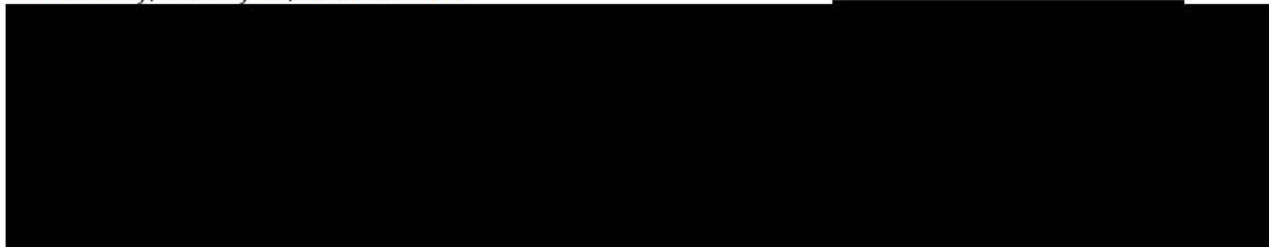

From: Burnette, Cindy (USTP)
Sent: Wednesday, January 15, 2014 3:06 PM
To:



Cc: Juanita.Diaz@ust.doj.gov; Sox, Jill W. (USTP); Sharrock, Trisha (USTP); Barfus, Heather (USTP); Boylan, Karen R. (USTP); Brooks, Michelle (USTP); Childers, Cheryl (USTP); Ewen, Sheri (USTP); Fordham, Charles A. (USTP); Garmon, Nathan P. (USTP); Hodge, Mark (USTP); Luce, Lori L. (USTP); McGuire-Gonzalez, Allysan (USTP)

Subject: ***Important Information*** Concerning TFR & TDR Submission

Attachments: TFR-TDR CASE ASSIGNMENT Contacts (Tr).docx; TFR-TDR Memo toTrustees Jan2014 (2).pdf

Please read the attached memorandum very carefully and ensure that your staff is made aware of the upcoming changes for all submissions beginning on February 1, 2014.



U.S. Department of Justice

Office of the United States Trustee

362 Richard Russell Building (404) 331-4437
75 Spring Street SW
Atlanta, GA 30303 FAX (404) 730-3534

MEMORANDUM

TO: Region 21, Chapter 7 Trustees

FROM: Guy G. Gebhardt, Acting United States Trustee

RE: UPDATED Review Procedures for Trustee Final Reports and Final Accounts **“IMPORTANT INFORMATION”**¹

DATE: January 15, 2014

The Executive Office for United States Trustees has approved and implemented the consolidation of review of Trustee Final Reports (TFRs) and Trustee Final Accounts (TDRs) nationwide. Region 21 served as a pilot region for the consolidation effort. The goal continues to be to provide a more efficient, consistent, and timely review of these reports. In order to conform to the review procedures that were approved for nationwide rollout, some adjustments must be implemented for the processing of TFRs and TDRs. Please carefully review the guidelines and procedures set forth in this memorandum and ensure that your staff is informed concerning the changes that will be implemented beginning with all TFRs and TDRs submitted on or after February 1, 2014. **Most importantly, note that the mailbox addresses and naming conventions have been changed.** This memorandum supersedes the letter regarding the Consolidation of Review of Trustee Distribution Reports dated March 13, 2012, sent by Donald F. Walton, United States Trustee, and the memorandum regarding Consolidation of Review of Trustee Final Reports dated June 28, 2013, sent by Guy G. Gebhardt, Acting United States Trustee.

The TFR and TDRs reviews will continue to 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. Please see the below chart which sets forth the division of responsibilities for the review of documents related to case closings.

¹ Please read this memorandum fully and carefully paying close attention to all bolded information.

FUNCTION	CONSOLIDATION TEAM	FIELD OFFICE
TFRs – Trustees (initial submission)	X	
TFRs – Converted 11s (initial submission)	X	
TFRs – Revisions, corrections, amendments, supplements, re-distributions	X – if they reviewed the initial submission	X – if they reviewed the initial submission
Approval of interim distributions		X
Interim fee applications		X
Final fee applications (submitted in connection with the TFR and noticed on the NFR)	X	
Final fee applications (submitted prior to TFR and separately noticed)		X
Final fee applications (converted 11s)		X
TDRs – All submissions	X	
TDRs – related documents filed under seal or with restricted access		X
NDR cases with minimal funds or Ad Hoc NDR – bank statements only		X

If the field office retains responsibility for the review of the closing documents, as set forth in the chart above, please continue to submit the case closing documents to your local United States Trustee’s office in accordance with the procedures established by the local office. **If you receive this letter and are currently not on a panel of trustees in Region 21 because of retirement or resignation, you are requested to comply with the procedures included herein.**

