

**United States Bankruptcy Court  
Eastern District of Washington**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): All Services, Inc.	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): None	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): EIN: 91-1634054	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State) 905 Lindy Lane Yakima, WA	Street Address of Joint Debtor (No. and Street, City, and State)
ZIPCODE 98901	ZIPCODE
County of Residence or of the Principal Place of Business: Yakima	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):
ZIPCODE	ZIPCODE

Location of Principal Assets of Business Debtor (if different from street address above):

ZIPCODE

<b>Type of Debtor</b> (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<b>Nature of Business</b> (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Truck Sales/Metal Building Construction <input type="checkbox"/> Other	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
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<b>Chapter 15 Debtors</b> Country of debtor's center of main interests: _____ Each country in which a foreign proceeding by, regarding, or against debtor is pending: _____	<b>Tax-Exempt Entity</b> (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code)	<b>Nature of Debts</b> (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.
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<b>Filing Fee</b> (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	<b>Chapter 11 Debtors</b> <b>Check one box:</b> <input checked="" type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101(51D) <input type="checkbox"/> Debtor is not a small business as defined in 11 U.S.C. § 101(51D) <b>Check if:</b> <input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). <b>Check all applicable boxes</b> <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
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<b>Statistical/Administrative Information</b> <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.	THIS SPACE IS FOR COURT USE ONLY
<b>Estimated Number of Creditors</b> <input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> Over 100,000	
<b>Estimated Assets</b> <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input checked="" type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion	
<b>Estimated Liabilities</b> <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input checked="" type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion	

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<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>All Services, Inc.</b>	
<b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet)			
Location Where Filed: <b>NONE</b>	Case Number:	Date Filed:	
Location Where Filed: <b>N.A.</b>	Case Number:	Date Filed:	
<b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor</b> (If more than one, attach additional sheet)			
Name of Debtor: <b>NONE</b>	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>		<p style="text-align: center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p><b>X</b> _____ Date _____                  Signature of Attorney for Debtor(s)</p>	
<b>Exhibit C</b>			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.			
<input checked="" type="checkbox"/> No.			
<b>Exhibit D</b>			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
<b>Information Regarding the Debtor - Venue</b> (Check any applicable box)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
<b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			
_____ (Name of landlord that obtained judgment)			
_____ (Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(1)).			

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**Voluntary Petition**  
*(This page must be completed and filed in every case)*

Name of Debtor(s):  
All Services, Inc.

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 of title 11 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X \_\_\_\_\_  
(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
(Date)

**Signature of Attorney\***

X 

Signature of Attorney for Debtor(s)

ROGER W BAILEY  
Printed Name of Attorney for Debtor(s)

BAILEY & BUSEY, PLLC  
Firm Name

411 N. Second Street  
Address

Yakima, WA 98901

509-248-4282  
Telephone Number

December 3, 2012  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, (2) I prepared this document for compensation, and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. § 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social Security Number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

X \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

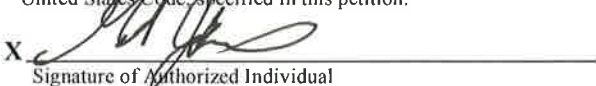
If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X 

Signature of Authorized Individual

GARY JOHNSON  
Printed Name of Authorized Individual

President  
Title of Authorized Individual

December 3, 2012  
Date

**UNITED STATES BANKRUPTCY COURT  
Eastern District of Washington**

In re All Services, Inc.,  
Debtor

Case No. \_\_\_\_\_

Chapter 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.</i>	<i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	<i>Amount of claim [if secured also state value of security]</i>
Basin Business Journal 815 W.3rd Moses Lake, Washington 98837				1,360.44
Giant Nickel 4812 W. Clearwater Avenue Kennewick, WA 99336				3,500.00
B7 Engineering P.O. Box 487 Sunnyside, WA 98944				34,844.00

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(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	(5) <i>Amount of claim [if secured also state value of security]</i>
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Jack Johnson  
520 Clemans Road  
Ellensburg,  
Washington 98926

63,000.00  
Collateral FMV  
0.00

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, [the president or other officer or an authorized agent of the corporation] named as debtor in this case, declare under penalty of perjury that I have read the foregoing LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS and that it is true and correct to the best of my information and belief.

