

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

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

EN BANC ORDER

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

IT IS HEREBY ORDERED that:

(a) Motion Required to Review and Approve Certain Attorney's Fee Arrangements.

- (1) In a Chapter 7 case, a motion for the Court to review and approve 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) A motion for the Court to review and approve the debtor's attorney's fee arrangement must be filed in accordance with Local Rules 9013-1, 9013-2, and 9013-3 and must also include a copy of the attorney's fee agreement.
- (3) A motion for the Court to review and approve the debtor's attorney's fee arrangement must be filed within 14 days of filing the petition.

(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: November 8, 2021

[/e/ Michael E. Ridgway](#)

Michael E. Ridgway
Chief U.S. Bankruptcy Judge

[/e/ Kathleen H. Sanberg](#)

Kathleen H. Sanberg
U.S. Bankruptcy Judge

[/e/ Katherine A. Constantine](#)

Katherine A. Constantine
U.S. Bankruptcy Judge

[/e/ William J. Fisher](#)

William J. Fisher
U.S. Bankruptcy Judge