

## LBR 2002-1. Notice of Preferred Addresses

- (a) **Notice of Preferred Address.** The notice of address that may be filed under § 342(f)(1) must be submitted through the National Creditor Registration Service ("NCRS"). Forms and registration information are available at <https://bankruptcynotices.uscourts.gov>. Registering a preferred address with the NCRS constitutes filing such notice with the court.
- (b) **Override of Preferred Address.** A creditor requesting an override of the nationally registered preferred address in a particular case must file a notice substantially conforming to the local form (**Notice of Override of Preferred Address**), in order to comply with § 342(e)(1).

## LBR 2002-2. Notice to Creditors Whose Claims are Filed

Unless the court orders otherwise in a particular case, Bankruptcy Rule 2002(h) applies to all cases covered by that rule.

## LBR 2003-1. Meeting of Creditors

- (a) **Attendance Required.** The following are required to attend the meeting of creditors held pursuant to § 341(a):
- (1) the debtor and the joint debtor, if any, or if the debtor is an artificial entity, the responsible individual designated under LBR 1074-1; and
  - (2) an attorney representing the debtor and the joint debtor if the petition was filed through counsel.
- (b) **Failure to Attend Meeting.**
- (1) **Debtor, Joint Debtor, or Designated Responsible Individual.** The trustee or United States Trustee may request dismissal of the case for failure of the debtor, joint debtor, or designated responsible individual to attend the meeting of creditors by filing and serving on the debtor and all creditors a motion and notice of hearing substantially conforming to the local form (**Motion to Dismiss Case for Non-Appearence at Meeting of Creditors; Notice of Hearing**). In the alternative, the trustee may continue the meeting and request the court to issue an order to show cause that gives notice of the continued date. The order will provide for dismissal without further notice or hearing if the debtor fails to appear at the continued meeting. If the case is dismissed, the order may bar the debtor(s) from filing a subsequent voluntary petition for 180 days, pursuant to § 109(g)(1).
  - (2) **Attorney.** The trustee or United States Trustee may move for the imposition of monetary or other sanctions against the debtor's attorney of record if an attorney fails to appear at the meeting of creditors.
- (c) **Meeting Held Open.** In a chapter 13 case, a meeting held open by the trustee does not extend the time for the debtor to file any unfiled tax returns in compliance with § 1308, unless the trustee explicitly directs that the meeting be held open for that purpose.

## LBR 2004-1. Rule 2004 Examination

- (a) **Examination Order Issued by Clerk.** A party in interest seeking to examine the debtor or other entity pursuant to Bankruptcy Rule 2004 may request an examination order by filing a motion substantially conforming to the local form (**Motion for Rule 2004 Examination**). The clerk is authorized to issue an examination order requested by a party in interest who has complied with the requirements of this local rule. Such examination order will compel the attendance or production of documents by the debtor, or, if the examinee is not the debtor, will authorize the issuance of a subpoena substantially conforming to the **Subpoena for Rule 2004 Examination** (B2540) in accordance with Bankruptcy Rule 9016 and Fed. R. Civ. P. 45. If the requirements of this rule are not satisfied, the clerk may issue an order denying the request for an examination order.
- (b) **Date, Time, and Place of Examination.** Prior to filing a motion for an examination order, the party seeking the order shall make all reasonable efforts to arrange a mutually convenient date, time, and place of examination. The motion for an examination order must be supported by a declaration stating either:
- (1) that the proposed date, time, and place of examination have been agreed upon by all concerned; or
  - (2) that the parties could not agree to a date, time, and place of examination after all reasonable efforts were made, in which case the examination will take place with the moving party's proposed date, time and place of examination, but no earlier than 14 days after the filing of the motion for an examination order, and no earlier than 30 days after the date of issuance of the examination order or subpoena, whichever is later, if the motion requests production of documents or electronically stored information.
- (c) **Request Limited to Delivery of Documents.** Subdivision (b) of this rule does not apply to requests for production of documents or electronically stored information to be delivered to the requesting party so long as the deadline for delivery is not less than 30 days after the date of issuance of the examination order or a subpoena, whichever is later. The motion requesting an order for production of documents or electronically stored information by mail or similar delivery method may include a request for authority to issue a subpoena for a personal examination following review of the materials produced so long as the examination date is not less than 14 days after the date of issuance of the subpoena.

- (d) **Other Discovery Procedures Not Available.** The declaration supporting issuance of an order under Bankruptcy Rule 2004 must state that the requested examination does not involve pending litigation in which discovery is available under Bankruptcy Rules 7026, 9014, or other authority.
- (e) **Objections.** An examinee or party in interest objecting to an examination must file and serve on the examining party a motion for a protective order or, if a subpoena has been served, a motion to quash the subpoena.

## LBR 2014-1. Employment of Professional Persons

- (a) **Employment by Trustee or Chapter 11 Debtor in Possession.** A request for an order of employment may be made by filing an application substantially conforming to the local form (**Application to Employ Professional**). The applicant shall either (i) submit a proposed order bearing the approval of the Office of the United States Trustee, (ii) arrange for the Office of the United States Trustee to notify chambers that the Office of the United States Trustee does not object to the application, in which case the court may enter a text order granting the application, or (iii) if there is an objection to the application, obtain a hearing date from the courtroom deputy and give notice of the hearing.
- (b) **Employment by Debtor.** A debtor in a case under chapter 7, 12, or 13 may employ an attorney or other professional without court approval. However, an attorney representing the debtor in a case or in connection with a case is subject to § 329 and must file a disclosure of any compensation as required by that provision. In addition, a fee application for court approval is required for any postpetition payment of compensation in chapter 12 or 13.

