



**STATEMENT OF CLIFFORD J. WHITE III
DIRECTOR, EXECUTIVE OFFICE FOR U.S. TRUSTEES**

**U.S. TRUSTEE PROGRAM'S GUIDELINES FOR REVIEWING
APPLICATIONS FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FILED UNDER 11 U.S.C. § 330 FOR ATTORNEYS IN LARGER CHAPTER 11 CASES**

*Press Conference Call
June 11, 2013 ~ 12:00 noon*

The Department of Justice is pleased to announce the issuance of the U.S. Trustee Program's (USTP) final Guidelines governing the review of attorneys' fees and expenses in large chapter 11 cases. The Guidelines will be posted on the USTP's Web site and sent to the Federal Register for publication.

As Acting Associate Attorney General Tony West says in the DOJ announcement, "[a]t a time when both the public and the most sophisticated participants in the bankruptcy process say bankruptcy attorneys' costs are rising too rapidly, these Guidelines are designed to ensure that statutory requirements limiting bankruptcy fees to market rates – not premium rates – are followed."

After two public comment periods spanning more than a year – and after hearing from a broad range of commenters from the largest law firms to major investors to academics to the public – the USTP promulgated a new set of Guidelines governing disclosures that should be made to justify fees in the largest bankruptcy cases. We are extremely grateful for the many helpful comments we received from bankruptcy experts, including Richard Levin, Chair of the National Bankruptcy Conference, and law professor Nancy Rapoport.

The cornerstone of the Guidelines is a requirement that attorneys demonstrate they are not charging bankruptcy estates a premium above fees charged to clients outside of bankruptcy and that they develop budgets that will help impose cost discipline in the conduct of the case.

Now that the Guidelines are issued, the USTP will reach out again to the bankruptcy community to ensure that practitioners and others are aware of the expected disclosures and other provisions of the Guidelines. We will ask courts to adopt the Guidelines as part of their local rules or administrative orders. The USTP can object to fee applications that do not comply with the Guidelines, but only the courts can adjudicate those objections. The USTP will prudently, but vigorously, litigate these issues as necessary, including through the appellate process.

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