

Notice of Final Report and Processing—Chapter 7

Docketing Event

N/A

Negative Notice: N/A**Accompanying Orders: N/A****Code and Rule References:**

[Fed. R. Bankr. P. 2002\(f\)\(8\)](#)

[Local Rule 2015-1](#)

Fee: N/A**Applicable Chapters: 7****Implemented: 10/26/17****Last Revision: 1/23/2018 9:33:27 AM**

Description

When the trustee assigned to a Chapter 7 case in which there are assets has completed liquidating non-exempt assets and is ready to distribute funds, final applications for compensation are filed with a final report. A notice of final report is always prepared and submitted to the Court. There are four basic categories of notices that require different items.

1. In cases where the net proceeds exceed \$1,500, the Bankruptcy Rules require the trustee to provide notice to creditors with an opportunity to respond. The trustee prepares and serves a notice of the final report that is entered on the docket. The notice also is used internally by our Court as a worksheet when reviewing the proposed distribution and requested compensation.
2. In cases where net proceeds are \$1,500 or less, those cases are referred to as “nominal asset” cases, and there is no requirement for notice with opportunity to respond. The trustee still prepares the notice for the Court’s use as a worksheet.
3. Sometimes, there is a late proof of claim or a secured claim on a “nominal asset” case. In those cases, the Court will allow the trustee to avoid filing a separate objection to late claim or a motion to allow secured claim and include those matters as part of the notice of final report and to provide an opportunity to respond. When this occurs, the trustee will serve the notice even though it is a nominal asset case.
4. There are cases that exceed the \$1,500 threshold but lack enough funds to pay the full amount of administrative expenses. Those cases are referred to as “administratively insolvent.” When this happens, the expenses are paid on a pro rata basis.