

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA

**CHAPTER 13: USING THE  
NEW ECF FILING EVENTS**

The local rules changes effective December 1<sup>st</sup>, 2020, made some important alterations to Chapter 13 practice. After a few weeks of experience with the new procedures, the Court now offers guidance on proper use of new ECF events.

The procedural changes result from the Judges' decision to follow case law providing that Chapter 13 debtors are not subject to the same filing requirements as trustees when they retain professionals and pursue liquidation of claims or sales of property. Debtors do not have to file an application to employ a professional and do not have to seek court approval of their settlement of a tort claim. However, debtors need to alert the trustee to any settlement or other transaction which changes their financial situation. To ensure such notice, the Court adopted new rule B-2014-2, which provides for the debtor to file a Notice of Retention and Compensation Terms. The rule includes the requirement that trustee consent for the retention be obtained and reported.

Since the debtor is empowered to settle a cause of action without Court approval, the Judges also approved revisions to B-9019-1. The rule now provides that the trustee may file a Motion to Approve Settlement Distribution to obtain an order approving how proceeds of any settlement will be distributed.

Both new events – Notice of Retention and Compensation Terms, and Motion to Approve Settlement Distribution – were created with a focus on causes of action. However, debtors often retain professionals to assist with the sale of property, and the Notice of Retention and Compensation Terms event also applies to those professionals. Two different sample form Notices of Retention and Compensation Terms are available on the Court's website, one for causes of action and one for sales. (Note that existing ECF events – Motion to Sell and Report of Sale – are more likely to be used in the sale context than the new Motion to Approve Settlement Distribution event.)

The attached chart shows the flow of pleadings which the Court expects to see depending on which action the debtor is taking. Clerk staff may steer filers to use of the correct events through Notices of Deficient Filing.

January 5, 2021

/s/ Kevin Dempsey  
Bankruptcy Clerk

CHAPTER 13 DEBTOR ACTIONS:

PROPER ECF EVENTS

Action: pursuit of personal injury or other tort claim arising pre- or post-petition OR pursuit of commercial claim such as FDCPA or FCRA violation (includes retention of debtor's bankruptcy counsel to pursue claims for additional compensation)

<b>1<sup>st</sup> ECF Event/Rule</b>	<b>Notes to Filer</b>	<b>2<sup>nd</sup> ECF Event/Rule</b>	<b>Notes to Filer</b>
Debtor files Notice of Retention and Compensation Terms – B-2014-2	Do not file Application to Employ	Trustee files Motion to Approve Settlement Distribution B-9019-1(b)	Debtor should not file motion to compromise and settle

Action: sale of property pursuant to Section 363 (including sale of real estate)

<b>1<sup>st</sup> ECF Event/Rule</b>	<b>Notes to Filer</b>	<b>2<sup>nd</sup> ECF Event/Rule</b>	<b>Notes to Filer</b>	<b>3<sup>rd</sup> ECF Event/Rule</b>	<b>Notes to Filer</b>
Debtor files Notice of Retention and Compensation Terms – B-2014-2	Do not file Application to Employ	Debtor files Motion to Sell  B-6004-1 et seq.	File after contract negotiated and terms set; include proposed distribution of proceeds	Debtor files Report of Sale  B-6004-1 et seq.	Or report that sale did not close

Note: charts do not include Court Orders, which would be entered after Motions.