

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

IN RE: POST-PETITION ATTORNEY'S FEE  
ARRANGEMENTS IN CHAPTER 7 CASES

**AMENDED EN BANC ORDER**

On November 8, 2021, the Court issued an en banc order imposing a process to have attorneys file a motion to review and approve any post-petition attorney's fee arrangement. The Court now amends that order to require the debtor's attorney to file an application, rather than a motion, to review any post-petition attorney's fee arrangement.

It has come to the Court's attention that some attorneys in Chapter 7 cases are entering into attorney's fee arrangements whereby the attorney does not collect the entire fee pre-petition and some or all of the attorney's fees are intended to be collected post-petition.

The Bankruptcy Appellate Panel recently issued a decision that affirmed the Bankruptcy Court's finding that a post-petition attorney's fee arrangement was unreasonable. *See In re: Allen*, 628 B.R. 641 (B.A.P. 8th Cir. 2021). The Court is also concerned that post-petition attorney's fee arrangements may present several ethical concerns under the Minnesota Rules of Professional Conduct.

This Amended Order is intended to immediately provide a process whereby the Court is notified of and can review such attorney's fees arrangements. This Amended Order takes effect for all Chapter 7 petitions filed on or after December 15, 2021.

**IT IS HEREBY ORDERED** that:

**(a) Application Required to Review Certain Attorney's Fee Arrangements.**

- (1) In a Chapter 7 case, an application for the Court to review the debtor's attorney's fee arrangement must be filed when the Disclosure of Compensation of Attorney for Debtor, Local Form 1007-1, identifies in part 1 that not all attorney's fees were paid before the petition was filed.
- (2) An application for the Court to review the debtor's attorney's fee arrangement must be served on the trustee and the United States Trustee and must also include a copy of the attorney's fee agreement.
- (3) An application for the Court to review the debtor's attorney's fee arrangement must be filed within 14 days of filing the petition.
- (4) If an objection to the debtor's attorney's fee arrangement is filed, the applicant must schedule a hearing on the application and give notice of the hearing to the parties listed in subsection (a)(2) of this order.

**(b) Effective Date.** This order takes effect for any Chapter 7 case that is filed on or after December 15, 2021.

**(c) Failure to comply.** The Court may issue an order to show cause for failure to comply with the requirements of this Order.

This order will be in effect until further order of the Court.

Dated: December 13, 2021

*/e/ Michael E. Ridgway*

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Michael E. Ridgway  
Chief United States Bankruptcy Judge

*/e/ Kathleen H. Sanberg*

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Kathleen H. Sanberg  
United States Bankruptcy Judge

*/e/ Katherine A. Constantine*

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Katherine A. Constantine  
United States Bankruptcy Judge

*/e/ William J. Fisher*

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William J. Fisher  
United States Bankruptcy Judge