TFR SUBMISSIONS

When a case is ready to close, the trustee must prepare and submit a Trustee’s Final Report (TFR) and Notice of Final Report (NFR) to the United States Trustee for review. The TFR must be signed by the trustee under penalty of perjury and certify that all assets have been liquidated or properly accounted for and that funds of the estate are available for distribution. The TFR must be prepared as soon as all monies have been collected, all claims have been reviewed or determined by the court, and the bar date has expired for creditors to file claims. The report must be submitted prior to any distribution of funds to creditors, unless the trustee has previously made an interim distribution pursuant to a court order. In any event, a TFR must be submitted before final distribution of all funds in the case and must set forth the distributions to be made under section 726.

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. The trustee will maintain the original wet signature TFR for the longer period of at least two years after the date the trustee was discharged,² 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.

Case Assignments

Cases will be assigned to Reviewers based on the last two digits of the case number. The assignment list and contact information for the Reviewers is included as **Attachment A**. Please be aware that cases may be reassigned based on inventory levels, duty assignments, leave requests, and at the discretion of the team leaders or supervisors.

Submission in cases with \$25,000 or less in Gross Receipts or single asset cases regardless of amount³

- 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 (Optional)
Exhibit D	Trustee's Proposed Distribution
- 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 or submit the most recent bank statement that reflects the balance matching the TFR. **(The bank statement must be provided by the bank and cannot be generated from your software system.)**
- **Obtain a current Claims Register which is dated at least within three days of the submission of the TFR.⁴**

² See *Handbook for Chapter 7 Trustees* at p 5-18.

³ A "single asset case" is a case in which only one asset is administered by the trustee. All other assets were exempt or abandoned by the trustee.

⁴ It is helpful and greatly assists the reviewers if the Claims Register is annotated with any docket number that references an order related to the claim.

- Gather any additional documents that may be required for submission with the TFR by the bankruptcy court either through administrative order, local rule, or current practice, such as fee applications.
- In all surplus cases include a worksheet which sets forth the surplus to debtor and interest on claims. In all cases containing wage claims include a worksheet which breaks-out gross and net amounts, deductions, and payments of taxes for each wage claimant.
- Additional supporting documents may be requested by the Reviewer.
- Following the naming convention set forth below, email the data-enabled TFR, NFR, interim bank statement, the trustee's request for compensation, claims register, and any additional attachments to: USTP.Region21.TFR@usdoj.gov. **THE EMAIL SIZE MUST NOT EXCEED 25 MEGABYTS.** If the email exceeds the size limit, it may be rejected. You may need to divide the attachments and send them in more than one email. See below regarding the subject line of the email. **Please DO NOT send the TFR and NFR in a zip file as this delays the review process.**

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.
- In addition, the trustee must provide all original bank statements and canceled checks from all estate accounts. These should be provided in electronic (PDF) format.⁵ No physical documents need to be transmitted.⁶ If the banking records are voluminous, please contact the Reviewer and arrange for transmission of the paper statements. Please do not send the statements without first speaking with the Reviewer as addresses will vary depending on the Reviewer. If original paper bank statements and checks are provided, they will be returned to you to be maintained with the case file.
- Additional documents or docket reference numbers may be requested depending on the complexity of the case.

⁵ Electronic bank records should be submitted in one file, if possible. At a minimum the bank records should be in the same order as Form 2 with each bank account separated or easily distinguished.

⁶ Original paper bank statements and canceled checks for all accounts must be provided at the time of the TDR review.

Treatment of Requests for Administrative Expenses

With the exception of the trustee's application for compensation, which should be provided electronically as part of your submission, follow local practice with regard to the filing or submission of applications for professional fees and expenses, and only attach those applications as appropriate.

Except in converted chapter 11 cases, 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 hours (excluding weekends) to respond. If the Reviewer is unable to resolve the concern, the matter will be referred to the appropriate local office to resolve.

Miscellaneous Matters Relating to TFR Review

- If current practice requires the entry of a notice on the court docket when the TFR is submitted to the United States Trustee for review, please discontinue this practice.
- Orders on administrative expenses (fee orders) do not need to be submitted to the Reviewer or the local office for approval if the order(s) match the distribution set forth in the TFR and NFR. These orders can be submitted by you directly to the court for entry.
- If professional fees or expenses have been modified affecting the distribution set forth in the TFR and NFR, send a modified distribution (dividend) report directly to the Reviewer together with the proposed order(s) on administrative expenses. The Reviewer will check for accuracy, file the distribution report, and submit the fee order(s).
- If other events occur in the case which affect the accuracy of the TFR, **after submission of the TFR to the UST but prior to processing and filing**, please notify the Reviewer that you would like to withdraw the TFR so that you can make the necessary revisions. The revised TFR must be resubmitted to the USTP mailbox identified above.
- If other events occur in the case affecting the accuracy of the TFR, **after the TFR has been filed with the Court**, please submit an Amended TFR directly to the Reviewer for processing and filing.
- In the event a supplemental distribution is required when a creditor has returned a dividend because the claim is no longer due, please provide a supplemental

distribution (dividend) report directly to the Reviewer. Upon the filing of the report by the Reviewer, you can proceed forward with the distribution.

