prices on it.

Now if it's somebody who comes in who's on social security and they don't need the file but they just want it for the peace of mind, we're going to show them the menu still and let them understand what a great deal they are getting but then we're going to put them into one of those free or very low priced bankruptcies. For everybody else as far as the installments go on the prepayment, we usually just work it out of our numbers. We say, "What are you paying on your bills right now? It's \$800 a month, okay to get the \$2,500 you're going to be just a little bit over 3 months. Is that something that you can do?" When you break it down like that for them they say, "Okay, okay, yeah, I can do that."

We don't have any specific minimums for instalments. I know some people like to have... when you come in the first time you bring \$350 when you come in the second time you bring \$500. I know that can work. For us we found flexibility to be good. I used to say, "Pay me anything to get started" and one lady paid me \$2 and never came back and I had that \$2 in interest accounts for 18 months.

Now we usually say, "Can you do \$100?" I like to have contact because I feel like that increases our retention so when they pay \$100, we actually give a no questions asked refund, except if we've paid for credit counseling or something like that, at any time up until filing.

## Transcription, continued...

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We emphasize that you get your money back at any time. I probably give money back every other month to somebody, it's like \$300 or \$400. It's not very often, people are more inclined to come in and pay. Every time they come in we collect more documents for them, tell them what's missing.

Usually again it doesn't take more than 2 or 3 months for most of our clients to come in and get filed. We have an occasional one that strangles out 6 months or something like that but pretty uncommon. Our fee agreement actually says if they don't do anything for 4 months then we give them their fees. We usually just give them a call at that point and say, "Hey, what's going on." Yeah, the menu works, it's amazing. The menu and the 720 flyer I think are 2 key pieces of information that we have at the intake that really boost up our conversion.

**Chris:** Okay, because we you were looking to incorporate some sort of menu, possibly with a few different options so it's like the idea that they get to choose what works best for them. I was wondering if you could share an example of the menu just so we don't have to reinvent the wheel kind of thing.

**Rick:** Okay. Yeah, I can send this to Phil.

**Phil:** Yeah, I'll incorporate it into the strategy call, good question Chris. On that note I want to ask one thing before you ask your next question, Chris. Your menu, Rick, it's \$2,500 you don't give me option to take away 720 for \$1,000 less right?

**Rick:** Oh no, no, no. The 720 program is a part of every bankruptcy it's not an option.

**Phil:** Okay, I assumed that because I've gone down this road with so many attorneys and the attorneys that have the most success with 720, it's not an add-on.

**Rick:** No it's definitely not an add-on, it's an integrated part. It's not an option that they choose from. We say, "Look, this is what it costs for our level of services and this is an example of the services that we provide, the 720 program but you're getting a higher level of service from us and that service costs \$2,500 and if you can use 720 it's going be fantastic, if you don't need it, it's still \$2,500."

**Phil:** Perfect, right. Chris, I'm sorry, next question, Chris.

**Chris:** I just wanted to clarify does the \$2,500 include the filing fees or the fillings fees on top of that.

**Rick:** It includes the filing fees. Honestly Chris, I think we could actually go higher. I'm just a little bit nervous. I don't want to draw too much attention from the US trustee. I've already had a couple of attorneys at 341 meetings say, "How much do you charge that much?" I just say, "Well, you know, that's just where we're at." I don't want to draw too much attention. I do think we could go higher without significantly impacting what we're getting in.

At this rate we're pretty comfortable and again, we're at the bottom of the market right now. The filings have dried up so much over the last 3 years that for us to have this kind of volume at these kind of prices is really impressive to me.

**Chris:** Yeah, I know.

**Phil:** Yeah, you see this is the best part about it. See guys, keep one things in mind, everyone is feeling the pain of the lower number of bankruptcies and you guys are putting systems and processes in place. When this comes back, that's when you really are going to capture the market share. That's when it's really going to pay off in a big way. Chris I appreciate you asking the question. Any other questions? We have someone else raise their hand.

## Transcription, continued...

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**Gabriel:** Hi, this is Gabriel, how are you Phil.

