

STATEMENT OF CHANGE OF PROCEDURE CONCERNING NOTICE OF APPLICATIONS FOR COMPENSATION/REIMBURSEMENT OF EXPENSES

11 U.S.C. § 330(a) states the primary criteria for the court's award of compensation to "professional persons", as that term is defined by 11 U.S.C. § 327(a). Fed.R.Bankr.P. 2016(a) sets forth requirements in relation to an entity's seeking interim or final compensation for services, or reimbursement of necessary expenses, to be paid by a bankruptcy estate. Fed.R.Bankr.P. 2002(a)(6) essentially requires notice and hearing only if an entity's request for compensation and/or reimbursement of expenses exceeds \$1,000. 11 U.S.C. § 503(b)(2) provides that compensation and reimbursement awarded/to be awarded under 11 U.S.C. § 330(a) is an administrative claim. N.D.Ind.L.B.R. B-2002-2(a)(7) provides that notice pursuant to that rule shall be given with respect to applications for administrative expenses, "including compensation for services rendered and reimbursement of expenses": there is no limitation as to a threshold amount, and thus this rule literally requires that the "drop dead" provisions stated in rule B-2002(2) be followed for all applications for compensation and reimbursement of expenses, including those which do not exceed \$1,000.

Since I assumed my duties as judge of the United States Bankruptcy Court for the Northern District of Indiana, I have required that all applications for compensation/reimbursement of expenses filed pursuant to 11 U.S.C. § 330(a) be subject to the notice requirements of N.D.Ind.L.B.R. B-2002(2)(a)(7), regardless of whether or not the application exceeded the amount of \$1,000. There were a number of reasons for the implementation of this practice, which I will not address, including the literal requirement of N.D.Ind.L.B.R. B-2002-2(a)(7). Over the years, my observation of practices and procedures concerning requests for compensation has ameliorated most of the concerns I had when I adopted the foregoing procedure. I should note that requiring notice with respect to all requests for compensation/reimbursement of expenses involves an expense for mailing of notice to creditors, which in some cases - due to the number of creditors to be noticed - is not an

insubstantial amount. As a consequence of the foregoing factors, I have decided to alter my prior practice to mirror the provisions of Fed.R.Bankr.P. 2002(a)(6), and to construe N.D.Ind.L.B.R. B-2002-2(a)(7) to not include applications for compensation/reimbursement of expenses in which the total amount requested (including fees and expenses/costs) does not exceed \$1,000.

Beginning on October 1, 2015, it will no longer be necessary in my cases to provide the notice required by N.D.Ind.L.B.R. B-2002-2(a)(7) with respect to applications for compensation/reimbursement of expenses in which the total amount requested does not exceed \$1,000. However, despite the elimination of the requirement of following the procedures of Rule B-2002-2(a)(7), any application for compensation/reimbursement must be served upon each debtor in the case individually, any trustee serving in the case, and the United States Trustee, as evidenced by proof of service in the manner required by N.D.Ind.L.B.R. B-9013-4.

Dated at Hammond, Indiana on August 26, 2015.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court
Northern District of Indiana, Hammond Division