



U.S. Department of Justice

*Office of the United States Trustee
District of Maryland
Baltimore Division*

101 West Lombard Street # 2625 (410) 962-4300
Baltimore, MD 2120 Fax: (410) 962-3537

OPERATING GUIDELINES AND REPORTING REQUIREMENTS OF THE UNITED STATES TRUSTEE

FOR CHAPTER 11 DEBTORS IN POSSESSION AND CHAPTER 11 TRUSTEES

Revised March 1, 2013

Approved Depositories Revised March 1, 2013

I. INTRODUCTION

A. United States Trustee's Authority to Supervise Debtor in Possession

Pursuant to 28 U.S.C. § 586 and 11 U.S.C. § 704(8), the United States Trustee has established these **Operating Guidelines and Reporting Requirements** (the "requirements") for chapter 11 debtors in possession and chapter 11 trustees (the "debtor" or "debtors"). Under these requirements, debtors must establish and observe certain operating procedures and file certain financial reports with the Bankruptcy Court, the United States Trustee, and any committee appointed in the case by the United States Trustee. Counsel should carefully review these requirements with debtor upon receipt.

B. Compliance, Amendments or Modifications

Timely compliance with each of the requirements contained herein is mandatory. Failure to comply with any requirement may result in the filing of a motion to dismiss or convert the case or a motion to appoint a chapter 11 trustee or examiner.

Any request to amend or modify these requirements for a particular chapter 11 case must be made in writing. To be effective, approval by the United States Trustee must be in writing.

C. Duties of Debtor in Possession

With the filing of a chapter 11 petition, a debtor becomes a new entity called a debtor in possession. The debtor in possession has fiduciary and statutory responsibilities to preserve and maintain the estate and to operate its business as efficiently as possible in order to maximize ultimate payments on pre-petition debts while keeping post-petition debt current. (See 11 U.S.C. §§ 1106 and 1107.)

D. Duties of Trustee or Debtor in Possession in Small Business Cases

A "small business case" is a case in which the debtor is a "small business debtor." See 11 U.S.C. § 101 (51C) and (51D). Section 1116 of Title 11 sets out a number of additional requirements in small business cases:

1. The debtor must append to the voluntary petition its most recent balance sheet, statement of operations, cash flow statement, and federal income tax return (remember to redact Personally Identifiable Information (PII)), or a statement made under penalty of perjury that the financial statements have not been prepared or the tax return has not been filed.
2. The debtor must attend, through its senior management personnel and counsel, meetings scheduled by the court or the United States Trustee, including initial debtor interviews, scheduling conferences, and the §341 meeting of creditors, unless the court waives the requirement upon a finding of extraordinary and compelling circumstances.
3. The debtor must timely file all schedules and statements of financial affairs unless the court grants an extension of time, which shall not extend beyond 30 days after the order for relief absent extraordinary and compelling circumstances.
4. The debtor must file all post-petition financial and other reports required by the Federal Rules of Bankruptcy Procedure or Local Bankruptcy Rules.
5. The debtor must maintain insurance customary and appropriate to the industry, subject to 11 U.S.C. §363(c)(2) concerning use of cash collateral.
6. The debtor must timely file tax returns and other required governmental filings and timely pay all taxes entitled to administrative expense priority, except those being appropriately and diligently contested, and subject to 11 U.S.C. §363(c)(2) concerning use of cash collateral.
7. The debtor must allow the United States Trustee or a designated representative to inspect the debtor's business premises, books, and records at reasonable times, and after reasonable prior written notice, unless the debtor waives notice.

