UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

NOTICE OF PROPOSED LOCAL RULE CHANGE AND OPPORTUNITY TO COMMENT

Pursuant to Local Bankruptcy Rule 1001-1, the United States Bankruptcy Court for the District of Columbia is publishing for comment a proposed change to seven (7) Local Rules.

The proposed rule changes, which are set forth below, will be adopted and become effective unless modified or withdrawn by the Court after receiving comments from organized bar associations, members of the bar and public. Such comments must be made in writing within 45 days of the publication of this Notice and should be addressed to:

<u>Gunn Chambers@dcb.uscourts.gov</u>.

Angela D. Caesar, Clerk

[New language is underlined; old language is stricken]

RULE 1001–1 SCOPE OF RULES; TITLE

- Scope of Rules and Title. Federal Rule of Bankruptcy Procedure 9029 provides that courts may adopt local rules that are not inconsistent with the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules" and each individually a "Bankruptcy Rule"). These rules shall be known as the "Local Bankruptcy Rules" of the United States Bankruptcy Court for the District of Columbia (the "Court") and are hereby prescribed and promulgated as Local Bankruptcy Rules governing practice and procedure before the Court. They are to be cited as the "Local Bankruptcy Rules" except that individual rules may be cited as "Local Bankruptcy Rule ____" or "LBR ____." The Local Bankruptcy Rules apply to all cases pending in the Court except (a) as otherwise provided in these Local Bankruptcy Rules and (b) the rules governing bankruptcy proceedings in the United States District Court for the District of Columbia (the "District Court") are set forth in the D.Ct.LBRs found in Appendix A.
- (b) Any amendment to these Local Bankruptcy Rules shall be published in The Daily Washington Law Reporter before its adoption. The notice shall state that the proposed amendment will be adopted unless modified or withdrawn after receiving comments from organized bar associations, members of the bar, and the public. Such comments shall be submitted in writing within 45 days of publication. If the Court determines there is an immediate need for a particular local rule or amendment to an existing local rule, it may proceed without public notice and opportunity for comment, but the Court shall promptly thereafter afford such notice and opportunity for comment.

RULE 1006-1 FEES - INSTALLMENT PAYMENTS

- (a) Payment of Filing Fee. Any document filed on paper must be accompanied by the appropriate fee in the form of cash, cashier's check, certified check, or money order. The Clerk may not accept personal, non-certified checks or credit cards from *pro se* parties.
- (b) Attorney Required to Pay Filing Fee Triggered by Filing of a Paper. Unless the attorney's client obtains a waiver or deferral of the fee or authorization to pay the fee in installments, an attorney (subject to any right of reimbursement from the client or the estate) is responsible for payment of any fee triggered by the filing of a paper.

(c) <u>Nonpayment</u>.

- (1) If a complaint or other document is not accompanied by the proper filing fee or, if applicable, an application to waive the filing fee or pay the same in installments, the Clerk shall give notice to cure the filing fee deficiency by the close of business on the next day after the notice to cure is given. The payment cure period commences for mailed notices three (3) days after the notice is mailed and for electronic notices when the electronic notice is served. The Clerk shall notify the party of the deficiency.
- If a petition is filed without a filing fee, a request to pay in installments, or a waiver per Bankruptcy Rule 1006, the Clerk may reject the petition.
- (2)(3) If a debtor's case is dismissed prior to the payment in full of a filing fee, the debtor shall remain liable for the unpaid balance of the filing fee. If the debtor remains liable for an unpaid fee in a dismissed case at the time of filing a new case, a request to pay in installments or an application for a waiver of a filing fee will not be granted without a hearing and showing of exceptional circumstances.

RULE 2003-1 MEETING OF CREDITORS & EQUITY SECURITY INTEREST HOLDERS

- (a) Notice of Rescheduled Meeting of Creditors. If the United States Trustee and/or the appointed trustee agree prior to the meeting of creditors to reschedule the meeting, then within three (3) days of receiving the new date and time for the meeting of creditors, the party obtaining the continuance must serve written notice of the rescheduled meeting of creditors on all creditors and other parties in interest and file a certificate of such service conforming to Local Bankruptcy Rule 9013–1(f). Notice must be given in the form, if any, approved by the Clerk.
- (b) Possible Dismissal for Failure to Appear.
 - (1) <u>Possible Dismissal of Case; Notice</u>. Notice of possible dismissal for failure to attend the meeting of creditors shall be provided in the notice of § 341 meeting.
 - (2) <u>Possible Dismissal of Case; Order.</u> Upon certification by the United States Trustee, <u>chapter 13 trustee</u>, <u>and/or chapter 7 trustee</u> that either debtor or debtor's attorney has not appeared at a meeting of creditors, the Clerk shall issue an order for the debtor <u>and/or debtor's attorney</u> to appear and show cause why the case should not be dismissed.

