

LOCAL BANKRUPTCY RULE 2016-1

COMPENSATION OF PROFESSIONAL PERSONS

(1) INTERIM FEES FOR PROFESSIONAL PERSONS

(a) Form of Fee Applications. All applications for interim fees filed by attorneys, accountants, other professionals, and trustees or examiners shall contain the following:

- (i) A brief narrative history of the present posture of the case. In chapter 11 cases, the information furnished shall describe the general operations of the debtor and whether the business of the debtor, if any, is being operated at a profit or loss, cash flow, whether a plan has been filed, and if not, what are the prospects for reorganization and when it is anticipated that a plan will be filed. In chapter 7 cases, the application shall contain a report of the administration of the case including the disposition of property of the estate, what property remains to be disposed of, why the estate is not in a position to be closed, and whether it is feasible to pay an interim dividend to creditors. In both chapter 7 and chapter 11 cases, the application should show the amount of money on hand in the estate and the estimated amount of other accrued expenses of administration. At the hearing on applications for interim fees, the applicant should supplement the application by declaration or by testimony to inform the Court of the current financial status of the debtor's estate.

Fee applications submitted by auctioneers, real estate brokers or appraisers do not have to comply with this subparagraph, except that auctioneers, unless otherwise ordered by the Court, must file the report required by F.R.B.P. 6004(f) prior to receiving final compensation. For all other applications, when more than one application are noticed for the same hearing, they may incorporate by reference the narrative history furnished in one of the other contemporaneous applications.

- (ii) The date of entry of the Order of the Court approving the employment of the individual or firm for whom payment of fees or expenses is sought and the date of the last fee application for the professional.

- (iii) A listing of the amount of fees and expenses previously requested, those approved by the Court, and how much has been received.
- (iv) A brief narrative statement of the services rendered and the time expended during the period covered by the fee application.
- (v) A detailed listing of all time spent by the professional on matters for which compensation is sought, including the following:
 - A. Date service was rendered.
 - B. Description of service. It is not sufficient to merely state “Research,” “Telephone Call,” “Court Appearance,” etc. Reference shall be made to the particular persons, motions, discrete tasks performed and other matters related to such service. Summaries that list a number of services under only one time period will generally not be satisfactory.
 - C. Amount of time spent. Summaries are not adequate. Time spent is to be accounted for in tenths of an hour and is generally to be broken down in detail by the specific task performed. Lumping services together is generally not satisfactory.
 - D. Designation of the particular person who rendered the service. If more than one person's services are included in the application, specify which person performed each item of service.
- (vi) An application that seeks reimbursement of expenses shall include a summary listing of all expenses by category (i.e., long distance telephone, copy costs, messenger and computer research). As to unusual or costly expense items, as to each such item, the application shall state:
 - A. Date the expense was incurred.
 - B. Description of the expense.
 - C. Amount of the expense.
 - D. Explanation of the expense.
- (vii) The application shall contain a listing of the hourly rates charged by each person whose services forms a basis for the fees requested in the application. The application shall contain a summary indicating for each attorney by name:
 - A. The hourly rate and the periods each rate was in effect.
 - B. Total hours in this application for which compensation is sought.

C. Total fee due in this application.

- (viii) A description of the professional education and experience of each of the individuals rendering services, including identification of the professional school attended, year of graduation, year admitted to practice, publications or other achievements, and explanation of any specialized background or expertise in bankruptcy-related matters.
 - (ix) If the hourly rate has changed during the period covered by the application, the application shall specify which rate applies to which hours.
 - (x) A separately filed declaration from the client indicating that the client has reviewed the fee application and has no objection to it. If the client refuses to provide such a declaration, the professional shall file a declaration describing the steps that were taken to obtain such declaration from the client, and the client's response thereto.
- (b) Notice of Interim Fee Applications and Hearing. In all cases where the employment of more than one set of professionals has been authorized (e.g., attorneys and accountants for debtor in possession; creditors' committee counsel), the first professionals seeking approval of interim fees shall serve a notice of the intended hearing on other professionals which shall set the hearing date at least forty-five (45) days in advance and shall include the following language in the notice of application:

“Other professional persons retained pursuant to Court approval may also seek approval of interim fees at this hearing, provided that they file and serve their applications in a timely manner. Unless otherwise ordered by the Court, hearings on interim fee applications will not be scheduled less than 120 days apart.”

Not less than ~~twenty (20)~~ 24 days notice shall be given by the applicant or by the debtor in possession or trustee to all parties entitled to notice under F.R.B.P. 2002. The notice shall specify the identity of the professionals requesting fees, the period covered by the interim application, the specific amounts requested for fees and reimbursement of expenses, the date, time and place of the hearing, and the deadline for opposition papers. In addition to the notice, copies of the complete application, together with all supporting papers, shall be served on the debtor, the debtor in possession, the trustee (if any), the official creditors committee (if any), counsel for any of the foregoing, and the United States Trustee. Copies of the complete application shall also be promptly furnished upon specific request to any other party in interest.

Any opposition or other responsive Paper shall be served and filed at least ~~eleven (11)~~ 14

calendar days (~~not excluding Saturdays, Sundays, and legal holidays~~) prior to the hearing.

Court's Comment

Paragraph (1)(a). Form of Fee Applications. The remainder of the first sentence after *following* deleted.

Paragraph (1)(a)(i). In fourth sentence, *or* changed to *and* between *chapter 7* and *chapter 11*. *Except that auctioneers, unless otherwise ordered by the Court, must file the report required by F.R.B.P. 6004(f) prior to receiving final compensation* added to the end of the first sentence of the second subparagraph.

Paragraph (1)(a)(v) B. Description of service. *must* changed to *shall* in second sentence.

Paragraph (1)(a)(vi). *Must* changed to *shall* in second sentence.

Paragraph (1)(a)(vii). *Must* changed to *shall* in second sentence.

Paragraph (1)(a)(ix). *Must* changed to *shall*.

New paragraph (1)(a)(x) added.

Paragraph (1)(b) Notice of Interim Fee Applications and Hearing. *Must* changed to *shall* in first paragraph and in last line of third paragraph.

And deleted, and *and the deadline for opposition papers* added, to the third to last sentence of the last paragraph. The words (*if any*) were added after the official creditors committee reference in the second to last sentence of the last paragraph.

Paragraph (2)(b) Contents. Deleted *the following: (i) and (ii) A request for approval of all prior interim fee awards; and (iii) A request for payment of any amounts previously allowed but unpaid pursuant to Local Bankruptcy Rule 141(3)*.

Paragraph (2)(c) When Filed: Notice Required in Chapter 11 Cases. *Must* changed to *shall*; *and noticed pursuant to Local Bankruptcy Rule 2016-1(1)(b)* added after *plan*.

Paragraph (2)(d)(i) *Professional person* changed to *entity*; *compensation* changed to *payment*.

Paragraph (2)(d)(iii) *Clerk* changed to *chapter 7 trustee* in second sentence.

1999 Revision

Paragraph (1)(b) Notice of Interim Fee Applications and Hearing. *Twenty (20) days* changed to

24 days in the first line of the third paragraph.

Eleven (11) calendar days changed to 14 days and (not excluding Saturdays, Sundays, and legal holidays) was deleted from the last line of the third paragraph.