

**\*\*ONLY APPLICABLE TO COMPENSATION/RETAINER AGREEMENTS ENTERED  
AND CASES FILED PRIOR TO JULY 1, 2024\*\***

LOCAL RULE 2016-1: COMPENSATION OF PROFESSIONAL PERSONS

- a. **Chapter 11 Cases.** In a chapter 11 case, a professional paid a retainer shall maintain the retainer in a trust account and shall not draw on the retainer post-petition without approval of the Court. A trustee, examiner, attorney for the debtor, or any professional person employed under 11 U.S.C. §§ 327, 328, or 1103 may apply for allowance of compensation and reimbursement of expenses on or after thirty (30) days following the date of the order for relief. A second application may be made on or after sixty (60) days after the first application, and a third application may be made on or after sixty (60) days following the second application. After one hundred fifty (150) days following the date of the order for relief, applications may not be made more than once every ninety (90) days, unless the Court orders otherwise.
- b. **Chapter 13 Cases.**
1. **Expedited Fee Approval Procedure.** An attorney representing a debtor in a chapter 13 case may obtain approval of attorney's fees without the filing of a formal fee application and a hearing when the attorney and the debtor(s) agree in writing that the fee for representation will be equal to or less than the amount set forth in Chambers Guidelines at the time of the filing of the case (collectively, the "Expedited Fee Amount").<sup>1</sup> Unless the Court orders otherwise, the Expedited Fee Amount is deemed an allowed administrative claim under 11 U.S.C. § 503(b)(2). The amount may be claimed by the attorney's filing of the Attorney Fee Disclosure Statement pursuant to Fed. R. Bankr. P. 2016(b) (Director's Bankruptcy Form B2030). The B2030 Form shall clearly indicate the fee agreed upon, the amount paid to date, and the amount to be paid through the chapter 13 plan, and shall define any charges or potential charges for supplemental fees described in paragraph (b)(2). Counsel must include as an attachment to the B2030 Form, a copy of counsel's signed representation agreement with the debtor(s).
  2. **Statement of Supplemental Fees.** Any supplemental compensation must be disclosed, whether that amount will be paid through disbursements by the Trustee or paid directly by the debtor(s). This disclosure may be accomplished through amendment of the B2030 Form or the filing of the Statement of Supplemental Fees. If expressly authorized by a conspicuous provision of a written fee agreement filed with the B2030 Form, the debtor(s) and attorney may agree to the attorney's supplemental compensation for additional work necessary as a result of any matters involving the default under or variance from the terms of the confirmed plan, adversary proceedings, appeals, or other complicating factors not present in the typical chapter 13 case. A supplemental fee may be asserted by utilizing the "Statement of Supplemental Chapter 13 Attorney Fees" event in CM/ECF ("Statement"). The description of services provided in the Statement associated with the request shall contain sufficient information to determine whether the supplemental fee charged is fair and reasonable. The Statement may be used for the disclosure of any supplemental compensation that will be paid through disbursements by the Trustee or paid directly by the debtor(s). The filing of a Statement may be used in lieu of filing an additional or amended B2030 Form.
    - A. **Before Confirmation.** The Statement must be filed within a reasonable time after completion of the additional services and notice of the supplemental fee must be provided to the debtor(s) and the chapter 13 trustee. Upon plan confirmation, the supplemental fee set forth in the Statement is deemed approved for disbursement by the Trustee or, if the fee has been or will be paid directly by the debtor(s), is deemed approved as a direct payment by the debtor(s).
    - B. **After Confirmation.** The Statement must be filed within a reasonable time after completion of the additional services and notice of the supplemental fee must be provided to the debtor(s) and the chapter 13 trustee. Unless an objection to the Statement is filed within fourteen (14) days of service or unless the Court orders otherwise, the supplemental fee shall be approved for disbursement by the Trustee or, if the fee has been or will be

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<sup>1</sup> This amount includes all typical costs and expenses other than filing fees and costs paid to non-attorney third parties for services necessary for the case, such as credit reports, credit counseling, and financial management course fees.

paid directly by the debtor(s), shall be approved as direct payment by the debtor(s) subject to the terms of the confirmed plan and these Rules.

All supplemental fees approved for disbursement by **the Trustee or approved as a direct payment by the debtor(s)** remain subject to the Court's consideration of the fee under 11 U.S.C. § 329(b) at any time prior to the closing of the case.

3. **Formal Application for Compensation.** In lieu of paragraph (b)(1) and (b)(2), the attorney may apply for compensation pursuant to Fed. R. Bankr. P. 2002(a)(6) and 2016(a) for actual services rendered and expenses incurred. The application and proposed order shall clearly indicate all compensation for the attorney that has been approved in the case prior to the application and report any pending applications. Attorneys electing this procedure shall estimate fees in the chapter 13 plan for confirmation purposes.

**Notes:**

(2017) Paragraph (b)(1) was amended to remove the requirement that the amount of attorney's fees due be included in the chapter 13 plan and to remove the service requirement.

(2020) Paragraph (b) of the rule was substantially amended to simplify the process for requesting supplemental fees and clarify that an expedited fee is deemed to be an allowed administrative claim under 11 U.S.C. § 503(b)(2). Paragraph (b)(4) was added to address nonstandard case representation.

(2021) Paragraph (b)(4) was removed.

(2023) The time periods provided in paragraph (a) of the rule were revised.