

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA

IN RE: )  
)  
LOCAL RULE AMENDMENTS ) GENERAL ORDER 24-0002  
)  
)

**ORDER**

On May 3, 2024, the United States Court of Appeals for the Seventh Circuit issued its ruling in [Marshall v. Johnson](#), No. 23-2212. The Seventh Circuit affirmed the ruling of the United States Bankruptcy Court for the Northern District of Illinois that a Chapter 13 trustee must return, upon case dismissal, any statutory percentage fee deducted as compensation from undisbursed payments when a debtor’s plan is not confirmed.

As a result of the Seventh Circuit’s ruling, Local Rules B-2016-1(c)(4) and B-3015-1(c) are amended, effective **immediately** and **retroactive to the May 3, 2024 entry of the Seventh Circuit’s Final Judgment**, as follows:

*B-2016-1(c)(4)*

Fees Upon Case Dismissal

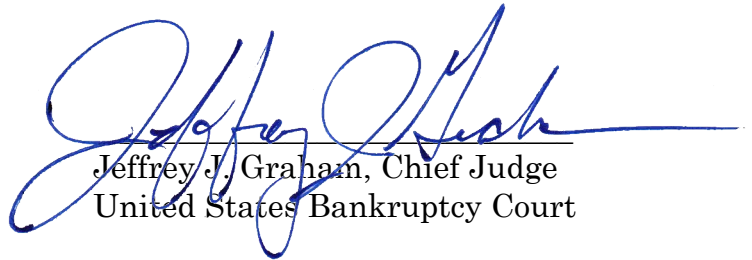
If Counsel opted for the fee award process in subparagraph (b)(2) of this rule but the case is dismissed prior to confirmation of a plan and the filing fee was paid in full, the trustee shall pay to Counsel, ~~subject to the trustee’s percentage fee,~~ an administrative claim equal to 50% of the unpaid balance of an allowed fee, unless the Court orders otherwise. Counsel may request within 14 days of the dismissal an award of additional fees under subparagraph (b)(3) of this rule. Counsel shall not collect, receive, or demand additional fees from the Debtor for work performed, even after dismissal, unless the Court orders otherwise.

*B-3015-1(c)*

Pre-confirmation Payments as Adequate Protection

Unless the Court orders otherwise for claims secured by personal property, “adequate protection” under 11 U.S.C. §1326(a)(1)(C) shall be paid by the Debtor to the trustee, as a portion of the payment made under 11 U.S.C. §1326(a)(1), in an amount equal to 1% of the allowed secured claim. Such amount shall be presumed to constitute adequate protection although that presumption may be rebutted. The trustee shall disburse adequate protection payments to the secured creditor as soon as practicable. ~~All adequate protection payments shall be subject to the trustee’s percentage fee.~~

May 9, 2024

  
Jeffrey J. Graham, Chief Judge  
United States Bankruptcy Court