

MEMORANDUM

TO: Region 9, Chapter 7 Trustee Panel

FROM: Daniel M. McDermott, United States Trustee

RE: Consolidation of Review of Trustee Final Reports

DATE: July 2, 2013

In a continuing effort to improve and streamline operations, we are implementing a new procedure for the submission and review of Trustee Final Reports (TFRs). The TFR reviews will be completed by a team of United States Trustee staff members from around the Region who may not be stationed in your local United States Trustee's office. Accordingly, it is very important that you carefully review the guidelines and procedures set forth in this memorandum and ensure that your staff is informed concerning these changes which will be implemented beginning with all TFRs submitted by electronic means on July 15, 2013.

Submissions Excluded from the Consolidated Procedure

Please continue to submit the case documents to your local United States Trustee's office in accordance with the procedures established by the local office in the following instances:

- Case closing submissions by non-panel trustees
- Review of trustee requests for interim distributions including payment of professional fees.

Case Assignment

Cases will be assigned to Reviewers based on your judicial district. Cases may be reassigned based on inventory levels, duty assignments, leave requests, and at the discretion of the team leaders or supervisor. At present, the following staff members will review TFRs: Dave Kozlowski, Jerry Lichko, Kim Caton, Karen Gordon, Sharon Lowe and Sherrie Schlosser. Andy Vara and Monica Kindt will assist in supervising the process.

TFR Submissions

Under the new consolidated procedure, all TFR submissions will be electronic and no hardcopy will be submitted to the United States Trustee unless specifically requested by the Reviewer. The Reviewer will file the TFR and NFR with the court. The trustee will maintain the original wet signature TFR for the greater of at least two years after the date the trustee was

discharged,¹ or the time period set forth in any applicable local court rules regarding electronically filed documents and the retention of original verified documents or documents signed under penalty of perjury.

Submission in cases with \$25,000 or less in Gross Receipts

- Prepare the data-enabled electronic TFR, ensuring the report contains your electronic signature and required exhibits. The four exhibits are:

Exhibit A	Individual Estate Property Record (Form 1)
Exhibit B	Cash Receipt and Disbursement Record (Form 2)
Exhibit C	Claims Review Analysis
Exhibit D	Proposed Distribution Report

- Financial account numbers must be redacted and only the last four digits of a financial account number may be shown.
- Prepare the Notice of Final Report (NFR).
- Obtain an interim (snapshot) bank statement which reflects the balance matching the TFR.
- Email the data-enabled TFR, NFR, and interim bank statement to USTP.Region09.TFR.OH@usdoj.gov
- The subject line of the email must be formatted as follows:
 - a. Three digit prefix-
 - 471 for Cleveland Division
 - 473 for Toledo Division
 - 474 for Youngstown Division
 - 475 for Akron Division
 - 476 for Canton Division
 - b. Seven digit case number
 - c. Debtor last name or first name of business
 - d. TFR
 - e. Trustee last name

Example: 471-13-1xxxx Smith TFR Trustee
473-13-3xxxx Smith TFR Trustee
474-13-4xxxx Smith TFR Trustee
475-13-5xxxx Smith TFR Trustee

¹ See *Handbook for Chapter 7 Trustees* at p 5-18.

476-13-6xxxx Smith TFR Trustee

- The attachments to the email must be named as follows:

TFR: Ten Digit Case number debtor's last name TFR Trustee's last name
NFR: Ten Digit Case Number debtor's last name NFR Trustee's last name
Bank Statement: Ten Digit Case Number debtor's last name Bank Statement
Trustee's last name

- To the extent applicable, attach any additional documents that may be required by the bankruptcy court through administrative order, local rule, or current practice.
- Additional supporting documents may be requested by the Reviewer. However, in all surplus cases, attach a worksheet which sets forth the surplus to debtor and interest on claims. Name the attachment "Surplus Funds". In all cases containing wage claims attach a worksheet which breaks out deductions and payments of taxes for each wage claimant. Name the attachment "Wage Claims".

Submission in cases with more than \$25,000 in Gross Receipts

- Follow the guidance set forth for cases with \$25,000 or less in gross receipts.
- Do not provide the interim bank statement as an attachment to the email. When the Reviewer is ready to begin the review of the TFR, you will be contacted to send all original bank statements and cancelled checks to an address designated by the Reviewer. The address will change depending on the Reviewer so please do not send anything other than what has been requested by the Reviewer.
- Additional documents or docket reference numbers may be requested depending on the complexity of the case.
- After the review is complete, the original bank statements and checks will be returned to you to be maintained with the case file.

Errors and Corrections

If the TFR has one or more errors, you will receive an email that contains a description of the problem in the format set forth in the attachment. You will have 48 business hours to submit the required corrections. Corrections must be directed to the Reviewer and sent by email with a subject line that identifies the TFR and notes that it is a correction. If the correction is not received within 48 hours, the TFR will be noted as returned. Upon receipt of the correction, the Reviewer will deem the corrected TFR as new and will process the review based on the date the correction was submitted.

If a TFR has been filed with the court and must be amended, you will submit the

amended TFR to the same Reviewer who filed the TFR. Upon receipt of the amended TFR, the Reviewer will process and file it.

Errors and corrections will be tracked to ensure the accurate submission of reports and the timely resubmissions of corrections. Habitual problems will be addressed promptly with the trustee by the local office.

Treatment of Requests for Administrative Expenses

Please follow local practice with regard to the filing or submission of applications for trustee fees and expenses and professional fees and expenses. If local practice requires you to send the trustee fee application or professional fee applications to the United States Trustee prior to filing, please include the fee applications as an attachment to the email containing the TFR and name the attachment as follows: Seven digit case number Name Trustee Fee App or seven digit case number Name Attorney Fee App.

Final fee applications will be considered by the Reviewer at the time the TFR is reviewed. If the Reviewer identifies a concern with an application, the Reviewer will contact the appropriate party, identify the problem, and propose an appropriate reduction or resolution. The professional will have 48 business hours to respond. If the Reviewer is unable to resolve the concern, the matter will be referred to the appropriate local office to resolve.

Conclusion

We understand that there will be some adjustment to the new procedure and the process may change as we move forward. Please be patient and carefully review the information provided in this memorandum. If you have any questions or feedback concerning the consolidation process, please contact Andy Vara, Assistant U.S. Trustee, Cleveland, Ohio at andy.vara@usdoj.gov.