



United States Department of Justice

Office of the United States Trustee
Region 11

780 Regent St.
Ste. 304
Madison, WI 53715

Phone (608) 264-5522
Fax (608) 264-5182

January 16, 2020



RE: [REDACTED]

Dear Counsel:

The United States Trustee has promulgated operating instructions and reporting requirements for use in the above case. 11 U.S.C. §§ 1107, 1106, and 704(a)(8). All debtors in possession in cases under Chapter 11 of the Bankruptcy Code must comply with these requirements. These instructions (enclosed) also may be located and downloaded at: <https://www.justice.gov/ust-regions-r11/region-11-chapter-11-0>.

Both you and the Debtor's representative, who should be a member of senior management, are required to attend the following two meetings:

- 1) The Initial Debtor Interview. 28 U.S.C. §586(a)(7) and 11 U.S.C. §1116(2).
Please contact Bart von Zastrow within five business days of this letter to arrange a time for you and your client(s) to meet. The initial interview can be via phone conference if that is more convenient.
- 2) The General Meeting of Creditors. 11 U.S.C. §341 and §343.
Please come to Stewart Square Building, 308 W. State Street, Lower Level Room 40, Rockford, IL 61101 on Wednesday, June 28, 2017 at 1:00pm. (You and your client(s) must attend this meeting in person.)

Please refer to the attached for further information and instructions.

A copy of this letter is being mailed to the Debtor. Thank you for your cooperation.

Sincerely,

PATRICK S. LAYNG
United States Trustee

BY: /s/ Bart von Zastrow
Bart von Zastrow
Bankruptcy Analyst
(608) 264-5522 (ext.: 5644)
Bart.A.VonZastrow@usdoj.gov

cc: Debtor
Enclosures

Initial Debtor Interview

This is a “small business case,” as defined in 11 U.S.C. §101(51C). In such cases the United States Trustee is to conduct an initial debtor interview as soon as practicable. The purpose of the interview is to (1) investigate the debtor’s viability; (2) inquire about the debtor’s business plan; (3) explain the debtor’s obligations to file required reports; (4) develop an agreed scheduling order; (5) inform the debtor of other obligations; and (6) discuss under what circumstances our office may have direct contact with the debtor. 28 U.S.C. §586(a)(7).

Small Business Case Requirements

Title 11, U.S.C. § 1116 (1) (A) (B) states: In a small business case, the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall append to the voluntary petition, or, in an involuntary case, not later than 7 days after the date of the order for relief–

(A) its most recent balance sheet, income statement (profit/loss), and Federal income tax returns; or

(B) a statement made under penalty of perjury that no balance sheet, income statement (profit/loss) has been prepared and no Federal tax return has been filed.

Note: Currently, the Bankruptcy Court does not want tax returns filed on the docket; these are to be sent to the U.S. Trustee at the above address.

The debtor in possession shall submit projections of income and expenses for the six months following the month in which the case was filed. (Form Attached)

General Meeting of Creditors

The Debtor’s representative(s) should include whoever executed the Petition, Schedules, and the Statement of Financial Affairs.

Receipt and Verification Statement

Please provide a signed Receipt and Verification Statement either prior to or on the day of the Initial Debtor Interview. Section 1 of the Operating Instructions and Reporting Requirements (OIRR). Exhibit A– attached to the OIRR

Debtor in Possession Account

Please submit a voided check from the Debtor’s bank account imprinted with “Debtor in Possession.” Section 2 of the OIRR, and a Bank Account Declaration. Exhibit B – attached to the OIRR

Proof of Insurance

Complete an Insurance Statement (Exhibit C – attached to the OIRR) and please provide evidence of all insurance currently in effect, including that covering all property of the Estate, *within five days*. Certificates of Insurance (Exhibit D – attached to the OIRR) for all such insurance in effect should show the United States Trustee as certificate holder for notice purposes. Section 4 of the OIRR.

Monthly Operating Reports

Monthly Operating Reports are required to be *filed by the 21st of the month following the close of the applicable reporting period until a plan is confirmed*. Post-confirmation reports on the status of plan payments are required to be *filed on a quarterly basis until the case is closed*. Sections 7 and 10 of the OIRR.

Form 426

If the Debtor holds a controlling or substantial interest in an entity that is neither a debtor nor a publicly traded company, Fed. R. Bankr. P. 2015.3 requires the filing of financial information in periodic reports. The first such report must be *filed no later than seven days before the General Meeting of Creditors*. Reports must be *filed every six months until either the effective date of a confirmed plan or the case is either dismissed or converted*. Form 426 reports can be found on the United States Courts’ website at <http://www.uscourts.gov>. Section 8 of the OIRR.

Quarterly Fees

United States Trustee quarterly fees continue to accrue after confirmation until the case is closed. Accordingly, the Debtor must submit and *file the United States Trustee Quarterly Fee Statement until the case is closed*. In addition, please note that the Debt Collection Improvement Act empowers collection of unpaid debts owed the United States Government, including Chapter 11 Quarterly Fees. Unpaid Quarterly Fees will be collected as allowed by law. Section 9 of the OIRR.

Declaration Regarding Electronic Filing

The Declaration Regarding Electronic Filing only covers schedules and statements that are *filed contemporaneously with the petition*. Any other schedule or statement that is required to be verified by the debtor's representative [must] have the debtor's representative's scanned original signature filed as an attachment.

Direction of Attorney for the Debtor Concerning Contacts with Client Regarding Administrative Matters (aka the McDade Waiver)

Please provide a signed McDade Waiver (attached) indicating whether or not the United States Trustee is authorized to contact the Debtor directly.

Retention of Professionals

Please file the necessary documents with the Court, including, but not necessarily limited to, the Notice of Motion, Motion, Application, Affidavit in Support of the Application, Fee and Retainer Agreement, Additional Exhibit(s), if any, and, the Proposed Order.

Fee Applications

The Executive Office for United States Trustees has promulgated guidelines for fee applications under 11 U.S. C. § 330. 28 U.S.C. §586(a)(3)(A). In the case of a debtor in possession the guidelines require the applicant to state whether the debtor has been given an opportunity to review the application and has approved the requested amount. In short, the Debtor must review its attorney's fee application before it is filed with the court.

Sale of Personal and Real Property

Please file the necessary documents with the Court, including, but not necessarily limited to, the Notice of Motion, Motion to Sell Property, Affidavit in Support of the Motion, Exhibit(s), if any, and the Proposed Order.

Right to Visit the Debtor's Business Premises

The United States Trustee reserves the right, after prior written notice, to visit the business premises of the Debtor to both ascertain the state of the Debtor's books and records and verify that the Debtor has filed its tax returns. 28 U.S.C. §586(a)(7)(B).

Right to Form a Committee of Unsecured Creditors

If there is sufficient creditor interest, the United States Trustee reserves the right to form a committee of unsecured creditors. 11 U.S.C. §1102.