TDR SUBMISSIONS

Within 125 day after the entry of the order allowing final compensation and expenses, a trustee must submit to the United States Trustee a TDR, signed under penalty of perjury, certifying that the estate has been fully administered. Before submission, please ensure that all checks have cleared and you have the original zero balance bank statement and all canceled checks. **All** original bank statements and **all** canceled checks must be submitted in original paper form to the United States Trustee in conjunction with the TDR review.

Case Assignment

Cases will be assigned to Reviewers based on trustee location. The assignment list and contact information for the Reviewers is included as **Attachment A**. Please be aware that cases may be reassigned based on inventory levels, duty assignments, leave requests, and at the discretion of the team leaders or supervisor.

TDR Case Submissions

- Assemble the bank statements with most current statement on top (reverse order), separated by account, with canceled checks, voided checks, and returned checks in numeric order, to the extent possible, placed at the top of the most current bank statement. Do not include deposit advices. When clipping or stapling the information together for each case, please make sure that the bank statements and check information can be reviewed easily without removing any staples.
- **Print and attach to the top of the bank statements the NFR**, and if applicable, followed by any corrected or changed Report of Distribution/Trustee's Distribution Report ("ROD"). **Either the NFR or the ROD must match the actual disbursements made after the approval of the TFR.**
- No hard copy TDR is required in cases with \$50,000 or less in disbursements. The only papers you need to submit are the bank records, the NFR, and if appropriate, the ROD. In cases with more than \$50,000 in disbursements, you also must include a hard copy of the TDR with the bank statement submission.⁷
- Prepare the data-enabled electronic TDR, ensuring that the report contains your electronic signature and all nine required exhibits. The nine exhibits are:

⁷ In lieu of providing a hard copy of the TDR is case with \$50,000 or more in disbursements, you may provide the information on a CD that is attached to the bank records. Bank records cannot be provided in electronic or digital format.

Exhibit 1	Gross Receipts
Exhibit 2	Funds Paid to Debtor & Third Parties
Exhibit 3	Secured Claims
Exhibit 4	Chapter 7 Administrative Fees and Charges
Exhibit 5	Prior Chapter Administrative Fees and Charges
Exhibit 6	Priority Unsecured Claims
Exhibit 7	General Unsecured Claims
Exhibit 8	Form 1 – Individual Estate Property Record ⁸
Exhibit 9	Form 2 – Cash Receipts and Disbursement Record

- Financial account numbers must be redacted and only the last four digits of a financial account number may be shown.
- Using the naming convention discussed below, email the data-enabled TDR to : USTP.Region21.TDR@usdoj.gov
- The bank records package (banking records, NFR, ROD in appropriate cases, and hard copy of the TDR in cases with over \$50,000 in disbursements) **must be mailed to the appropriate reviewer in either Atlanta or Miami at the following addresses:**

**Office of the United States Trustee
Room 362
75 Spring Street SW
Atlanta, GA 30303**

**Office of the United States Trustee
Room 1204
51 SW First Avenue
Miami, FL 33130**

NAMING CONVENTION

The subject line of all emails must contain the following information, separated by a space, in the stated order: case number (10 digit number, including three digit UST court designator prefix), debtor’s last name, document abbreviation, and trustee’s last name. **Example: 3081301234 Black TFR White.** This subject line would signify that Trustee White submitted a TFR in the case of Black, case number 13-01234 for a Tampa case with UST designator 308. **Please do not include any hyphens or spaces within the case number. If the correct naming convention is not followed, the email submission may be returned to you without review for resubmission.**

If the debtor is a business, use the first two words in the business name for the debtor’s name. For example, The Foundry of America, Ltd. would be 3081301234 The Foundry TFR White.

Attachments to the emails and email communications regarding errors, corrections, and inquiries should follow the same format. Approved document abbreviations are as follows:

⁸ Ensure that all personally identifiable information is redacted on Exhibits 8 and 9.

