Rule 2016-1. COMPENSATION OF PROFESSIONALS

A. **General.** Requests for compensation for professional services and reimbursement of expenses are governed by Bankruptcy Rule 2016 and this Local Rule 2016-1.

B. **Retainers.** Professionals may apply prepetition and approved postpetition retainers in the ordinary course towards compensation for professional services and reimbursement of expenses without a separate order; however, professionals must fully disclose and account for all retainers in their Rule 2016 Disclosure Statement and in all subsequent applications for compensation. The Court may order disgorgement of applied fees and costs at any time. This rule does not preclude any challenge to the entitlement or the reasonableness of any retainer.

C. **Applications for Compensation for Professional Services and Reimbursement of Expenses.**

(1) **Chapter 7 Cases**.

(a) A Chapter 7 trustee is authorized to incur and pay expenses directly related to the administration of the estate not to exceed $300 in the aggregate without order of the Court. The preliminary report filed by the Chapter 7 trustee shall itemize all such expenses incurred and paid during the administration of the estate. Such expenses shall be subject to review by the Court.

(b) Professionals shall file final fee 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.

(c) 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 must be filed within 90 days after the date of the order converting the case.

(d) All applications, whether interim or final, shall contain the amounts requested and a detailed itemization of the work performed including (i) the name of the individual performing the work; (ii) the amount of time expended for each item of work; (iii) the amount of time expended for each item of work; (iv) the hourly rate requested; (v) the date of employment; (v) a discussion of the criterion that are relevant in determining the compensation to be rewarded; (vi) the detail of reimbursable costs; and (vii) a verification stating that the fees and costs for which reimbursement is sought are reasonable for the work performed and the application is true and accurate.

(2) **Chapter 11 Cases**.

(a) *General Information Requirements*.

1. Applications for interim or final compensation for less than $5,000 shall conform to the requirements of section (C)(1)(d) of this Rule. Applications for compensation that exceed $5000 in the aggregate shall contain the information set forth below unless ordered otherwise.

2. The first page of the application shall be the Chapter 11 Fee Application Cover Page available on the Court's website.

3. Time shall be recorded by project category. Examples of project categories include: General Case Administration, Asset Sales, Claims Administration and Objections, Fee Applications and Objections, Cash Collateral, Relief from Stay Proceedings, Avoidance Actions, Plan and Disclosure Statement, and Valuation.

4. The narrative portion of the application shall provide information by project category as to the types of services performed, the necessity for performing the services, the results obtained, the benefit to the estate, and other information that is not apparent from the activity descriptions or that the applicant wishes to bring to the attention of the Court. In addition, the narrative portion of the application may describe special employment terms, billing policies, expense policies, voluntary reductions, reasons for the use of multiple professionals for a particular activity, or reasons for substantial time billed relating to a specific activity.

5. All applications shall include complete and detailed activity descriptions billed in tenths of an hour (six (6) minutes). Each activity description shall include the type of activity (e.g., phone call, research) and the subject matter (e.g., cash collateral motion, section 341 meeting, etc.). Activity descriptions shall not be lumped – each activity shall have a separate description and a time allotment.

(b) *Applications to Permit Monthly Payment of Interim Fee Applications*. In larger Chapter 11 cases, upon motion and after notice and hearing, the Court may consider the approval of procedures for monthly payment of interim fee applications for professionals.

(c) *Final Applications*. To be considered at the confirmation hearing, a professional fee application shall be filed 30 days prior to the confirmation hearing unless ordered otherwise. The Court will not consider any application for compensation unless all creditors receive at least 21 days notice of the hearing. The notice of hearing

shall at a minimum identify the applicant and the amounts requested. A final application may include an estimate of the amount of additional fees and costs to be incurred through confirmation. The final application may be supplemented at, or prior to, the confirmation hearing, so long as the amount sought is within the estimate. Final applications may be supplemented up to 14 days after entry of the confirmation order for work performed beyond the amount estimated and allowed at confirmation. Supplements to final applications shall be subject to Court approval after notice and hearing.

(3) **Chapter 13 Cases**. Compensation for professional services or reimbursement of expenses by attorneys for Chapter 13 debtors shall be governed by the prevailing practice in the Division in which the case is pending.

D. **Creditors' Attorneys Fees.** Applications for compensation by creditors' attorneys, other than under 11 U.S.C. § 503(b)(2), (3), and (4), are not governed by this rule without prejudice to the right of any party in interest to seek a judicial determination of such fees.

E. **Expense Reimbursement Guidelines.** The Court may establish expense reimbursement guidelines from time to time which will be posted on the Court's website and may cover such expenses as photocopying, facsimile transmissions, computerized research, and meals and travel

F. W**aiver Procedure**. An application to employ a professional within the scope of this Local Rule may request that the Court waive, for cause, one or more of the information requirements of this Local Rule. Such waivers may be appropriate for ordinary course professionals and professionals seeking de minimus payments.

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