E. Individual Debtors

Title 11 includes a number of provisions that apply specifically to Chapter 11 cases in which the debtor is an individual, including the following:

1. Property of the bankruptcy estate includes property acquired post-petition. 11 U.S.C. § 1115(a)(1).
2. Property of the bankruptcy estate includes post-petition earnings from personal services. 11 U.S.C. § 1115(a)(2).
3. The filing of an Individual Chapter 11 case creates a separate taxable entity under Section 1398 of the Internal Revenue Code. The individual chapter 11 debtor in possession must obtain an Employer Identification Number (EIN) for the estate. The debtor in possession must prepare and file estate income tax returns (Form 1041) and attach a statement indicating that the individual debtor filed a chapter 11 bankruptcy case. See IRS Notice 2006-83 for further guidance. It is strongly recommended that the debtor in possession consult a tax professional.
4. The plan must provide for the debtor to pay creditors all or such portion of earnings from personal services or other future income of the debtor as is necessary for the execution of the plan. 11 U.S.C. § 1123(a)(8).
5. If a holder of an allowed unsecured claim objects to confirmation of the plan, the plan must either provide for payment of the full value of the claim as of the effective date, or for payment of the

projected disposable income of the debtor for five years or for the term of the plan, whichever is longer, with disposable income defined in 11 U.S.C. § 1325(b)(2). 11 U.S.C. § 1129(a)(15).

6. At the request of the debtor, the trustee, the United States Trustee, or the holder of an allowed unsecured claim, the plan may be modified at any time after confirmation but before completion of payments to 1) increase or reduce the amount of payments to a particular class; 2) extend or reduce time period for payments; or 3) change the amount to be paid to a creditor to the extent necessary to take account of any payments made other than under the plan. 11 U.S.C. § 1127(e).

7. At the request of the court, the United States Trustee, or any party in interest, the debtor must file with the court a copy of any post-petition federal income tax returns at the same time they are filed with the taxing authorities, and certain pre-petition federal income tax returns that had not been filed with the taxing authorities on the petition date. 11 U.S.C. § 521(f).

8. An individual debtor does not receive a discharge until completion of all payments under the plan. The court may grant a discharge to an individual debtor who has not completed all plan payments if the court finds that the value of the property actually distributed to unsecured creditors as of the effective date is not less than the amount that would have been paid in a chapter 7 case if the estate had been liquidated on the effective date, and if the court also finds that modification of the plan under § 1127 is not practicable. 11 U.S.C. § 1141(d)(5).

9. An individual debtor owing a “domestic support obligation” as defined at 11 U.S.C. § 101(14A) (alimony, child support, etc.), must provide written notice of the bankruptcy filing to the holder of the obligation and to the appropriate state child support enforcement agency. The initial notices of a debtor’s bankruptcy filing must be sent within three days of the meeting of creditors, and certification must then be filed with the court. Notification of receiving a bankruptcy discharge should be sent to these same parties after a discharge is obtained. Sample letters that may be used to send notices to the appropriate parties can be requested from the U.S. Trustee’s office and will also be provided after the Initial Debtor Interview. 11 U.S.C. §§ 1106(a)(8), 1106(c) and 1107.

II. OPERATING GUIDELINES

A. Bank Accounts/Money of the Estate

1. The debtor must immediately close pre-petition bank accounts and open new “debtor in possession” bank accounts. Accounts must be opened in a financial institution approved by the U.S. Trustee. (See **Exhibit 1** for list of approved banks.) **ALL receipts must be deposited into the debtor in possession account(s). The debtor may NOT use any bank accounts other than its disclosed debtor in possession accounts without the prior written approval of the U.S. Trustee.** For business entities, all disbursements should be by check; individual debtors may use ATM/debit cards and checks.

2. The account name on the bank’s records must include the words “Debtor in Possession”. Checks for the new accounts must be pre-numbered by the printer, and must be **imprinted** with the words “Debtor in Possession” and the bankruptcy case number. Handwritten, typewritten, or hand-stamped versions are not acceptable. (See **Exhibit 2**.)

3. All money of the estate must be deposited or invested in accordance with 11 U.S.C. § 345. Examples of deposits and investments that comply with § 345(b) include, but may not be limited to, the following:

- a. Deposits that are fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
- b. Investments in United States Treasury securities.

- c. Deposits and investments with an entity that has posted a surety bond in favor of the United States, or pledged securities of the kind specified in 31 U.S.C. § 9303, to secure the funds invested or on deposit.