**Phil:** Hey Gabriel, how are you doing bud.

**Gabriel:** I'm good. I'm working at home so if you hear a little child in the background I apologize. Just one more question about the menu that you guys are talking about and I might have been distracted so if it was discussed I apologize. If the fee that you're charging for chapter 7s is \$2,500 all in, what exactly is on menu then that we're talking about. I think the question was asked but how does the menu break things out then that we're talking about?

**Rick:** Yeah, I add in a couple of things like... We did a lot of redemptions and that takes some time and it generally yield a significant benefit to the client, especially for something like a vehicle so we decided to start charging for that since it was taking up so much time. We put redemptions \$300 and we'll explain if they have a redemption situation that the fee is going to actually be \$2,800 because we're going to saving this money but we need to spend the time to do it and they are usually fine with that.

Self-employment situations is another common one where somebody will say, "Well, you know, I own this business and it's a little bit complicated and it's actually really complicated" and so for that we have a range of \$1,000 to \$3,000 in addition to the 2,500. That is just basically our judgment call based on the intake as to how much additional work we're probably going to have to do on that specific case. We have an extra \$300 for a married joint filing where both spouses are employed because there's additional means test work that needs to be done and often additional balancing which schedules IMJ. We will sometimes do a reduction for a married debtor with a non-filing spouse who's not working or if they are on fixed income. For example if it's a debtor with just social security income, because the means test issue is significantly easier, we will sometimes offer a \$200 reduction of that rate.

Then we also occasionally will get people who are borderline and want us to run a means test calculation for them. One of the menu items is to do a means test analysis where we actually run through the means test before telling them whether or not they can file and we charge \$500 on that which is credited if they ultimately file and is kept if they don't.

**Gabriel:** That's very helpful, thank you.

**Rick:** Sure.

**Phil:** Thanks Gabriel.

**Rick:** It's a crazy response, having it printed out just seems to somehow make it legitimate. I don't understand it but it works.

**Gabriel:** It's always helpful even if you deduced a dollar, it would still be very helpful to just see how you price things.

**Rick:** Yeah, sure.

**Phil:** Thanks Gabriel. Okay, any other questions? 5\*, last chance. Rick, I've got to tell you, you've added so much value to people today. Thank you for that and if anyone has a referral in Hawaii, Rick Abelman, [Abelmanlaw.com](http://Abelmanlaw.com). You have their information, obviously this is all being recorded, I'm going to be sending this out to everybody and I'll get that sheet from Rick. I'll also send it out with the "Rebuild your Credit Score" flyer. I think that's brilliant, you're giving this 11 by 17 flyer out. Truly, some of our clients frame it and put it up in their lobby, but you're handing it out!

## Transcription, continued...

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**Rick:** Ya, we just ordered another stack of 400 of them and initially, again, I wasn't sure. That's one of the things that I would emphasize is, for whoever's listening, there's been a lot of things that Phil has said that I'm like, "Okay, that makes sense." There's just as many where he says, "You should try this" and I'm thinking, there's no way, I don't like that, I'm not comfortable with that but I tried them anyways, and a lot of them worked really well. The flyer thing is a great example of that. At first I thought I don't want to pay \$1.50 for this huge thing that they can't put in their purse but I'm a believer now. It works and it works well and the clients love it.

**Phil:** On that note, I wish I could take credit for that Rick, but the reality is, I'm in a unique position, I have 104 attorneys across the country, big markets, small markets, rural markets, urban markets, you name it and I'm constantly talking to them asking what's working, what's not working. When I hear an idea that works, I throw it out to a different attorney to test it out in a different market and when it works in 1 or 2 or 3 markets, and I figure that's a fair market share test then I roll it out to everybody.

I appreciate the complement but I can't say these ideas are mine, they're not, they're yours. I get so inspired when I hear people like you and like the other guys... you heard our call with Chris Denton two months ago. So many of our attorneys are slaying it in the down market. Bankruptcies are at the lowest they've been in 18 years and you guys are growing.

Rick on that note, thank you for your time and thank you for everyone who's listening.

**Rick:** Thank you.

**Phil:** Thanks Rick. Thank you everybody, bye.