

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF ILLINOIS

**STANDING ORDER REGARDING ATTORNEY FEES FOR  
DEBTOR'S COUNSEL IN CHAPTER 13 CASES IN THE CENTRAL DISTRICT OF  
ILLINOIS (All Divisions)**  
*(Effective January 29, 2020)*

All attorneys representing individual debtors in the bankruptcy courts of the Central District of Illinois are reminded that they are “debt relief agencies” under the Code and, accordingly, must comply with the requirements for such agencies. *See* 11 U.S.C. §§101(12A), 528; *Milavetz, Gallop & Milavetz, P.A. v. U.S.*, 559 U.S. 229 (2010). Particular attention should be paid to the provisions of §528, which require written fee contracts and full disclosure of all anticipated charges. *See* 11 U.S.C. §528(a). Attorneys are also reminded of their duty to file complete and accurate disclosures of their fee agreements with their debtor clients. *See* Fed. R. Bankr. P. 2016(b); *In re Jackson*, 401 B.R. 333 (Bankr. N.D. Ill. 2009); *In re Kowalski*, 402 B.R. 843 (Bankr. N.D. Ill. 2009). No award of fees, including the “no-look” flat fee amount, will be made to any attorney unless the attorney’s own agreement with the debtor client provides for the payment of such fees.

Since January 1, 2018, the “no-look” flat fee for representation of a Chapter 13 debtor in the Central District of Illinois has been \$4000. As of January 29, 2020, the “no-look” fee will become \$4250 (\$3000 in “fee-only” cases described below). Attorneys may charge less than \$4250 and are encouraged to consider doing so in small or simple cases.

Generally, the \$4250 “no look” fee is intended to be the upper limit of allowable compensation that will be approved for attorneys representing debtors in Chapter 13 consumer cases. Compensation above that amount will only be approved for complex cases. Any attorney who intends to represent a debtor on an hourly basis and seek fees in excess of \$4250 must file an application to be employed contemporaneously with the filing of the Chapter 13 petition, and such application must set forth in detail the complex issues anticipated to arise in the case that may justify a higher fee. Cases involving debtors who are sole proprietors of ongoing, active businesses where more than 50% of the scheduled debt is business-related will generally qualify as complex. Every attorney who intends to represent a Chapter 13 debtor on a basis that would require payment (either pre-petition or post-petition) of fees in excess of \$4250 must obtain approval of an application to be employed prior to confirmation or all compensation for the attorney may be denied.

Any attorney whose application to be employed is approved must seek approval of fees incurred through confirmation by the filing of an itemized application within 30 days after plan confirmation and at such other intervals after confirmation as may be appropriate. All fee applications must be made in accordance with Rule 2016 of the Federal Rules of Bankruptcy Procedure. *See* Fed. R. Bankr. P. 2016(a); *see also In re Vancil Contracting, Inc.*, 2008 WL

207533 (Bankr. C.D. Ill. Jan. 25, 2008); *In re Minich*, 386 B.R. 723 (Bankr. C.D. Ill. 2008). Failure to meet the basic standards for compensation set forth in the Bankruptcy Code and Rules, which include keeping contemporaneous time records, may result in some or all compensation being denied. *See In re Hart*, 540 B.R. 363, 371 (Bankr. C.D. Ill. 2015).

In entering this Order, the judges of the Central District are cognizant that debtors are entitled to select attorneys of their own choosing and attorneys are entitled to fair and reasonable compensation for legal services provided. But the Code requires judicial review of attorney fees and because, in Chapter 13 cases, awards of attorney fees compete for payment with other creditors, the establishment of the fee guidelines set forth herein is appropriate. Attorneys representing debtors in Chapter 13 cases must establish efficient practices so that the required services outlined below can be provided without excessive charges. The Court helps to facilitate the required efficiencies by using hearing and notice procedures that allow for the entry of orders, in the absence of objection, without the necessity of court appearances. *See* 11 U.S.C. §102(1). All judges in the Central District also routinely use telephone conferences for some motion hearings. The bankruptcy courts of surrounding districts may allow slightly higher no-look fees, but some of those courts rarely use the notice and hearing procedures and, instead, require attorneys to appear for all matters. Likewise some courts may either not allow telephonic participation under any circumstances or allow telephonic participation only through commercial services that attorneys must pay to use. Thus, comparisons to those slightly higher fees are not helpful in determining the appropriate no-look fee for the Central District of Illinois.

