

UNITED STATES BANKRUPTCY COURT
Eastern District of California
501 I Street, Suite 3-200
Sacramento, CA 95814-7303

Chambers of
FREDRICK E. CLEMENT
Chief Bankruptcy Judge

916-930-4540

September 17, 2024

Re: Chapter 13 Flat Fees
LBR 2016-1(c): First Anniversary Review

An Open Letter to the Bar:

Just a year ago, we revised LBR 2016-1(c), which sets the opt-in “flat” Chapter 13 fee. Key changes included increasing the amount of the fee, raising the consumer case fee from \$4,000 to \$8,500 and the business case fee from \$6,000 to \$12,500. The rule provides for \$500 in costs for both consumer and business cases, caps the retainer at 25% of the fee, and curtails frontloading by requiring fees not covered by the retainer to be paid in equal monthly payments over the life of the plan. When a case is dismissed or converted to another chapter, debtor’s counsel receives no further compensation.

When we adopted this rule in November 2023, I promised the bar a post-adoption review of the rule’s usefulness and fairness. Now is that time. What is working? What isn’t working? Do we scrap the rule and start over? Do we return to the old fee amounts and structure? If you like the basic concept, what needs fine tuning and why? How would you modify the rule?

We, the collective bankruptcy bench, are interested in hearing from you about this proposal. No later than October 22, 2024, please send your comments to me in writing. You may do so either (1) by letter addressed to Fredrick E. Clement, Chief Judge, United States Bankruptcy Court, 501 I Street, Suite 3-200, Sacramento, CA 95814; or (2) if you prefer, particularly for shorter comments, by sending an email to localrules@caeb.uscourts.gov. If you are comfortable, please do provide your name and telephone number; frequently, we have follow-up questions or comments that we would like to discuss with you. I will personally be sure that your comments are brought to the attention of each member of the bench and that your views are considered.

I look forward to hearing from you.

Sincerely,



Fredrick E. Clement
Chief Judge, U.S. Bankruptcy Court