UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:	)	
GENERAL ORDER	)	AMENDMENTS TO LOCAL
04 - 04	)	RULES 3016-1, 3017-1 and ADOPTION
	)	OF LOCAL RULES 3018-1 AND 3022-1
	)	

Local Bankruptcy Rules 3016-1, Chapter 11 - Pre-Confirmation Requirements, 3017-1, Disclosure Statement and Plan - General, have been amended and Local Bankruptcy Rules 3018-1, Chapter 11 Plan Confirmation and 3022-1, Final Decree in Chapter 11 Reorganization Case have been adopted for the United States Bankruptcy Court for the Eastern District of Washington pursuant to that certain General Order of the United States District Court for the Eastern District of Washington dated March 6, 1996, FRBP 8018, and 9029, FRCP 83 and USC 2171.

Rules 3016-1, 3017-1, 3018-1 and 3022-1 shall be effective July 1, 2004 and shall govern all pending matters, except to the extent, in the opinion of the Court that their application in a case pending on April1, 2004 would not be feasible or would work an injustice, in which event the procedure set forth in the former shall apply.

Dated this 4th day of June 2004

Patricia C. Williams
Chief Bankruptcy Judge

John A. Rossmeissl
Bankruptcy Judge

John M. Klobucher
Bankruptcy Judge

Rule 3016-1

Chapter 11 -Pre-Confirmation Requirements

(a) Applicability

This rule applies only to cases under Chapter 11 of the Bankruptcy Code.

(b) Affidavit or Certificate

The debtor shall file with the petition for relief under Chapter 11, or within fifteen (15) days thereafter an affidavit or certificate under penalty of perjury that discloses the following information:

(1) The name and addresses of the members of any creditors' committee organized before the order for relief under Chapter 11;

(2) If the debtor is operating a business, the following information for the thirty (30) day period following the order for relief:

(A) the amount proposed to be paid pursuant to subdivision (d) below to insiders if the debtor is a corporation, or to the debtor, insiders or members of the partnership if the debtor is an individual or partnership;

(B) the proposed payroll for employee labor exclusive of (A) above;

(C) the operating expenses, exclusive of (A) and (B) above;

(D) the estimated profit or loss, after deduction of expenses under (A), (B), and (C) above; and

(E) any non-cash operating expenses proposed not to be paid for any reason.

(3) An averment that no compensation shall be paid in violation of subdivision (d) of this rule.

(c) Compensation

(1) If the trustee or debtor in possession is operating a business, no compensation shall be paid to the debtor, or to insiders from the order of relief until the confirmation of a plan, except in accordance with the provisions of this subdivision.

(2) The trustee or debtor in possession shall give notice to all parties on the Master Mailing List of the intent to pay compensation. The notice shall state the amount of compensation, to whom the compensation is to be paid, the amount of compensation paid over the past twelve (12) months, and the nature of the services to be performed. The notice shall summarize the provisions of subparagraph (3) below and shall further state that any party in interest may object to the compensation and request a hearing at any time prior to confirmation.

(3) Compensation may commence after notice is given. Any party in interest objecting to the compensation shall do so in writing, and has the duty to request a hearing on the objection. The compensation shall continue until the Court orders otherwise. The Court shall provide an expedited hearing on the objection. If the Court rules that the amount received prior to the hearing is excessive, it may order disgorgement of funds back to the estate.

(d) Funds of the Estate

Upon entry of an order for relief in a case under Chapter 11, the debtor in possession shall open or designate a depository account or accounts in the name of the debtor in possession, and close all old accounts. All funds of the estate shall be transferred to the new account or accounts. All receipts and disbursements of the debtor in possession shall be through the new account or accounts. All disbursements for living expenses of the debtor or for salary or living expenses of the debtor or insider pursuant to subparagraph (c) of this rule shall be in form of a check made payable to the debtor or insider.

(e) Monthly Financial Report

(1) A debtor in possession or trustee operating a business shall file with the Court a monthly balance sheet and profit and loss statement prepared on an accrual basis, unless such requirement is modified by the court for cause shown. The profit and loss statement, showing cash receipts and disbursements, shall be in sufficient detail to enable parties in interest to adequately assess the current financial condition, profitability, and desirability of continued operating of the business. The monthly financial report shall include a certification that all taxes due have been paid and that all tax deposits have been made, and shall indicate the amount paid or deposited, the date of payment or deposit, and the taxing agency paid or the place the tax was deposited.

(2) The above financial information shall be filed within fifteen (15) days of the close of the month during which relief was ordered and within fifteen (15) days of the close of every month thereafter, until a plan is confirmed or the case is converted or dismissed. A copy of each monthly balance sheet and profit and loss statement

shall be sent to the chairman of any creditors' committee by the debtor in possession or trustee.

(3) If the debtor is a farmer, monthly reports shall be made as required by LBR 2082-1(f).

Related Provisions

FRBP 2002	Notices
FRBP 3016	Filing Plan and Disclosure Statement
FRBP 3017	Disclosure Hearing
FRBP 3018	Acceptance or Rejection of Plan
FRBP 3019	Modification to Plan
FRBP 3020	Confirmation of Plan
LBR 3017-1	Disclosure Statement and Plan - General
LBR 3018-1	Chapter 11 Plan Confirmation
LBR 3022-1	Final Decree in Chapter 11 Reorganization Cases
11 USC 101(51C)	Small Business Defined
11 USC 1121	Who May File a Plan
11 USC 1125	Postpetition Disclosure and Solicitation
11 USC 1126	Acceptance of Plan
11 USC 1127	Modification of Plan
11 USC 1128	Confirmation Hearing
11 USC 1129	Confirmation of Plan

Rule 3017-1

Disclosure Statement and Plan - General

(a) Minimum Information Required in Disclosure Statement

The disclosure statement shall include, at a minimum, detailed information regarding the following:

(1) description of the business of the debtor;
(2) history of the debtor prior to filing;
(3) current financial information;
(4) description of the plan;
(5) how the plan is to be executed;
(6) liquidation analysis;
(7) management to be retained and their compensation;
(8) detailed financial projections of operations and discussion of underlying assumptions;
(9) litigation pending or contemplated;
(10) payments made for services in connection with the case or plan;
(11) transactions with insiders; and
(12) tax consequences.