4. The debtor in possession must inform the U.S. Trustee of each financial institution in which estate funds are maintained and execute an authorization for the release of information pertaining to estate accounts. A **Statement of Depository and Authorization for Release of Information Form** is provided. (See **Exhibit 3.**) This report and authorization is due within 15 days after the date of the petition in a voluntary case, the order for relief in an involuntary case, or the appointment of a trustee. **This document should be sent only to the Office of the U.S. Trustee. It should not be filed with the court.**

B. Insurance

The debtor must maintain without interruption all insurance customarily carried in the debtor's line of business or required by law or regulation. In most cases, the debtor will be required to carry liability, workers' compensation, and property insurance, i.e., fire and extended coverage. The property insurance coverage must be for no less than the fair market value or replacement cost of the insured assets. The debtor must immediately notify the United States Trustee of any lapse, cancellation, modification, or renewal of insurance coverage. Failure by the debtor to maintain appropriate insurance that poses a risk to the estate or to the public is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(C).

All documents provided as evidence of insurance must clearly indicate the policy expiration date, the types and amounts of coverage, the location(s) covered, the deductible, the named insured, the insurer, and the name, address, and telephone number of the local agent.

The debtor is to provide a certificate of insurance to the Office of the U.S. Trustee which must indicate that the U.S. Trustee is to be notified in the event of any change, cancellation, or expiration of the policy. The certificate of insurance should provide the following notification information:

For Notice Purposes Only:
Office of the U.S. Trustee
101 West Lombard Street #2625
Baltimore, MD 21201

C. Taxes

The debtor must remain current on all post-petition federal, state, and local taxes and file all tax returns on a timely basis. If the debtor has payroll tax obligations, the debtor may be required to open a special tax account. Failure by the debtor to timely pay post-petition taxes or to file post-petition tax returns is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(I).

D. Quarterly Fees

Pursuant to 28 U.S.C. § 1930(a)(6), debtors are required to pay certain fees for each calendar quarter (or portion thereof) until the case is dismissed, converted or a final decree is entered and the case is closed. (See **Exhibit 4.**) Failure to pay quarterly fees when due is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(K).

E. Legal Documents to Be Transmitted to the United States Trustee

Pursuant to Federal Rules of Bankruptcy Procedure 2002 and 9034, it is the responsibility of the debtor and the debtor's counsel to keep the United States Trustee apprised of all matters pertaining to the case at all times. This includes ensuring that the United States Trustee is served with copies of all papers (motions, applications, etc.) filed in the case.

F. Initial Debtor Interview

The United States Trustee will schedule an Initial Debtor Interview ("IDI") with the debtor and counsel shortly after the case is filed. (See 11 U.S.C. § 1116(2) for specific requirements in small business cases.) The IDI will generally be conducted either at the debtor's place of business or at the office of the United States Trustee. At the IDI, a bankruptcy analyst from the United States Trustee's office will seek to become familiar with the debtor's case as well as with the debtor's business plan and operations, assets, liabilities, and accounting methods. Accordingly, the debtor's representative(s) at the IDI should have personal knowledge and information regarding the debtor's pre-petition and post-petition operations, accounting records, tax returns and financial statements. Documents to bring to the IDI are to include the following:

- a. Chapter 11 Guidelines;
- b. Copies of last two filed Federal tax returns, and a copy of an extension request (if applicable);
- c. Copies of previous three months of bank statements for all accounts held by debtor;
- d. Copies of the declaration page for all insurance policies;
- e. Certificate of insurance listing Office of U.S. Trustee as a notice holder;
- f. Copies of last two years' audited financial statements;
- g. Copies of last month and YTD Income Statement and Balance Sheet;
- h. Copies of all business licenses;
- i. Debtor in possession bank information (**Exhibit 3** of the Guidelines completed);
- j. Voided check with imprinted name from new debtor in possession account if available; and
- k. If Debtor has at least a 20% ownership interest in any entity, copies of prior year and YTD financial statements for that entity.

The analyst will discuss the role of the United States Trustee and explain the Operating Guidelines and Reporting Requirements. The IDI will be held as soon as possible after the filing of the petition. Failure by the debtor to attend meetings reasonably requested by the United States Trustee is cause for conversion or dismissal of the bankruptcy case. 11 U.S.C. § 1112(b)(4)(H).