Date December 3, 2012

Signature



GARY JOHNSON,  
President



**United States Bankruptcy Court**  
Eastern District of Washington

In re All Services, Inc.  
Debtor

Case No. \_\_\_\_\_

Chapter 11

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

**AMOUNTS SCHEDULED**

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	NO	0	\$ 0.00		
B - Personal Property	NO	0	\$ 0.00		
C - Property Claimed as exempt	NO	0			
D - Creditors Holding Secured Claims	NO	0		\$ 63,000.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	NO	0		\$ 373,458.00	
F - Creditors Holding Unsecured Nonpriority Claims	NO	0		\$ 39,704.44	
G - Executory Contracts and Unexpired Leases	NO	0			
H - Codebtors	NO	0			
I - Current Income of Individual Debtor(s)	NO	0			\$ 0.00
J - Current Expenditures of Individual Debtors(s)	NO	0			\$ 0.00
<b>TOTAL</b>		0	\$ 0.00	\$ 476,162.44	

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**United States Bankruptcy Court**  
Eastern District of Washington

In re All Services, Inc.  
Debtor

Case No. \_\_\_\_\_

Chapter 11

**STATISTICAL SUMMARY OF CERTAIN LIABILITIES AND RELATED DATA (28 U.S.C. § 159)**

If you are an individual debtor whose debts are primarily consumer debts, as defined in § 101(8) of the Bankruptcy Code (11 U.S.C. § 101(8)), filing a case under chapter 7, 11 or 13, you must report all information requested below.

Check this box if you are an individual debtor whose debts are NOT primarily consumer debts. You are not required to report any information here.

**This information is for statistical purposes only under 28 U.S.C. § 159.**

**Summarize the following types of liabilities, as reported in the Schedules, and total them.**

Type of Liability	Amount
Domestic Support Obligations (from Schedule E)	\$ N.A.
Taxes and Certain Other Debts Owed to Governmental Units (from Schedule E)	\$ N.A.
Claims for Death or Personal Injury While Debtor Was Intoxicated (from Schedule E) (whether disputed or undisputed)	\$ N.A.
Student Loan Obligations (from Schedule F)	\$ N.A.
Domestic Support, Separation Agreement, and Divorce Decree Obligations Not Reported on Schedule E	\$ N.A.
Obligations to Pension or Profit-Sharing, and Other Similar Obligations (from Schedule F)	\$ N.A.
<b>TOTAL</b>	\$ N.A.

**State the Following:**

Average Income (from Schedule I, Line 16)	\$ N.A.
Average Expenses (from Schedule J, Line 18)	\$ N.A.
Current Monthly Income (from Form 22A Line 12; <b>OR</b> , Form 22B Line 11; <b>OR</b> , Form 22C Line 20)	\$ N.A.

**State the Following:**

1. Total from Schedule D, "UNSECURED PORTION, IF ANY" column		\$ N.A.
2. Total from Schedule E, "AMOUNT ENTITLED TO PRIORITY" column.	\$ N.A.	
3. Total from Schedule E, "AMOUNT NOT ENTITLED TO PRIORITY, IF ANY" column		\$ N.A.
4. Total from Schedule F		\$ N.A.
5. Total of non-priority unsecured debt (sum of 1, 3, and 4)		\$ N.A.

B7 Engineering  
P.O. Box 487  
Sunnyside, WA 98944

Basin Business Journal  
815 W.3rd  
Moses Lake, Washington 98837

Giant Nickel  
4812 W. Clearwater Avenue  
Kennewick, WA 99336

Jack Johnson  
520 Clemans Road  
Ellensburg, Washington 98926

Jack Johnson  
520 Clemans Road  
Ellensburg, Washington 98926

State of Washington  
Bankruptcy and Collection Unit  
Attn: Zachary Mosner, Asst. AG  
801 S. 5th Ave., Ste. 2000  
Seattle, WA 98164-2076

State of Washington Dept. of Revenue  
Attn: Leo Gonzalez  
3703 River Road, Suite 3  
Yakima, WA 98902



# United States Bankruptcy Court Eastern District of Washington

In re All Services, Inc.