RULE 2016–1 COMPENSATION OF PROFESSIONALS

- (a) Attorney's Disclosure Statement. An attorney representing a debtor under any chapter of the Bankruptcy Code shall file a Bankruptcy Rule 2016(b) Disclosure of Compensation, substantially in the form of Local Form 102 (the "Attorney Disclosure Statement"), irrespective of the amount of fees received or requested, if any. The Attorney Disclosure Statement, if not filed with the petition, shall be filed no later than fourteen (14) days after the later of the filing of the petition or the date that an attorney is engaged.
 - (1) <u>Continuing Duty to Update</u>. An attorney for the debtor shall have a continuing duty to timely update the Attorney Disclosure Statement, as prescribed by Bankruptcy Rule 2016(b), if additional compensation is paid after the initial filing of the Attorney Disclosure Statement.
 - (2) <u>Sanctions for Noncompliance</u>. Failure to comply with this Local Bankruptcy Rule may result in the entry of an order for the disgorgement and/or denial of all fees.
- (b) <u>Applications for Compensation</u>. All applications, whether interim or final, shall contain the amounts requested, and a detailed itemization of the work performed including, but not limited to:
 - (1) the name of the individual(s) performing the work;
 - (2) if applicable, the amount of time expended for each task of work billed in tenths of an hour increments and separated by each task (i.e., no "block billing" or "lumping");
 - if applicable, the hourly rate(s) requested (nonworking travel and administrative tasks should be billed at less than the full hourly rate of the applicant);
 - (4) the date of employment;
 - (5) a discussion of the criteria that are relevant in determining the compensation to be awarded;
 - (6) a detailed list of reimbursable costs; and
 - (7) a statement that the fees and costs for which reimbursement is sought are reasonable for the work performed, and that the application is true and accurate.
- (c) <u>Applications for Compensation in Chapter 7 Cases</u>. In addition to the requirements in subsection (b) above, professionals employed by a chapter 7 trustee shall file final applications for fees and expenses incurred during a chapter 7 case upon completion of services or upon notification by the trustee that the case is ready to close. In cases that have been converted to chapter 7, all final applications of professionals for fees and expenses incurred in the case prior to conversion shall be filed within ninety (90) days after the date of the order converting the case.

RULE 2016-2 COMPENSATION FOR DEBTOR'S ATTORNEY IN CHAPTER 13 CASES

- (a) Presumptively Reasonable Fee. Debtor's attorney in a chapter 13 case is relieved from filing a detailed application for compensation as required by 11 U.S.C. § 330 and Bankruptcy Rule 2016 if the attorney complies with all the conditions and requirements set forth herein.
 - (1) Rule 2016 Disclosure. Debtor's attorney shall file a Bankruptcy Rule 2016(b) Disclosure of Compensation substantially in the form of Local Form 102 (the "Attorney Disclosure Statement") reflecting that the attorney will perform all required and necessary services for the debtor as set forth in subsection (2)(A). If the attorney's Rule 2016(b) Disclosure of Compensation clearly states the specific exceptions, debtor's attorney may except from representation under this Rule the following: adversary proceedings, appeals, and United States Trustee audits. An attorney may make separate arrangements for such representation with a debtor.
 - (2) Amount. Total compensation for debtor's attorney of \$5,500.00 or less per case, whether individual or joint, will be presumed reasonable under 11 U.S.C. § 329 and allowable under 11 U.S.C. § 330. If the chapter 13 trustee requires the debtor to file a business report, or if the debtor holds a controlling interest in a corporation or LLC operating a business, total compensation for debtor's attorney of \$6,500.00 or less per case, whether individual or joint, will be presumed reasonable under 11 U.S.C. § 329 and allowable under 11 U.S.C. § 330. Debtor's attorney may also receive expenses, including the filing fee and up to \$150.00 in other estimated expenses. The presumptive fee amounts shall be periodically reviewed and adjusted by the Court by General Order, at least bi-annually in the first quarter of the calendar year. Notwithstanding the amounts set forth herein, the compensation charged must be commensurate with the nature and complexity of the case, be based upon the reasonably anticipated amount of time to be expended on the case and shall be presumed to compensate debtor's attorney for a level of service to debtor that includes the services set forth in subsection (ii).
 - (B) <u>Services Included</u>. Services included in the presumptively reasonable fee set forth in (a)(2)(A), at a minimum, shall include:
 - (i) counseling with and explaining to the debtor all of the debtor's responsibilities, including, but not limited to payments and attendance at the meeting of creditors, confirmation hearing(s), and other required hearings;
 - (ii) verifying the debtor's identity, social security number, and eligibility for chapter 13;
 - (iii) timely preparation and filing of the petition, schedules, statement of financial affairs, chapter 13 plan, all amendments and all required documents pursuant to the Bankruptcy Code, the Bankruptcy Rules, and these Local Bankruptcy Rules;

