

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
HAMMOND DIVISION

IN RE: )  
 )  
JOHN T. BLOOMFIELD, JR., ) CASE NO. 07-21412 JPK  
 ) Chapter 7  
Debtor. )

ORDER REGARDING ATTORNEY COMPENSATION

This case began its bankruptcy life as a case under Chapter 13, and it was converted to a case under Chapter 7 by order entered on January 11, 2008. On January 21, 2008, counsel for the debtor filed an Application of Attorney for Debtors (sic) for Fees and Reimbursement of Expenses, requesting compensation for the period of May 30, 2007 through January 21, 2008. This Application was properly noticed to all creditors and parties-in-interest, including the Chapter 7 Trustee in the converted case, and no objections or requests for hearing were filed. However, debtor's counsel is only entitled to compensation for services rendered up to and including the date of conversion of the case to Chapter 7; she cannot obtain compensation for services rendered or expenses incurred after that date; *Lamie v. United States Trustee*, 124 S.Ct. 1023 (2004). The Court has no problem with awarding the requested compensation for services rendered; however, the itemized statement attached to the Application states that expenses in the amount of \$13.77 were incurred on January 21, 2008, and this amount is not compensable from the bankruptcy estate. The Court thus determines that compensation is awardable in the amount of \$1,440.00, together with reimbursement of expenses in the amount of \$13.77.

The form of order tendered with respect to the Application concludes with a paragraph which states that the unpaid balance of compensation and expenses "shall be paid on a priority basis through the Trustee . . . in accordance with the Order Confirming Plan". The Chapter 13 Trustee is no longer administering a Chapter 13 plan, and therefore the suggested method of

payment cannot be effected. The Court is somewhat concerned as to the anticipated source of payment of the compensation, in part, given the effect of 11 U.S.C. § 348(f)(1)(A) on the property of the Chapter 13 estate which becomes property of the Chapter 7 estate under that provision. Another issue is the extent to which any amounts held by the Chapter 13 Trustee on the date of conversion are subject to turnover to the Chapter 7 Trustee; or may be subject to distribution to creditors under the terms of the plan or subject to return to the debtor, pursuant to 11 U.S.C. § 1326(a)(2). If indeed there are no funds in the Chapter 13 estate available for payment of compensation for services rendered by the debtor's attorney in the Chapter 13 case, given *Lamie v. United States Trustee, supra.*, can the debtor's counsel be accorded any form of administrative claim in the Chapter 7 case, or is her unpaid compensation simply a general unsecured claim in the Chapter 7 case? These questions require the involvement of counsel for the debtor, a representative of the Chapter 13 Trustee, and the Chapter 7 Trustee.

IT IS ORDERED that a telephonic conference will be held on **April 16, 2008, at 11:15 A.M.** to address the foregoing matters, to be participated in by counsel for the debtor, the Chapter 7 Trustee Stacia Yoon, and a representative of the Chapter 13 Trustee.

Dated at Hammond, Indiana on March 18, 2008.

/s/ J. Philip Klingeberger  
J. Philip Klingeberger, Judge  
United States Bankruptcy Court

Distribution:  
Debtor, Attorney for Debtor  
Trustee, US Trustee  
Paul R. Chael, Chapter 13 Trustee