TFR	Trustee's Final Report
TDR	Trustee's Final Account
TFR-COR	Corrected or Amended Trustee's Final Report
TDR-COR	Corrected or Amended Trustee's Final Account
NFR	Notice of Final Report
BST	Bank Statements
CLR	Claims Register
FA-(Name)	Fee Application, include last name of applicant
ROD	Report of Distribution
SUR	Surplus/Interest Worksheet
WAG	Wage Claim Worksheet

If you need to send in more than one email because of the size limitation, add the number to end of the subject line as follows: **3081301234 Black TFR White 1.**

ERRORS, CORRECTIONS, AND INQUIRIES

The United States Trustee reviews the TFRs to assess whether the trustee has properly and completely administered estate property and reviews TDRs to ensure that the distributions have been made properly and that the TDR is correct.

- Problems or mistakes will be brought to your attention for corrective action.
- If TFRs or TDRs have one or more errors, you will be sent an email that contains a description of the problem.
- You will have **48 hours (excluding weekends)** to submit the required corrections. With the exception of bank statements, corrections must be directed to the Reviewer and sent by email with a subject line and any attachments that conform to the naming convention stated above. Missing original bank statements must be mailed to the appropriate Reviewer.
- If the correction is not received within 48 hours (excluding weekends), the TFR or TDR will be noted as returned. Subsequently, upon receipt of the correction, the Reviewer will deem the corrected report as new and will process the review based on the date the correction was received.⁹
- Most common errors are: 1) missing bank statements which may cause additional delay because the original statements must be provided for TDR reviews and in cases with over \$50,000 in disbursements; and 2) incorrect uniform transaction codes ("UTC") and improper use of "wildcards." Please refer to the Primary Uniform Transaction Code, Reference Guide for a discussion of the proper use of

⁹ Reviewers are instructed to rigorously enforce the errors and corrections policy so that it is uniformly applied. Please make sure that your reports are accurate prior to submission to avoid delay.

UTCs and wildcards located at:

http://www.justice.gov/ust/eo/private_trustee/library/chapter07/docs/utc/Primary_UTC_Reference_Guide.htm

- 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.
- If there is a dispute between the United States Trustee and the trustee concerning a report, and it cannot be resolved between the parties, the United States Trustee will file the report with objection.
- There may be an occasion when the Reviewer needs additional information to facilitate the review of either the TFR or TDR. Inquiries are **not** considered an error, but you are encouraged to respond promptly to facilitate the timely review of the report.

QUESTIONS AND CONCERNS

If you would like all inquiries and corrections to be sent to someone other than you or if you have any questions or feedback concerning the consolidation review process, please contact Cindy Burnette, Assistant United States Trustee, Tampa, FL at cindy.p.burnette@usdoj.gov.

Attachment A

TFR/TDR CASE ASSIGNMENT

LOC	TFR Reviewers	Assigned Nos.	EMail	Telephone
AT	Sheri Ewen	01-10	Sheri.L.Ewen@usdoj.gov	404.331.4437 x128
MC	Karen Boylan	11-24	Karen.R.Boylan@usdoj.gov	478.752.3547
TP	Cheryl Childers	25-38	Cheryl.A.Childers@usdoj.gov	813.228.2118
TL	Michelle Brooks	39-52	Michelle.Brooks@usdoj.gov	850.942.1662
MM	Charles Fordham	53-57	Charles.A.Fordham@usdoj.gov	305.536.7285
OR	Lori Luce	58-67	Lori.L.Luce@usdoj.gov	407.648.6301 x140
MM	Heather Barfus	68-81	Heather.L.Barfus@usdoj.gov	305.536.6660
AT	Nathan Garmon	82-95	Nathan.P.Garmon@usdoj.gov	404.331.4437 x126
TP	Mark Hodge	96-00	Mark.Hodge@usdoj.gov	813.228.6343
LOC	TDR Reviewers	Assigned Location	EMail	Telephone
AT	Michele Stephens-Taylor	AT,FT, MC,TL, OR, SJ, SA	Michele.Stephens-Taylor@usdoj.gov	404.331.4437 x154
MM	Diane DeZinno	MM, TP (excludes FT)	Diane.M.DeZinno@usdoj.gov	305.371.2081

Key:

Loc	Locator	Address:
AT	Atlanta	75 Spring St., SW, Room 362, Atlanta, GA 30303
FT	Fort Myers	Not Applicable
MC	Macon	440 Martin Luther King Blvd., Ste. 302, Macon, GA 31201-7910
MM	Miami	51 SW First Ave., Room 1204, Miami, FL 33130
OR	Orlando	400 W Washington St., Ste. 1101, Orlando, FL 32801
SV	Savannah	Not Applicable
SJ	San Juan	Not Applicable
TL	Tallahassee	110 East Park Ave., Ste. 128, Tallahassee, FL 32301
TP	Tampa	501 E. Polk St., Ste. 1200, Tampa, FL 33602