- (iv) serving copies of all filed plans on creditors and interested parties as required by the Code, the Bankruptcy Rules, and these Local Bankruptcy Rules;
- (v) preparing for and attending the meeting of creditors, confirmation hearing(s), and all other required hearings;
- (vi) preparing pleadings and attending hearings for all necessary preconfirmation motions brought on behalf of the debtor;
- (vii) timely reviewing, objecting to, and filing claims, as necessary;
- (viii) filing amendments, motions, or any other required pleadings;
- (ix) attending all hearings when required;
- (x) assisting the debtor in petitioning the Court to employ an attorney for a special purpose ("Special Counsel"), to seek approval of settlements or compromises, and to request approval of compensation for Special Counsel as appropriate;
- (xi) attending hearings and defending motions against the debtor as appropriate, including motions for relief from the automatic stay, until discharge, conversion, or dismissal of the case;
- (xii) preparing, filing, and serving of motions for voluntary dismissals;
- (xiii) preparing, filing, and serving of motions to deem mortgage current, where appropriate;
- (xiv) preparing, filing, and serving of motions to approve loan modifications, where appropriate;
- (xv) advising the debtor regarding the requirements for obtaining a discharge, including eligibility for discharge; the need to complete a course in personal financial management provided by an approved agency; the need to satisfy requirements regarding domestic support obligations; and filing all required 11 U.S.C. § 1328 certifications with the bankruptcy Court;
- (xvi) filing a statement regarding the completion of a course in personal financial management if required by Bankruptcy Rule 1007(b)(7) (or subsequent rules) and a motion for entry of discharge (if applicable);
- (xvii) consulting with the debtor from time-to-time after confirmation regarding the status of the case and steps needed for plan completion, including without limitation, changes of address, changes in employer/employee withholding, review of summary notices of claims, review of annual/semi-annual reports, and review or preparation of miscellaneous correspondence regarding the case;
- (xviii) in a business case, filing business reports or providing any business documentation as required by the chapter 13 trustee; and

- (xix) in all cases, assisting the debtor with compliance with all requirements of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, General Orders, Local Bankruptcy Rules, and procedures.
- (C) <u>Approval</u>. Approval of the allowance of a presumptively reasonable fee will be considered by the Court at confirmation and be granted by entry of the confirmation order. The fees sought in the plan must be consistent in amount and description with attorney 's Bankruptcy Rule 2016(b) disclosure.
- (D) <u>Duration of Representation</u>. A debtor's attorney must assist the debtor in all matters in the bankruptcy case, unless properly excluded as provided for in section (a)(1) above, unless the Court has granted the attorney's motion to withdraw as attorney. Debtor's attorney shall not withhold legal advice or service in the bankruptcy case from the debtor because of lack of payment and shall not demand payment from the debtor or any person on behalf of the debtor as a condition of providing such legal advice or service.
- Review of Presumptively Reasonable Fees. Inasmuch as the reasonableness of fees established in subdivision (2)(A) is presumptive only, the Court may, in its discretion, or upon request of the debtor, the chapter 13 trustee, the United States Trustee, a creditor, debtor's attorney, or a party in interest, conduct a hearing to consider the reasonableness of such fee under all the facts and circumstances of the case. The Court may, as a result of such hearing, reduce, increase, or otherwise modify such fee. Attorneys are prohibited from advising clients or the public that this Court requires any minimum or maximum compensation for a chapter 13 case. This Rule does not seek to set any compensation in any chapter 13 case, and it does not and is not intended to set any minimum or maximum compensation in any chapter 13 case filed in this Court.