G. Additional Legal Requirements

The debtor's attention is directed to the following selected provisions of the Bankruptcy Code:

1. 341 Meeting of Creditors

A first meeting of creditors will generally be held 20 to 40 days after the petition is filed. Unless otherwise noticed, all chapter 11 meetings are held at:

Office of the U.S. Trustee
101 West Lombard Street #2650
Baltimore, MD 21201

The debtor, or in the case of a corporation or partnership, the debtor's senior management and debtor's counsel, must attend and testify at the meeting of creditors. For individual debtors, a picture ID and proof of Social Security number must be brought to the meeting. In the case of joint petitions, both debtors are required to appear and testify. For corporate debtors, it is recommended that the CFO, controller or party responsible for the financial operations also attend and be prepared to respond completely and accurately to questions pertaining to financial matters.

At the meeting, the debtor will testify, under oath, in response to questions from the United States Trustee and creditors regarding the debtor's business and financial affairs, the cause of the bankruptcy, and the status of the debtor's reorganization efforts. (See 11 U.S.C. §§ 341 and 343.)

Failure by the debtor to attend the meeting of creditors without good cause shown is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(G).

Any documents requested at the Initial Debtor Interview that have not yet been provided to the Office of the U.S. Trustee should be brought to the Meeting of Creditors.

After notice is given of the meeting of creditors, the U.S. Trustee may allow a rescheduling of the meeting. Requests for rescheduling are not granted automatically.

To request rescheduling:

- The party requesting the rescheduling should provide the U.S. Trustee with a written request explaining the reason(s) for such request.
- If the request is approved, the party requesting the rescheduling must notify all creditors of the new date and time, and provide the Office of the U.S. Trustee and the Bankruptcy Court with a certificate of service that all parties have been notified.

If necessary, the U.S. Trustee may continue a meeting to a later date to resolve open matters. Failure by the debtor to submit bank authorizations, insurance certificates and other required documents may result in a continuation of the hearing.

2. Unsecured Creditors' Committee

- i. As soon as possible after the entry of an order for relief, the United States Trustee may invite the 20 largest unsecured creditors to an organizational meeting for the purpose of forming an unsecured creditors' committee. This organizational meeting may be held in conjunction with the first meeting of creditors described above, or it may be scheduled separately. The debtor and the debtor's counsel may be requested to attend this meeting. (See 11 U.S.C. § 1102.) This list should not include insiders or fully secured creditors.
- ii. Prospective committee members will receive information explaining the duties and responsibilities of the creditors' committee. Generally, the U.S. Trustee will not appoint a committee with fewer than three eligible members.
- iii. Section 1103(d) of the Bankruptcy Code requires the debtor to meet with the creditors' committee as soon as practicable after the appointment of the committee to transact such business as may be necessary and proper.
- iv. If a committee is appointed by the U.S. Trustee, the debtor must provide the committee with copies of all financial reports required by the U.S. Trustee.

- v. If a committee is appointed in a small business case, the debtor is no longer considered a small business debtor unless the court determines that the committee of unsecured creditors is not sufficiently active and representative to provide effective oversight of the debtor.

3. Estate which holds a Substantial or Controlling Interest in Another Entity

Rule 2015.3 provides that, where the estate controls or owns at least a 20% interest of an entity, the estate's interest is presumed to be substantial or controlling. The trustee or debtor in possession shall file Periodic Reports (**Official Form B26**) of the value, operations, and profitability of each such entity. The first Periodic Report shall be filed no later than seven days before the first date set for the meeting of creditors. Subsequent reports shall be filed semi-annually by February 15th and August 15th each year until the case is confirmed, dismissed or converted.

4. Cash Collateral

The debtor may not use "cash collateral" unless the secured creditor agrees to such use, or such use is authorized by the court after notice and a hearing. (See 11 U.S.C. § 363(c)(2).) Unauthorized use of cash collateral by the debtor that is substantially harmful to a creditor is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(D).

5. Obtaining Credit

The debtor may not obtain credit other than in the ordinary course of business without court authorization after notice and a hearing. (See 11 U.S.C. § 364.)

