

UNITED STATES BANKRUPTCY COURT

OFFICE OF THE CLERK  
CENTRAL DISTRICT OF ILLINOIS  
SPRINGFIELD, ILLINOIS 62701

KHADIJIA V. THOMAS  
CLERK

226 U.S. COURTHOUSE  
600 EAST MONROE STREET  
217.492.4559

May 16, 2012

Dear Chapter 7 Case Trustees:

**Re: Motions and Notices of Compromise - Change in Procedures Effective June 4, 2012, for Springfield Division Only**

As of June 4, 2012, Chapter 7 Trustees in the Springfield Division will be responsible for serving their own Notices of Compromise. Trustees should continue to use the same style of form for the Notice of Compromise as is currently in use, but will be responsible for completing the objection date information on the form and for mailing the Notice. A Motion to Compromise must be filed with the Notice. The Motion must be served on the debtor's attorney or on the debtor if not represented.

The objection date inserted on the Notice of Compromise must be not less than 21 days from the date the Notice of Compromise is mailed. *See* Fed. R. Bankr. P. 2002(a) (3). If a Trustee wants to request a shortened notice period, a motion seeking such relief must be filed, and the Notice of Compromise with the shortened date for objections may only be mailed after an order has been entered shortening the period. Motions to shorten the notice period have generally not been favored by the Court.

The Notice of Compromise generally must be served on all parties on the case mailing matrix. However, when the claims bar date has run, unsecured creditors who have not filed claims need not be served. A certificate of service evidencing proper service must be filed with the completed Notice of Compromise. The certificate of service must specifically identify the persons or entities served electronically and must specifically identify by name and address the persons or entities served by mail.

To determine which parties in a case are receiving electronic service:

[Utilities >Miscellaneous >Mailings >Mailing Information For a Case > provide the case number > Submit.](#) The Header will display Mailing Information for Case with an associated message listing the parties who are currently on the list to receive email notice/service in this particular case.

The Motion to Compromise and Notice are two separate ECF events. The completed Notice of Compromise with the certificate of service should be uploaded after the Motion to Compromise is filed as follows:

[Bankruptcy >Trustee/US Trustee >Notice of Compromise \(Springfield Ch7 Trustees only\) > Browse to upload the Notice of Compromise in pdf format > Select the corresponding Motion to Compromise to link to the Notice > Select Next, verify the Objections Date calculated in ECF > continue to select Next to complete e-filing the Notice.](#)

It is very important to ensure the objection date that is automatically calculated in ECF is the actual date provided in the Notice of Compromise. The objection date in ECF will automatically calculate to a date that is not less than 21 days from the date the Notice is to be mailed. The Notice should be uploaded and mailed simultaneously. The user will be prompted to verify and accept the date or change it.

The Clerk's office staff will not review the certificates of service to determine whether Trustees have correctly identified the parties being served electronically or have otherwise complied with the requirements of the Rules for proper service. Accordingly, Trustees are urged to review Rules 2002, 7004, and 9014 to make sure that they and their staff are fully acquainted with the requirements for proper service.

Costs for copying and mailing the Notice of Compromise may be claimed as a reimbursable expense on Chapter 7 Trustee fee applications. The application should specifically itemize the costs claimed and identify the specific Notice of Compromise for which the reimbursement is sought.

**Per Judge Gorman, the following are requirements for Motions and Notices of Compromise filed in the Springfield Division:**

1. Motions to Compromise are provided for by Rule 9019. *See* Fed. R. Bankr. P. 9019. Rule 9019(b) provides that after notice and a hearing, the court may approve a compromise or settlement.
2. The description of the settlement/compromise in the Notice of Compromise must be clear and precise. The Notice should be sufficient to advise all pertinent details of the compromise because most parties receiving the Notice will not have received the Motion. Because Trustees will be completing and mailing their Notices of Compromise before filing them, Clerk's office staff will no longer review the Notices to determine the adequacy of descriptions.
3. The relief in an order granting a Motion to Compromise is generally limited to the pertinent details set forth in the Notice. The order should also be limited to approving the compromise and authorizing the Trustee to compromise. The order should not include language which purports to compel the other party to actually compromise.

Please contact the Clerk's Office if there are questions.

Sincerely,  
*Khadija V. Thomas*  
U.S. Bankruptcy Clerk

cc: Judges, United States Bankruptcy Court, Central District of Illinois  
Nancy Gargula, U.S. Trustee, Office of the U.S. Trustees  
Timothy Ruppel, Assistant U.S. Trustee, Office of the U.S. Trustees  
Case Trustees