Case No. \_\_\_\_\_

Chapter 11

Debtor(s)

### DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept .....	\$ _____
Prior to the filing of this statement I have received .....	\$ <u>5,304.00</u>
Balance Due .....	\$ <u>0.00</u>

2. The source of compensation paid to me was:

Debtor       Other (specify)

3. The source of compensation to be paid to me is:

Debtor       Other (specify)

4.  I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with a other person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statements of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. Representation of the debtor in adversary proceedings and other contested bankruptcy matters;
- e. [Other provisions as needed]

See Retainer Agreement attached hereto

6. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

#### CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in the bankruptcy proceeding.

December 3, 2012

Date

Signature of Attorney

Reiley & Busby PLLC

Name of law firm

TELEPHONE:  
509.248.4282

FACSIMILE:  
509.575.5661



ROGER W. BAILEY  
roger.bailey.attorney@gmail.com

December 3, 2012

All Services, Inc.  
Attn: Gary Johnson, President  
905 Lindy Lane  
Yakima, Washington 98902

*Via Electronic Mail*

**Re: Employment of Bailey & Busey, PLLC**

Dear Gary:

Thank you for meeting with me over the past week regarding the financial difficulties being experienced by All Services, Inc. As we have discussed, the financial difficulties result almost exclusively from the Washington State Department of Revenue's failure to consider a reasonable repayment plan for approximately \$325,000 in tax debt which resulted from a recent audit. In order to protect the long term viability of All Services it may be necessary for the company to file for chapter 11 bankruptcy protection.

One of the most common problems in any company's ability to file for bankruptcy protection is inability to retain legal counsel. It would not be feasible to try and obtain a retainer from All Services which would be sufficient to fund all fees that would be incurred in a chapter 11 proceeding. As far as a bankruptcy retainer I have tried to estimate what I believe would be a sufficient amount of fees to allow me to represent All Services through a contested cash collateral hearing. I believe the amount necessary to get to that stage of the case is probably \$25,000. These funds would need to be received prior to filing the bankruptcy proceeding.

### SCOPE OF SERVICES

Initially the scope of our work will be to assist All Services in financial workout, reorganization and liquidation planning as well as preparation for a chapter 11 bankruptcy proceeding.

### LEGAL FEES

Our fee is based upon the time actually expended on your case. You will be billed for our services on an hourly basis. The hourly rates of the lawyers likely to assist in representation of you in this matter are as follows:

Roger W. Bailey	\$240.00
Joshua J. Busey	\$210.00

These hourly rates are subject to change in the future based upon any increases instituted by the firm.

### ADVANCE FEE DEPOSIT

We will require an advance fee deposit of \$25,000. We will require that you pay your bill each month upon receipt of a billing statement from Bailey & Busey PLLC or upon Bankruptcy Court approval. Until a bankruptcy proceeding is filed, we bill once a month and require that that bill be paid within fifteen (15) days of receipt. The nonpayment of a bill is grounds for our withdrawal at any time. Outstanding balances that are not paid when due will accrue at the rate of 1 percent compounded monthly from the date of invoice until paid. In the event a bankruptcy proceeding is filed, no interest will be charged on outstanding balances until such fees have been approved and authorized by the Bankruptcy Court. In the event of a breach of this contract, Bailey & Busey PLLC shall be entitled to an award of costs and reasonable attorneys' fees incurred in attempting to enforce the agreement or collect amounts due hereunder.

### SUPERVISING ATTORNEY AND ASSISTANTS

As supervising attorney, I will be responsible for seeing that the work is carried out in an efficient and economical manner. I will be assisted by other attorneys, paralegals, and legal assistants in our office. They are all bound to you by the same duties of loyalty and confidentiality that bind me.

### GENERAL RATES

The usual basis for determining our fees is the time expended by attorneys, paralegals, and legal assistants of the firm. The rates for our services presently range from \$60.00 per hour for legal assistants to about \$240.00 per hour for senior lawyers. Our fees change from time to time without notice, usually in the fall. Whenever it is appropriate, we will use associate attorneys, law clerks, or legal assistants in our office to keep your costs as low as possible.

### OTHER FACTORS AND RATES

Although time expended and costs incurred are usually the basis for determining our fees, by mutual agreement, billings to you for legal services may, in some instances, be based on a more comprehensive evaluation of the reasonable value of the firm's services, provided the amount does not exceed the contingency amount outlined above. The firm is committed to charging reasonable fees for services. In certain situations, factors other than the amount of time required will have a significant bearing on the reasonable value of the services performed. Such factors include:

- The novelty and complexity of the questions involved;
- The skill required to provide proper legal representation;
- Familiarity with the specific areas of law involved;
- The preclusion of other engagements caused by your work;
- The magnitude of the matter;
- The results achieved;
- Customary fees for similar legal services;
- Time limitations imposed by you or by circumstances; and
- The extent to which office forms and procedures have produced a high quality product efficiently.

