

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In re:

Eugenio Olm Moreno
Betty Jean Moreno

Case No. 24-60575-btf7

Debtors

Order of the Court En Banc

The Court considers sua sponte a Rule 2016(b) Disclosure of Compensation of Attorney for Debtors that excludes from representation “**negotiating or defending any redemption on a vehicle.**” The Court set the matter for hearing to determine whether such exclusion (1) violates this Court’s Rights & Responsibilities Agreement and (2) is otherwise reasonable under the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, Local Rules, the Rights & Responsibilities Agreement, and applicable Missouri Rules of Professional Conduct (MRPC). After hearing upon notice, and considering the response of Counsel, the Court En Banc determines as follows:

1. Counsel representing individual chapter 7 debtor clients have a duty under the Rights & Responsibilities Agreement to advise and counsel such individual chapter 7 debtor clients regarding those clients’ duties under 11 U.S.C. § 521(a)(2)(A) with respect debts secured by property of the estate to specify an intent to either reaffirm or redeem or in the alternative surrender such property;
2. Those duties include a duty to advise and counsel such debtor clients about the option to redeem under 11 U.S.C. § 722;
3. Therefore, it is not appropriate to exclude from representation advising or counseling individual chapter 7 debtor clients regarding the option of redemption;
4. However, given that the option of redemption may involve additional time and expense, Counsel may, as reasonably appropriate, exclude from a flat fee for representing an individual chapter 7 debtor services for negotiating or for defending a motion to redeem, and may charge additional fees for such services, provided: that such exclusion is agreed to with the client; is disclosed pursuant to Rule 2016(b); that any changes in such agreements or

payments are timely amended; and is otherwise reasonable under 11 U.S.C. § 330 and applicable MRPC.

The Court En Banc having agreed to this amendment of local rules and the Rights & Responsibilities Agreement pending formal action to revise the same, this Order takes effect immediately in this case and all cases filed thereafter.

Dated: 10/24/2024

/s/Brian T. Fenimore
Chief Bankruptcy Judge

/s/ Cynthia A. Norton
Bankruptcy Judge