6. Use, Sale or Lease of Property of the Estate

The debtor may not use, sell, or lease property of the estate when such use, sale, or lease is not in the ordinary course of business, except after notice and a hearing. (See 11 U.S.C. § 363(b).)

7. Employment and Compensation of Professionals

The debtor may not employ or compensate professional persons, including the debtor's attorney, without court approval. (See 11 U.S.C. §§ 326-331, 503 and 1107.)

8. Prohibition on Payment of Pre-Petition Debts

As a debtor in possession, the business may operate in the ordinary course. The debtor must not pay any pre-petition debts without court approval. (See 11 U.S.C. Sec. 549.) This includes pre-petition wages.

III. REPORTING REQUIREMENTS

In addition to the reports described below, the United States Trustee may require the submission of additional information that may be necessary to properly monitor the administration of the estate. **ALL Monthly Operating Reports are to be filed with the Clerk of the Court.** Attorneys who file the reports electronically with the Court must comply with applicable requirements concerning retention of

original signatures. Copies of all reports must also be provided to any committee appointed by the United States Trustee. The debtor's unexcused failure to satisfy timely any filing or reporting requirement is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(F).

A. Monthly Operating Reports

1. A Monthly Operating Report must be submitted for each month (or portion thereof) after the petition is filed until a plan is confirmed or the case is dismissed or converted. For cases filed on the 20th of the month or later, the first Monthly Operating Report will include the partial month with the following first full month in bankruptcy.
2. The Monthly Operating Report is due **twenty days** after the end of the calendar month covered by the report. The Monthly Operating Report is filed with the Clerk of Court. Copies must also be provided to any committee appointed in the case.
3. There are three types of Monthly Operating Reports depending on the type of filing:
 - a. **Individual Debtors**
 - b. **Small Business Debtors**
 - c. **All other Business Debtors**
4. **Individual Debtors** (not to include corporations, LLC's, partnerships, etc.) shall file Form 3 – the Individual Monthly Operating Report. Reports must include detailed reporting of all financial activity of the bankruptcy estate, including transactions generated by post-petition earnings from personal services, operation of a business, and sales of property of the estate. Sole proprietors are required to include business transactions in their monthly report. The U.S. Trustee's Office has Form 3 available in pdf or Excel. Copies of bank statements (not account activity lists) and reconciliations for all accounts must be attached. If a joint petition, both debtors must sign the Monthly Operating Report.
5. **Small Business Debtors** as defined by 11 U.S.C. § 101(51d) shall file Official Form B25C, the Small Business Monthly Operating Report. Reports should also include basic financial information (report of receipts and disbursements, balance sheet, profit and loss statement, copies of bank statements and bank reconciliations.)
6. **All Other Business Debtors** shall file Form 2, the Business Monthly Operating Report, which should include the following:
 - a. Cover Sheet and Questionnaire (Form 2-A)
 - b. Cash Receipts and Disbursements Statement and Narrative (Form 2-B)
 - c. Post-petition Taxes Payable and Aging Schedules (Form 2-C)
 - d. Disbursement Summary (Form 2-D)
 - e. Income and Disbursement Recap Case to Date (Form 2-E)
 - f. Balance Sheet (Form 2-F)*
 - g. Profit and Loss Statement for the month and year-to-date (Form 2-G)*
 - h. Cash Receipts and Cash Disbursements Detail (Form 2-H)*
 - i. Copies of bank statements (not account activity lists)
 - j. Reconciliations for all bank accounts

* The debtor should use reports generated from its accounting system if they are available as substitution for these forms; otherwise, the debtor should complete Form 2-F through Form 2-H.

7. Regardless of who prepared the Monthly Operating Report, the report must be signed, under penalty of perjury, by the debtor(s), a corporate officer, a general partner, or the chapter 11 trustee, as appropriate.

8. The Monthly Operating Report must be legible. If possible, the report should be typed. No entries should be left blank; if an item does not apply, enter "0" or "N/A".

9. Reporting forms may be found online at:

<http://www.justice.gov/ust/r04/baltimore/chapter11.htm>.

