

MEMORANDUM

DATE: October 1, 2007

TO: Debtor-Creditor Bar Members and Practitioners
Eastern and Western Districts of Arkansas

FROM: David D. Coop
Joyce Bradley Babin
Chapter 13 Standing Trustees

RE: **Revised Guidelines for Compensation for Services Rendered
And Reimbursement of Expenses in Chapter 13 Cases**

The Chapter 13 Standing Trustees will implement the attached Guidelines for Compensation for Services Rendered and Reimbursement of Expenses in Chapter 13 Case (“Guidelines”) beginning October 1, 2007. The Trustees appreciated and considered the comments from the Bar.

Pursuant to the Guidelines and conditioned on satisfaction of the requirements outlined in the Guidelines, the Trustees will recommend to the Court for approval fee applications of \$3,000 for non-business cases and \$4,000 for business cases. (Please note that with the increased initial fee amounts, the Trustees will not recommend approval of the \$50 copying charge previously included in the fee applications prior to the implementation of these Guidelines.) The Trustees also will recommend to the Court for approval fee applications for additional fee amounts as outlined in the Guidelines.

Thank you for your assistance and consideration.

**GUIDELINES FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES IN CHAPTER 13 CASES**

The Chapter 13 Standing Trustees for the Eastern and Western Districts of Arkansas will consider the following guidelines when reviewing awards of compensation and reimbursement of expenses for attorneys representing debtors in chapter 13 cases and recommending approval by the Bankruptcy Court:

1. An attorney seeking interim or final compensation for services or reimbursement of necessary expenses from an estate in a chapter 13 case shall file an application as set forth in Federal Rule of Bankruptcy Procedure 2016.
2. As an alternative to the application procedures outlined in Federal Rule of Bankruptcy Procedure 2016, an attorney may file a “short form” application for a summary compensation award of fees and costs in a chapter 13 case for the services through confirmation of the plan.
3. The Chapter 13 Trustee shall calculate and recommend to the court for approval a maximum summary compensation award as follows:
 - a. For a non-business case - \$3,000; and
 - b. For a business case - \$4,000.
4. Upon confirmation, the Chapter 13 Trustee shall pay the summary compensation award from funds paid by the debtor(s):
 - i. As follows:
 - a. An initial portion of the summary compensation award in an amount not to exceed \$800, after first paying administrative costs, including applicable Trustee’s fees and administrative fees; and
 - b. Thereafter, the remaining summary compensation award shall be paid at the rate of ten percent (10%) from the total amount disbursed to creditors each month; or
 - ii. As otherwise provided in the plan and order of confirmation.
5. The summary compensation awarded pursuant to these guidelines is based upon the attorney providing adequate legal services to the debtor. The summary compensation

award shall be deemed fully earned at the date of the confirmation of the chapter 13 plan. These legal services shall include, but not be limited to:

- a. The preparation and filing of complete and accurate petition, schedules, statement of financial affairs, disclosure of compensation, Form B22C, fee application and related documents based upon information obtained from the debtor and following reasonable inquiry;
 - b. The filing of a confirmable plan;
 - c. Consultation with the debtor in person and prior to the filing of the bankruptcy case and as necessary during the pendency of the case to provide legal counsel and advice related to the bankruptcy proceeding;
 - d. The appearance and representation of the debtor at all scheduled § 341(a) meetings of creditors;
 - e. Advising the debtor regarding the requirements for obtaining a discharge, including the need to complete a course in personal financial management provided by an approved agency and the need to satisfy requirements regarding domestic support obligations;
 - f. Filing with bankruptcy court, on behalf of the debtor, a statement regarding the completion of a course in personal financial management required by Interim Bankruptcy Rule 1007(b)(7) (or subsequent rules) and any required statements regarding the status of domestic support obligations; and
 - g. The compliance with all requirements of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, General Orders, Local Rules and procedures.
6. As an alternative to the application process outlined in Federal Rule of Bankruptcy Procedure 2016, an attorney also may file a “short form” application for a summary compensation award of fees and costs for additional services primarily rendered post-confirmation or as specified below pursuant to the following guidelines:
- a. The Chapter 13 Trustee shall be authorized to calculate and recommend to the court for approval a summary compensation award for post-confirmation services as described in Subparagraph 6(b).
 - b. For the following services, the summary compensation award shall not exceed the designated amount:

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- i. Post-Confirmation Modification of Plan – Simple (Awarded Upon Confirmation of Modified Plan) – \$300, plus costs;
- ii. Post-Confirmation Modification of Plan – Complex (Awarded Upon Confirmation of Modified Plan) – \$400, plus costs;
- iii. Lien Avoidance Action (Uncontested) – \$350;
- iv. Lien Avoidance Action (Trial Required) – \$500;
- v. Letter to Creditor to Cease Collection Efforts, Contacts, Post-Petition Garnishment – \$50;
- vi. Notice of Bankruptcy Filed in Another Court (Post-Confirmation) – \$50;
- vii. IRS or DFA Motion for Relief from Stay to Setoff Refund – \$75;
- viii. IRS or DFA Motion to Compel to File Tax Returns – \$75;
- ix. DFA Motion for Strict Compliance for Debtor Engaged in Business – \$100;
- x. Motion to Assist Debtor in Compliance or Performance of Plan, e.g., Motion to Incur Debt (Personal Property), Abate Plan Payment, Set Aside Dismissal, Refund/Disbursement (No Trial) – \$300;
- xi. Motion to Assist Debtor in Compliance or Performance of Plan, e.g., Motion to Incur Debt (Personal Property), Abate Plan Payment, Set Aside Dismissal, Refund/Disbursement (Trial) – \$400;
- xii. Motion to Sell, Refinance or Incur Debt (Real Property) – \$500;
- xiii. Objection to Claim (Uncontested) – \$150;
- xiv. Objection to Claim (Contested) – \$250;
- xv. Motion for Hardship Discharge – \$250, plus costs (if funds available);
- xvi. Motion for Relief from Stay or Creditor’s Motion to Dismiss (No Trial) – \$300;

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- xvii. Motion for Relief from Stay or Creditor's Motion to Dismiss (Trial) – \$400;
 - xviii. Trustee's Motion to Dismiss (No Trial) – \$75;
 - xix. Trustee's Motion to Dismiss (Trial) – \$200; and
 - xx. Post - Confirmation Amendment of Schedules C, I & J (Not Part of a Modification to Plan) – \$150.
- c. An amount for actual and necessary costs in each for each service listed in Subparagraph 6(b) will be allowed not to exceed \$65.
 - d. The summary compensation award for post-confirmation services shall be paid upon Bankruptcy Court approval from funds paid by the debtor(s) through the chapter 13 trustee's monthly disbursement procedures.

The Trustee will implement these guidelines beginning October 1, 2007, for cases filed on or after that date for purposes of Paragraphs 3, 4 and 5, and for services rendered on or after that date for purposes of Paragraph 6.