In circumstances where our fees will be based on or include factors other than our normal hourly charges and costs, we will notify you promptly and prior to proceeding.

### BILLING FEES AND COSTS

We will bill you on a regular basis, normally each month, for all of the time spent on your project and for other costs incurred relating to our work on your behalf. The activities for which you will be billed will include:

- Conference time, whether in person or on the telephone;
- Document preparation and revisions;

- Negotiations;
- Correspondence;
- Staff or attorney supervision;
- Factual and legal research and analysis;
- Travel on your behalf; and
- Other matters directly pertinent to and related to the litigation matter being handled by our firm.

Some of our costs include an allocation for administrative services that is shared among the firm's clients. Typical of the costs for which you will be billed:

- Filing fees;
- Delivery fees;
- Computer assisted legal research;
- Copying;
- Long distance telephone charges;
- Charges of outside experts and consultants (which may be billed directly to you); and
- Travel

### **TRUST DEPOSITS**

Any trust deposits from you will be held in a client trust account. By court rule in Washington, funds deposited to a trust account are subject to IOLTA (interest on lawyer's trust account) participation in a pooled trust account. The exception is when the deposit is large enough to earn interest in excess of bank and administrative costs, and you request that it be held in a separate account, in which case the interest earned will be added to the deposit for your benefit and will be taxable income to you. IOLTA funds are used to support law-related charitable and educational activities.

### **TERMINATION**

You may terminate our representation at any time, with or without cause, by notifying us. Upon such action, all fees and expenses incurred before the termination are due to the firm. If such termination occurs, your original papers will be returned to you promptly. If you wish to have a copy of your file at the conclusion of our representation, we will provide it to you at the current copy rate per page then in effect at this firm.

### ESTIMATES

You may, from time to time, ask us for estimates of our fees and expenses either in whole or in part. We are hesitant to give estimates because of their potential inaccuracy. However, if you require it, and if we do provide you with such estimates, they will be based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed fee quotation. We cannot guarantee that the actual fees and expenses will be at or below the estimates because of factors outside the control of the firm.

### DISPUTE RESOLUTION

If you disagree with the amount of our fee, please take up the question with Roger Bailey or with the firm's managing partner. Typically, such disagreements are resolved to the satisfaction of both sides and with little inconvenience or formality. The Washington State Bar Association has a Fee Arbitration Board to assist in the settlement of fee disputes. Any disputes relating to the terms of engagement or the amount of legal fees related thereto, will be submitted to the Fee Arbitration Board of the Washington State Bar Association for arbitration and prompt resolution. According to its then-effective rules, the firm and you agree to be bound by the results of such arbitration. In the event of non-payment such that we have to pursue collection of your account, you agree to pay the costs of collecting the debt, including court costs and fees, and a reasonable attorney's fee.

### E-MAIL COMMUNICATION

You authorize us to communicate with you by electronic mail.

### WITHDRAWAL

We reserve the right to withdraw from representing you for any reason, including, without limitation, failure to timely pay our fees in accordance with this Agreement. Written notice of our intent to withdraw will be mailed to you prior to our withdrawing from this matter.

### DISCLAIMER

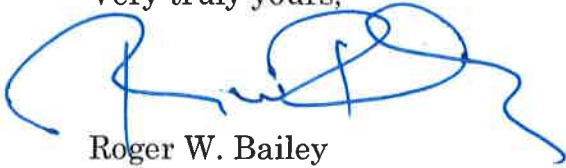
You acknowledge that we have made no guarantees regarding the disposition, outcome, or results of your legal or business matters, and all expressions we have made relevant thereto, are only our opinions as lawyers based upon the information available to us at the time.



**SELECTION OF OUR FIRM**

Thank you again for retaining our firm to represent you with regard to this matter. If you agree with the terms of this Agreement, please sign a copy of this letter and return it to our office


Very truly yours,



Roger W. Bailey

I hereby accept the above terms and conditions.

ALL SERVICES, INC.

By:   
Its: President