B. Reports on Cases Subsequently Converted to Chapter 7

Pursuant to Fed.R.Bankr.P. 1019(5), the debtor must:

- within fourteen days after entry of an order converting the case to a case under chapter 7, file a schedule of unpaid debts incurred after commencement of the chapter 11 case, such list to include the name and address of each post petition creditor; and
- within 30 days after entry of the order of conversion, file with the court and transmit to the United States Trustee a final report and account.

C. Post Confirmation Reporting Requirements

Pursuant to 11 U.S.C. § 1106(a)(7), the debtor should file Post Confirmation Reports "such as are necessary or as the court orders." The U.S. Trustee requests that these reports be filed quarterly for every post-confirmation calendar quarter, including the quarter in which the plan was confirmed and the quarter in which the debtor files its application for final decree.

The first report should be for the entire month in which the case was confirmed through the end of the calendar quarter. The final report should include all activity through the date of the application for final decree. The Post Confirmation Quarterly Report is due **twenty days** after the end of each quarter, except for the final Post Confirmation Quarterly Report which should be filed at the same time as the Chapter 11 Final Report and Motion for Final Decree. A separate Post Confirmation Guidelines package will be sent shortly after confirmation of the debtor's plan.

DEPOSITORIES AUTHORIZED TO HOLD BANKRUPTCY ESTATE FUNDS
DISTRICT OF MARYLAND - BALTIMORE DIVISION
(As of March 1, 2013)

| <u>Name of Bank</u> | <u>Notes/Restrictions</u> | <u>Contact/Phone Number</u> |
|--------------------------------------|---|---|
| American Bank | | Katie Diehl (301) 572-3793 |
| Annapolis Bank and Trust | | Mildred L. Henry V.P./Treas/CFO (410) 626-2121 |
| Bank of America, N.A. | EXISTING CUSTOMERS ONLY | bankruptcy2@baml.com |
| Bank of Kansas City | | Louis Williams, SVP |
| Bank of Glen Burnie | | |
| Branch Banking & Trust Co. (BB&T) | | Branch should refer to Operations Manual. |
| Cadence Bank | | |
| Capital One Bank | | |
| Citibank, N.A. | | Bruce Gaudino, VP 212.559.6055 212.793.5109 (fax) bruce.gaudino@citigroup.com |
| Comerica Bank | | William G. Ergas 714-435-4422 wgergas@comerica.com |
| Congressional Bank | | Rhonda D. Pointon, SVP 301-299-8810 |
| The Farmers Bank of Willards | | Christopher Davis (410) 835-2482 (410) 835-2737 chri.davis@fbwbank.com |
| First Mariner Bank | | Eugene A. Friedman, Deputy Corporate Counsel (410) 342-2600 |
| Harford Bank | | Michael Derr Phone (410) 272-5000 ext 2137 Fax (410) 272-0533 |
| JP Morgan Chase Manhattan Bank | | Vicki Quinn 1-800-843-3580 |
| M & T Bank | | Ken Krach (410) 244-3816 |
| PNC Bank | ***ONLY FOR EXISTING PNC CUSTOMERS WITH EXISTING PNC- SECURED LOANS ON | Melissa A. Bitzer, Asst. V.P. (412)762-2774 |

Exhibit 1

| | A CASE BY CASE BASIS *** | |
|----------------------------|-------------------------------------|---|
| <u>Name of Bank</u> | <u>Notes/Restrictions</u> | Contact/Phone Number |
| Sandy Spring Bank | | Client Service Center 800-399-5919 |
| Susquehanna Bank | | Kathleen Speicher (717) 625-6467 kathleen.speicher@susquehanna.net |
| Sun Trust Bank | | Branch should contact HelpLine |
| Talbot Bank | | David Morse, Asst. V.P. (410) 822-1400 |
| Union Bank of California | | Runa Kargupta (866) 729-1164 |
| Virginia Heritage Bank | | Jennifer Kim (703) 277-2457 (703) 359-2776 fax |
| Virginia National Bank | | Debbie Graves (434) 817-8126 Debbie.graves@vnb.com |
| Washington First Bank | | Matthew Johnson, EVP-CFO |
| Wells Fargo Bank | | Lori Pugh or Barbara Lawson (503) 721-5300 (503) 721-5380 (fax) |
| | | |

The above financial institutions have agreed to comply with the collateralization and reporting requirements of the U.S. Trustee. If you desire to use a financial institution not listed above, the institution must agree to comply with the collateralization and reporting requirements of the U.S. Trustee.