Allowed attorney fees shall be paid through the plan. However, an attorney may receive all or part of the allowed fees prior to the filing of the case, provided those fees are deducted from the total allowed fees to be paid through the confirmed plan. Attorney fees will be paid by the trustee as an administrative expense after the payment of trustee commissions, regular monthly mortgage payments, and any other claims for which orders have been entered or specific plan provisions require a fixed monthly payment to be made. Plan provisions that refer to estimated payment amounts will not take precedence over attorney fee payments. The attorney fees shall be paid along with other administrative expense and priority claims as the trustee deems appropriate, consistent with the plan and order confirming the plan. Generally, allowed attorney fees should be paid in full within the first 12 to 24 months of a plan term, provided that monthly plan payments by the debtor are sufficient to allow other required payments to be made and are sufficient for the trustee to begin payments to secured creditors, if necessary, during the same period. Back-loaded plans that serve only to ensure early payment of attorney fees through initially-low monthly plan payments that must be stepped up significantly later to meet liquidation, disposable income, or other confirmation requirements are discouraged. When such cases are filed, the attorney filing the plan shall be deemed to have waived the right to prompt payment pursuant to this Order and the trustee may, without further order of the court, distribute the attorney fees in such cases in whatever periodic amounts the trustee determines are appropriate, consistent with all other terms of both this Standing Order and the confirmed plan.

“Fee-only” cases are those that pay only the attorney’s and trustee’s fees—and no other administrative expense, priority, or secured claims—through the plan and provide no meaningful dividend to unsecured creditors. Such cases are not prohibited to the extent that all requirements

for confirmation are otherwise met. Such cases do not, however, merit the allowance of the full no-look fee of \$4250. In such cases, the no-look fee will be limited to \$3000.

Debtor's attorneys are expected to represent the debtor through the conclusion of a case, not merely until confirmation, and the no-look fee amount reflects that expectation. The duties designated below are presumed to be included within the scope of services rendered by the attorney to the debtor regardless of the amount of the no-look fee requested. If an attorney fails to perform any required duty, upon request of an interested party or *sua sponte*, the Court may consider whether that attorney's fees should be limited to an amount less than \$4250 and may order the attorney to disgorge all or part of any fees received.

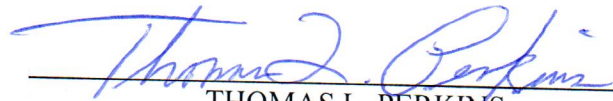
The debtor's attorney's duties in a Chapter 13 case include, but are not necessarily limited to, the following:

1. Consult with and advise the debtor about the differences and relative advantages and disadvantages of proceeding under Chapter 7 and Chapter 13.
2. Timely prepare and file the petition, statement of financial affairs, all schedules, and the creditor matrix. Statutory deadlines are strictly enforced. Only in emergency circumstances upon cause shown will any deadline be extended.
3. Timely prepare and file a Chapter 13 plan.
4. Upon information received from the debtor, take all action necessary to avoid the termination of, or to require the reinstatement of, necessary utility services for the debtor.
5. File the necessary motions or adversary complaints to obtain the return of repossessed vehicles proposed to be retained by the debtor under the plan.
6. In the event of pending state or federal court litigation, notify creditors' attorneys and appropriate courts in which the litigation is pending of the bankruptcy filing and the existence of the automatic stay.
7. Send out an information letter to the debtor reminding the debtor to attend the §341 meeting, specifying the date, time, and location of the meeting, and providing information advising the debtor as to all necessary preparations for the §341 meeting.
8. Collect from the debtor and deliver to the trustee all information required by statute to be provided prior to the §341 meeting.
9. Appear at the §341 meeting with the debtor and confer with the debtor to prepare him or her to appear at the §341 meeting.

10. Upon information received from the debtor, take steps necessary to terminate pending wage garnishments including filing a motion to enforce the automatic stay and terminate the garnishment.
11. Attend all court hearings in the case including the confirmation hearing, if scheduled.
12. Prepare all court mandated pre-trial statements, reports, briefs, etc.
13. Respond to objections to plan confirmation and, where necessary, prepare amended plans.
14. Prepare, file, and serve necessary amended statements and schedules, in accordance with information submitted by the debtor, provided the debtor pays any required filing fees.
15. Prepare, file, and serve necessary motions to buy, sell, or refinance real property and vehicles, when appropriate.
16. Review all claims promptly after the expiration of the claims bar date and file claims for creditors who failed to file claims, if it is in the debtor's best interest to do so.
17. Object to claims which should be disallowed in whole or in part. This duty is particularly important where it is the debtor's only recourse, such as when stale claims are filed. *See Midland Funding, LLC v. Johnson*, 137 S. Ct. 1407 (2017).
18. Advise and represent the debtor with respect to motions for relief from the automatic stay, for adequate protection, to terminate the co-debtor stay, and other contested matters.
19. Prepare, file, and serve motions to avoid liens on real or personal property.
20. Upon information received from the debtor, contact creditors who continue to communicate with the debtor after filing.
21. Upon completion of plan payments, file a Certificate of Domestic Support Obligation if the debtor was required to pay a domestic support obligation during the pendency of the case.
22. Provide such other legal services as are necessary for the administration of the case.

This Standing Order shall be applicable to cases filed on or after January 29, 2020.

DATED this 28th day of January, 2020.



---

THOMAS L. PERKINS  
CHIEF UNITED STATES BANKRUPTCY JUDGE



---

MARY P. GORMAN  
UNITED STATES BANKRUPTCY JUDGE