(4) Effect of Flat Fee Election.

- (A) Unless ordered otherwise, debtor's attorney's election to accept a presumptive fee is irrevocable. However, the Court may allow compensation different from the compensation provided under subdivision (a)(2) any time prior to entry of a final decree, if such compensation proves to have been improvident in light of developments not capable of being anticipated at the time the plan is confirmed or denied confirmation.
- (B) If a debtor's attorney is awarded compensation pursuant to subdivision (a)(2) of this Rule and thereafter seeks additional compensation pursuant to subsection (a)(4)(A), the attorney must file a detailed application for compensation for all such additional compensation in the case as described in this Local Bankruptcy Rule and pursuant to Bankruptcy Rule 2016(a), 11 U.S.C. § 330, the Compensation Guidelines maintained by the Office of the United States Trustee, and other applicable law. The attorney seeking additional compensation must be prepared at the hearing to provide evidence as to the improvident developments, including all extraordinary tasks required in the case, and the reason additional compensation is sought and due.

- (b) Electing to File Applications for Compensation in Chapter 13 Cases. A chapter 13 debtor's attorney may elect not to seek compensation under subdivision (a) of this Rule. In that event, the attorney must file a detailed application for all compensation in the case pursuant to Bankruptcy Rule 2016(a), 11 U.S.C. § 330, the Compensation Guidelines maintained by the Office of the United States Trustee, and other applicable law. Attorneys electing this procedure shall estimate fees in the chapter 13 plan for confirmation purposes. Unless otherwise ordered by the Court, an attorney seeking compensation under this subpart shall file an initial fee application no later than 60 days after entry of the first order confirming a plan in the case.
- (c) Nonstandard Case Related Representation. Attorneys employed by a debtor during the case to assist with work not contemplated under the expedited fee process or addressed in the supplemental fee provision in the written fee agreement, such as representation of the debtor in an adversary proceeding, or an action in connection with the case in a nonbankruptcy court, shall comply with the filing requirements of 11 U.S.C. § 329.
- (d) Retention of Jurisdiction. Upon the dismissal of a chapter 13 case wherein a chapter 13 plan has not been confirmed, the Court retains jurisdiction for a period of twenty-one (21) days after the dismissal order becomes final, to determine if any professional fees are an administrative expense under 11 U.S.C. § 503(b). See 11 U.S.C. § 1326 (a)(2). The debtor's attorney, and/or any duly authorized professional, shall move the court within the twenty-one (21) day period for such a determination.

RULE 9009-1 LOCAL BANKRUPTCY FORMS

The Local Official Forms prescribed in these Rules are set out on the Court's website and <u>attached</u> <u>hereto at Appendix F</u>. They should be used and may be altered only if appropriate under the circumstances. <u>Except for Local Form 104</u> (see Local Bankruptcy Rule 3015-1(a)), parties should use the Local Forms or a pleading containing substantially the same information as found in the Local Forms.