DEBTOR IN POSSESSION ACCOUNTS

This is an example of a correctly styled check for a debtor in possession bank account. Please use it as a guide in setting up your account and ordering checks. The words “Debtor in Possession” and the bankruptcy case number must be *imprinted on all* checks issued by a debtor. Handwritten, typewritten and hand-stamped versions are *not* acceptable. The use of the abbreviation “DIP” for Debtor in Possession is *not* acceptable. In addition, the checks must be pre-numbered.

| | |
|------------------------------------|----------------|
| ABC Produce Supply | No. 00001 |
| Debtor in Possession, 13-XXXXX | |
| GENERAL ACCOUNT | _____, 20____ |
| 5555 Every Street | |
| Anytown, MD 20770 | |
| <i>Pay to the Order of</i> _____ | \$ _____ |
| _____ | <i>Dollars</i> |
| _____ | _____ |
| XXXX-XXXX-O XXXXX-XXXX-XXX-00 0001 | |

To assist with establishing the Debtor-in-Possession account, take a copy of the Meeting of Creditors’ notice to facilitate with the bank’s set up.

Individual debtors should request an end of the month bank statement cutoff. In addition, if a debit card is important to obtain, please note that not all authorized banks allow a debit card.

**DEBTOR-IN-POSSESSION STATEMENT OF DEPOSITORY
AND AUTHORIZATION FOR RELEASE OF INFORMATION**

DO NOT FILE THIS DOCUMENT WITH THE COURT

TO: Office of the United States Trustee
101 West Lombard Street #2625
Baltimore, Maryland 21201

RE:

| |
|--------------|
| Case Name: |
| d/b/a: |
| Case Number: |

This will confirm that the above referenced Debtor in Possession has maintained or established the following account(s) at _____, that said account(s) have been designated as Debtor in Possession and are federally insured.

All open accounts at this depository are as follows:

| ACCOUNT NUMBER | ACCOUNT TYPE | BALANCE / DATE | AUTHORIZED CHECK SIGNERS |
|----------------|--------------|----------------|--------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

I hereby authorize the release to the United States Trustee of any information and for copies of documents pertaining to funds or accounts that are property of the above-referenced bankruptcy estate, including, but not limited to checking accounts, savings accounts, trust, and investment accounts.

This form is to be completed and signed by the depository and debtor and the original returned to the Office of the United States Trustee.

Debtor Signature

Bank Authority Signature

Print Name and Title

Print Name and Title

Date: _____

Date: _____

Co-Debtor Signature

Bank Name:

Print Name and Title

Address:

Date: _____

Telephone No.:

Fax No.:

CHAPTER 11 QUARTERLY FEES

The chapter 11 debtor in possession or chapter 11 trustee is responsible for paying this fee. The amount of the fee depends on disbursements made during the calendar quarter.

Fee payments are due no later than the last day of the month following the quarterly reporting period. In order for a plan to be confirmed in the case, the plan must provide that payment of quarterly fees will continue until a final decree is entered and the case is closed. Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. § 1112(b)(4)(K)].

FEE SCHEDULE

Pursuant to Section 213 of Title II, Division B, consolidated Appropriations Act, 2008, (P.L. 110-161), the chapter 11 quarterly fee schedule established by 28 U.S.C § 1930(a)(6) was amended effective January 1, 2008. The following chart displays the revised quarterly fee schedule for calendar quarters beginning January 1, 2008.

