

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MISSOURI**

Proposed Revision to Rule 2016-1

Rule 2016-1. Compensation For Services Rendered and Reimbursement of Expenses is amended to read:

A. Prepetition Retainers and Other Payments. §§ 329 and 330 and Fed. R. Bankr. P. 2016 and 2017 require or authorize the court to review and approve the compensation and expenses of attorneys in bankruptcy proceedings. Therefore, certain disclosures and applications are required. ~~The disclosure of amount of retainer for initial filing by attorney for debtor Pursuant to § 329 and Fed. R. Bankr. P. 2016(b), the attorney for the debtor shall be filed file with the petition a disclosure of the amount and source of all retainers received by the attorney. The disclosure shall be and served on the United States Trustee and any case trustee. Unless excused pursuant to the provisions of subpart D of this Rule, all professionals shall: (1) deposit all retainers (with the exception of earned on receipt retainers), whether received from the debtor or any other source, in a the attorney's trust account, and may withdraw and apply funds only after a fee application and order unless subject to provisions of subpart D of this rule. pending an order of the court; and (2) with respect to all retainers and other payments made or fees sought, file an application seeking approval of such retainers, payments, and fees pursuant to § 330 and Fed. R. Bankr. P. 2016(a) (in the case of Chapter 11, 12, and 13 proceedings), or file an application to facilitate the court's review of the reasonableness of such retainers, payments, and fees pursuant to § 329 and Fed. R. Bankr. P. 2017 (in the case of Chapter 7 proceedings). Until the case is closed by final decree, debtor's attorney is under a duty to disclose all subsequent payments by filing a supplemental statement as required by Fed. R. Bankr. P. 2016(b).~~

B. Service of Application. ~~An applications for professional fees and expenses and the required notice shall be served on debtor's attorney, the case trustee, the United States Trustee, the attorneys for all committees, and all parties who have requested receipt service of notices. The A detailed, itemized statement of the kind required by Fed. R. Bankr. P. 2016(a) shall be filed with the application and notice. All such applications shall be based upon contemporaneous time records and shall include: a detailed description of the services performed; the date on which services were performed; the attorney or other employee performing such services; the amount of time expended on the enumerated services; and the applicable hourly rate. Each description of services rendered shall include a detailed description of the tasks performed (including, for example, the subject and purpose of correspondence, telephone conversations, conferences, and legal research) with allocations of time spent on individual tasks performed to the nearest one-tenth of an hour. Failure to include this information may result in disallowance of fees. The applicant is responsible to ensure that the itemized statement is made PDF compatible for filing under the ECF system. The notice shall advise the noticed parties of the filing of the application and of the opportunity to file objections within 20 days of the date the notice is given and that, absent any objections, the court may approve the application without further notice or hearing.~~

C. When Application Over \$1,000. Necessary. When an application is necessary and if such application is for compensation exceeding \$1,000, in addition to service in Paragraph B, applicant shall serve on all creditors a notice (**See Local Form - MOW 2016-1.1**) stating: the amount of fees and expenses sought; period covered; number of previous applications filed; amounts of compensation previously sought and allowed; original retainer and balance; that parties have 20 days to object, if no objections are filed the Court may enter an order, and if objections are filed the Court may set a hearing.

D. When Application Unnecessary. If debtor's attorney's total fee in a case is \$3,000 or less (in the case of a Chapter 13 proceeding) or \$1,000 or less (in the case of a Chapter 7 proceeding), and if the attorney and his client have signed the applicable Rights and Responsibilities Agreement (**See Local Forms MOW 2016-1.3 or 2016-1.4**), the disclosure of fees in initial filings is sufficient and it is unnecessary to file an application under subpart C of this rule.