RULE 9013-1 MOTION PRACTICE

- (a) Requirement of Written Motion. All motions shall be in writing and filed with the Court using the applicable NextGen CM/ECF docketing events, unless made during a hearing or trial.
- (b) General Procedure for Motions.
 - (1) <u>Grounds for, Relief Sought</u>. All motions, responses, objections, applications (other than for compensation) and similar requests shall state with particularity the grounds therefor and shall set forth the relief or order sought.
 - (2) Optional Supporting Materials. A memorandum of facts and law may be filed with or combined with a motion. Supporting affidavits or documents entitling the movant to the relief requested may be filed with a motion.
- (c) <u>Required Notice</u>. Unless a contemporaneous motion is filed under Local Bankruptcy Rule 9013–2, a motion filed with the Court, including a motion filed in an adversary proceeding, shall include or be accompanied by a conspicuous notice of the motion, objection deadline, and hearing, if applicable. The notice must conform substantially to Official Form B 420A.
 - (1) <u>Exceptions</u>. In addition to those pleadings specifically set forth in these Local Bankruptcy Rules, the following motions do not require a separate notice:
 - (A) a debtor's motion to convert to chapter 7 under 11 U.S.C. §§ 1112(a), 1208(a), or 1307(a);
 - (B) a joint mediation motion pursuant to Local Bankruptcy Rule 9019–2(c)(2);
 - (C) a consent motion to extend deadlines in adversary proceedings;
 - (D) a motion for conditional approval of disclosure statements in small business cases under 11 U.S.C. § 1125(f)(3); or
 - (E) a motion to restrict public access under Federal Rule 9037(h).
- (d) <u>Deadline for Response</u>. Unless a different time is prescribed by any statute, Bankruptcy Rule, Local Bankruptcy Rule, or pre-hearing or other order entered by the Court with respect to a motion, a response shall be filed with the Court and served upon the proponent of such motion as follows:
 - (A) When a hearing has not been set or requested, the moving party shall serve a notice of opportunity to object and request hearing. Unless otherwise set out in these Local Bankruptcy Rules, the opposing party may file a response within fourteen (14) days, but not thereafter without leave of the Court unless the motion relates to a matter for which a longer notice is required under Bankruptcy Rule 2002(a). The movant may file a reply within seven (7) days after the filing of the response. If the notice of opportunity to request a hearing procedure is used and the opposing party serves and files a timely request for a hearing, the moving party shall obtain a hearing date from the Clerk and give notice to the opposing party of the hearing date.

- (B) When a hearing has been set on at least twenty-one (21) days' notice, the opposing party may file a response no later than seven (7) days before the date of the hearing.
- (C) When a hearing has been set on less than twenty-one (21) days' notice, unless the Court directs otherwise, the opposing party may file a response no later than three (3) days before the date of the hearing. A hearing may not be set by a party on less than fourteen (14) days' notice unless the Court grants a motion requesting an expedited hearing pursuant to Local Bankruptcy Rule 9013–2. If a hearing is set on an expedited basis, the opposing party may file a response no later than one (1) day before the date of the hearing or as otherwise directed by the Court.
- (D) When an objection to a claim is filed, the opposing party may file a response within thirty (30) days of the filing of the objection.

(e) Responses to Motions.

- (1) Requirement of Written Response. Except as otherwise provided by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, these Local Bankruptcy Rules, or by order of the Court, a response in opposition to a motion must be in writing, state with particularity the grounds therefor, be filed with the Court and served upon all parties affected thereby and the United States Trustee.
- (2) Optional Supporting Materials. Unless otherwise directed by the Court, a party filing a response to a motion may file therewith a memorandum of points and authorities setting forth a concise statement of the facts and supporting reasons, along with a citation of the authorities upon which the party relies. The memorandum and the motion or response thereto, may be combined in a single pleading. Supporting affidavits or documents entitling the movant to the relief requested may be filed with a motion.
- (3) <u>Effect of Not Timely Filing a Response</u>. If a response is not timely filed and served, the Court may deem the opposition waived, treat the motion, application, pleading, or proposed action as conceded, and enter an appropriate order granting the requested relief without a hearing.
- (f) Certificate of Service. For each pleading, motion, and other paper required to be served upon a party, a certificate of service certifying that copies were served and detailing the date, manner of service, and the names and addresses of those served for each recipient who is not being served through NextGen CM/ECF shall be filed. A certificate of service may be included at the end of a pleading or may be filed separately from the served document. A separately filed certificate of service need not be served. If not filed with the pleading, a certificate of service shall be filed within seven (7) days of the service date of the filed document. If a document requests expedited relief or a hearing on shortened notice, the certificate of service shall be filed in advance of the hearing. For each recipient who is being served through NextGen CM/ECF, the attorney or *pro se* party filing the pleading or document shall ensure that all persons listed as being served via NextGen CM/ECF are registered to receive NextGen CM/ECF notice in the case or must effectuate service by other appropriate means. Notwithstanding the foregoing, the names and

addresses of those served may be excluded from the copies of each pleading, motion, or other paper served upon a party in hard copy.