| Total Disbursements | Fee Due |
|---------------------------------|----------|
| 0 to \$14,999.99 | \$325 |
| \$15,000 to \$74,999.99 | \$650 |
| \$75,000 to \$149,999.99 | \$975 |
| \$150,000 to \$224,999.99 | \$1,625 |
| \$225,000 to \$299,999.99 | \$1,950 |
| \$300,000 to \$999,999.99 | \$4,875 |
| \$1,000,000 to \$1,999,999.99 | \$6,500 |
| \$2,000,000 to \$2,999,999.99 | \$9,750 |
| \$3,000,000 to \$4,999,999.99 | \$10,400 |
| \$5,000,000 to \$14,999,999.99 | \$13,000 |
| \$15,000,000 to \$29,999,999.99 | \$20,000 |
| \$30,000,000 or more | \$30,000 |

| Quarter Number | Quarter Months | Payment Due |
|----------------|-----------------------------|-------------|
| 1 | January, February, March | April 30 |
| 2 | April, May, June | July 31 |
| 3 | July, August, September | October 31 |
| 4 | October, November, December | January 31 |

Delinquent Fees and Interest: Effective October 1, 2007, interest will be assessed on chapter 11 quarterly fees not paid before the end of the month following the end of each quarter [31 U.S.C. §3717]. The interest rate assessed is the rate in effect as determined by the Treasury Department at the time the account becomes past due.

Checks are to be made payable to The United States Trustee and mailed to the address set forth below. Fees are **not** to be mailed or delivered to the local Office of the United States Trustee. If any check is returned “unpaid” for any reason, all subsequent payments must be made by way of cashier’s check, certified check, or money order.

To ensure proper credit, it is imperative that the debtor in possession and chapter 11 trustee write the account number (for Baltimore, Maryland cases this account number would be “161” plus the case number) on each check and remit the payment with the coupon provided with the quarterly billing. A separate check and coupon is required for each quarterly payment even if more than one quarterly fee is paid at the same time.

Send all payments to: U.S. TRUSTEE PAYMENT CENTER
PO Box 530202
Atlanta, GA 30353-0202

Overnight Courier Deliveries U.S. TRUSTEE PAYMENT CENTER
(i.e., Fedex or UPS) 1075 Inner Loop Road (2nd Floor)
should be sent to: Atlanta, GA 30337-6086

PLEASE NOTE: The above is a bank lockbox address. Do not send anything other than payments to this address. Any correspondence included with payments will be destroyed by the bank. All non-payment correspondence should be sent to the Baltimore, Maryland address.

Notice to Debtors Making Payment by Check

If you send us a check, it may be converted into an electronic funds transfer (EFT). This means we will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours, and will be shown on your regular account statement.

You will not receive your original check back. We will destroy your original check, but we will keep the copy of it. If the EFT cannot be processed for technical reasons, you authorize us to process the copy in place of your original check. If the EFT cannot be completed because of insufficient funds, we may try to make the transfer up to 2 times.

NOTICE

DISCLOSURE OF INTENT TO USE TAXPAYER IDENTIFICATION NUMBER FOR THE PURPOSE OF COLLECTING AND REPORTING DELINQUENT QUARTERLY FEES OWED TO THE UNITED STATES TRUSTEE PURSUANT TO 28 U.S.C. 1930(a)(6)

Please be advised that, pursuant to 31 U.S.C. § 7701, the United States Trustee intends to use the debtor’s Taxpayer Identification Number (“TIN”) as reported by the debtor or debtor’s counsel in connection with the chapter 11 bankruptcy proceedings for the purpose of collecting and reporting on any delinquent debt, including chapter 11 quarterly fees, that are owed to the United States Trustee.

The United States Trustee will provide the debtor’s TIN to the Department of Treasury for its use in attempting to collect overdue debts. Treasury may take the following steps:

1. submit the debt to the Internal Revenue Service Offset Program so that the amount owed may be deducted from any payment made by the federal government to the debtor, including but not limited to tax refunds;
2. report the delinquency to credit reporting agencies;
3. send collection notices to the debtor;
4. engage private collection agencies to collect the debt; and
5. engage the United States Attorney’s office to sue for collection.

Collection costs will be added to the total amount of the debt. If the United States is unable to collect the full amount of any debt owed on a debtor’s quarterly fee obligation, an I.R.S. Form 1099-C (Cancellation of Debt) will be filed with the Internal Revenue Service as required by law.