



**U.S. Department of Justice**  
*Office of the United States Trustee*  
*Western District of Kentucky*

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**OFFICIAL COMMITTEE OF UNSECURED CREDITORS INFORMATION SHEET**

**Powers and Duties of Unsecured Creditors' Committees.** Members of the Committee are fiduciaries who represent all unsecured creditors as a group. Section 1103 of the Bankruptcy Code provides that the Committee may consult with the debtor, investigate the debtor and its business operations, and participate in the formulation of a plan. The Committee may also perform such other functions as are in the interests of the unsecured creditors which it represents.

**Disclosures by Committee Members.** Federal Rule of Bankruptcy Procedure 2019 requires each Committee member to disclose its name, address, and the nature and amount of each "disclosable economic interest"<sup>+</sup> held in relation to the debtor on the date the Committee was formed. Rule 2019 also requires Committee members to file verified supplemental statements updating the earlier information (if information previously disclosed has materially changed) when taking a position before the Court or soliciting votes on a plan.

**Employment of Professionals.** Section 1103 of the Bankruptcy Code provides that the Committee may, subject to the Bankruptcy Court's approval, employ one or more attorneys, accountants, or other professionals to perform services for the Committee. The decision to employ particular professionals should occur at a scheduled meeting of the Committee where majority of the Committee is present. Professionals retained by the Committee may be compensated from assets of the debtor's estate. Applications for the payment of professional fees are subject to Court approval. The Committee should carefully review and applications and not rely on the Court or the United States Trustee to discover and object to unreasonable or unnecessary professional fees or costs.

**Other Matters.** The Committee should elect a chairperson and may adopt bylaws. As a party in interest, the Committee may be heard on any issue in the bankruptcy proceeding.

**In the event that you are appointed to the Committee, the United States Trustee may require periodic certifications of your claim(s) while the bankruptcy case is pending. Creditors wishing to serve as fiduciaries on any official committee are advised that they may not purchase, sell, or otherwise trade in or transfer claims against the Debtor while they are Committee members absent an order of the Court. The United States Trustee reserves the right to take appropriate action, including removing a creditor from any committee, if the information provided by a Committee member is inaccurate, if the foregoing prohibition is violated, or for any other reason the United States Trustee believes in proper in the exercise of his or her discretion. You are hereby notified that the United States Trustee may share information with the Securities and Exchange Commission if deemed appropriate.**

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<sup>+</sup> "Disclosable economic interest" means any claim, interest, pledge, lien, option, participation, derivative instrument, or any other right or derivative right granting the holder an economic interest that is affected by the value, acquisition, or disposition of a claim or interest.