(b) Approval of Disclosure Statement

Unless the disclosure statement is conditionally approved, approval of the disclosure statement shall be governed by FRBP 3017(a).

(c) Contents of Plan

(1) The plan shall clearly set forth what acts or events constitute substantial consummation of the plan.

(2) A plan providing for liquidation of property of the estate shall set a date certain by which liquidation must occur and shall provide for an alternative if liquidation does not occur by the date so set.

(d) List Classifying Claims

A list classifying claims shall be filed with the plan and disclosure statement and shall be in the prescribed format.

Related Provisions

FRBP 2002	Notices
FRBP 3016	Filing Plan and Disclosure Statement
FRBP 3017	Disclosure Hearing
FRBP 3018	Acceptance or Rejection of Plan
FRBP 3019	Modification to Plan
FRBP 3020	Confirmation of Plan
LBR 3017-1	Chapter 11 - Plan and Pre-Confirmation Requirements
LBR 3018-1	Chapter 11 Plan Confirmation
LBR 3022-1	Final Decree in Chapter 11 Reorganization Cases
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11 USC 1129	Confirmation of Plan

Rule 3018-1

Chapter 11 Plan Confirmation

(a) Notice of Filing Disclosure Statement and Plan

The party filing a disclosure statement and proposed plan shall give twenty five (25) days notice in the prescribed form to the Master Mailing List in accordance with LBR 2002-1 of the opportunity to object to the disclosure statement and provide a copy of the disclosure statement and proposed plan to those entities required by FRBP 3017.

(b) Notice of Approval of Disclosure Statement and Opportunity to Object to Proposed Plan

The proponent of a plan, where the disclosure statement has been approved by the court, shall give twenty five (25) days notice to the Master Mailing List in accordance with LBR 2002-1 of the opportunity to object to the confirmation of the plan along with a copy of the following items:

(1) Notice of Approval of Disclosure Statement and Matters Relating to Confirmation of Plan in the prescribed local form;

(2) Approved Disclosure Statement;

(3) Proposed plan;

(4) Ballot for Accepting or Rejecting Plan of Reorganization in the prescribed local form;

(5) List Classifying Claims in the prescribed local form.

(c) Notice of Conditional Approval of Disclosure Statement and Opportunity to Object to Proposed Plan in Small Business Case

The proponent of a plan where the debtor has elected to be treated as a small business and where the court has conditionally approved the disclosure statement, shall give twenty five (25) days notice to the Master Mailing List in accordance with LBR 2002-1 of the opportunity to object to the disclosure statement or confirmation of the plan along with a copy of the following items:

(1) Notice of Conditional Approval of Disclosure Statement and Matters relating to Confirmation of Plan in the prescribed local form;

(2) Conditionally Approved Disclosure Statement;

(3) Proposed Plan

(4) Ballot for Accepting or Rejecting Plan of Reorganization in the prescribed local form.

(5) List Classifying Claims in the prescribed local form.

(4) Modification of Plan Before Confirmation

(1) Before Acceptance and Confirmation

Sub-section (a) of this rule shall apply where the proponent modifies the disclosure statement or the proposed plan prior to acceptance of the proposed plan, unless otherwise ordered by the court.

(2) After Acceptance but before Confirmation

If proponent seeks an order determining that modification to a plan does not have any adverse affect pursuant to FRBP 3019, the proponent shall give twenty (20) days notice to trustee, UST, any committee appointed or if non appointed, then to the list of 20 largest creditors required by FRBP 1007(d), debtor and debtor's attorney.

(3) If the effect of a modification to the proposed plan so requires, an amended List Classifying Claims shall be filed.

(e) Acceptance or Rejection of Plan

(1) Ballots accepting or rejecting the plan shall be filed within the time set by the Court.

(2) The Clerk shall certify to the Court the results of balloting, unless otherwise ordered by the court .

Related Provisions

FRBP 2002	Notices
FRBP 3016	Filing Plan and Disclosure Statement
FRBP 3017	Disclosure Hearing
FRBP 3018	Acceptance or Rejection of Plan
FRBP 3019	Modification to Plan
FRBP 3020	Confirmation of Plan

11 USC 101(51C)	Small Business Defined
11 USC 1121	Who May File a Plan
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11 USC 1126	Acceptance of Plan
11 USC 1127	Modification of Plan
11 USC 1128	Confirmation Hearing
11 USC 1129	Confirmation of Plan

Rule 3022-1

Final Decree in Chapter 11 Reorganization Case

(a) Final Decree and Closing of Cases

(1) Final Account Filed

Twenty (20) days following the filing of the final account, the final decree will be entered and case shall be closed unless a motion is filed requesting that the final decree not be so entered.

(2) Final Account Not Filed

If a final account has not been filed within one hundred eighty (180) days following the confirmation of the plan, a final decree may be entered and the case closed unless a party in interest has filed a written objection. The notice of the confirmation of the plan shall include notice that the final decree will be entered and the case closed without a final account unless an objection is filed within one hundred eighty (180) days following confirmation

Related Provisions

FRBP 3022 Final Decree in Chapter 11 Reorganization Case