## LBR 2015-1. Trustees - Payment of Administrative Expenses

- (a) **Expenses Not Exceeding \$1,000.** The trustee may pay the actual, necessary costs and expenses of preserving the estate, which may include but are not limited to, rent, utilities, taxes, insurance, moving and storage costs, without a court order obtained in advance if:
- (1) the amount for any single item does not exceed \$1,000,
  - (2) when all creditors and parties in interest are notified of the need to file a proof of claim, the notice advises that they may file an objection and request for a hearing on this procedure within 28 days after the date of the notice, and
  - (3) the trustee obtains court approval before or at the time of the court's determination on the trustee's final application for compensation and reimbursement for expenses submitted with the trustee's final report.
- (b) **Expenses Exceeding \$1,000.** The trustee may obtain an order approving the payment of administrative expenses exceeding \$1,000 by filing a motion and notice substantially conforming to the local form (**Trustee's Motion to Approve Payment of Administrative Expense and Notice of Opportunity to Object**), providing 14-day notice of a deadline to file an objection. The trustee shall serve the motion and notice on all parties entitled to notice under Bankruptcy Rule 2002 (Bankruptcy Rule 2002(h) applies).
- (c) **Applicability of Rule.** Subdivisions (a) and (b) of this rule do not apply to the following.
- (1) **Use of Non-Estate Funds.** The trustee may pay administrative expenses from non- estate funds and later seek court approval for reimbursement under Bankruptcy Rule 2016.
  - (2) **Operation of a Business.** The trustee may pay administrative expenses related to operating a business, including the leasing of real or personal property, if an order obtained under § 721 authorizes such payments.

## LBR 2015-2. Appointment of Subchapter V Trustee

Unless the court orders otherwise, the debtor must tender to the Subchapter V Trustee the sum of \$1,000 no later than 14 days after the filing of the Notice of Appointment of Subchapter V Trustee. Any party in interest may file a motion to adjust the amount of the deposit. The debtor shall include the deposit in any cash collateral budget. The Subchapter V Trustee must hold these funds in escrow for the purpose of compensation for services rendered and reimbursement for expenses. Payment of compensation and reimbursement to the Subchapter V Trustee from the escrowed funds is subject to allowance and approval by the court under sections 503(b), 330, 331 and 1194 of the Bankruptcy Code, Bankruptcy Rule 2016 and LBR 2016-1. Failure of the debtor to tender the required amount within 14 days after the filing of the Notice of Appointment is cause for dismissal of the case.



## LBR 2015-6. Mail Redirection

- (a) **Consent of Debtor.** The filing of a petition under title 11 by a debtor engaged in business is deemed to be the debtor's consent to mail redirection by the interim trustee.
- (b) **Objection by Debtor.** If the debtor does not consent to mail redirection, the debtor must file a written objection with the clerk. If the debtor files an objection, the court will promptly set a hearing on notice to the debtor, the trustee, and the United States Trustee. After the filing of the objection, and pending order of court, the redirection shall continue, but the trustee shall hold, and not open, the debtor's mail.

## LBR 2015-7. Monthly Operating Reports

- (a) **Cases in Which Reports Are Required.** Monthly operating reports shall be filed by the trustee or debtor in possession in the following cases:
- (1) all cases under chapter 11;
  - (2) chapter 7 cases, where the trustee is operating a business; and
  - (3) chapter 12 and chapter 13 cases, if the court so orders.
- (b) **Filing Deadline.** Each required monthly operating report shall be filed not later than the 20th day of the month following the month to which the report pertains. A separate report must be filed for each calendar month, or portion thereof, during which the case is pending, up to and including the month in which an order of confirmation or dismissal is entered.
- (c) **Service of Reports.** A copy of each monthly report must be served, not later than the day upon which it is filed with the court, upon the Office of the United States Trustee, the chair and counsel of record of each committee of creditors and each committee of equity security holders appointed in the case, and such other persons or entities as may be ordered by the court. Reports in a chapter 12 or chapter 13 case must be served on the trustee.
- (d) **Form and Content of Reports.**
- (1) Unless the court orders otherwise, monthly operating reports must include an accrual basis profit and loss statement, a balance sheet, and a statement of receipts and disbursements.
  - (2) Any motion to modify this requirement must be served on all parties upon whom the monthly operating report is required to be served.
- (e) **Certificate of Counsel.** Each required monthly operating report must be accompanied by a certificate of the debtor's or trustee's attorney that the attorney has reviewed the report and that it has been prepared in compliance with this rule. Counsel's certificate shall not be deemed a representation by counsel that the entries in the report are accurate or that the report has been prepared in compliance with applicable accounting standards and principles.

## LBR 2015-8. Debtor's Books and Records

- (a) Voluntary Cases.** In a case filed pursuant to § 301 or 302, the books and records of the debtor shall be closed on the day immediately preceding the day on which the petition is filed, whether or not a separate estate is created for tax purposes. Prepetition liabilities must be segregated and reported separately from postpetition liabilities.
- (b) Involuntary Cases.** In a case filed under § 303, the books and records of the debtor shall be closed on the day on which relief is ordered or an interim trustee is appointed, whichever occurs first. Notwithstanding the foregoing, liabilities incurred before the commencement of the case shall be segregated and, in the event relief is granted, reported separately from liabilities incurred after the commencement of the case.

## LBR 2015-9. Trustees – Interim Reports

- (a) **Requirement to File.** Unless the trustee has filed a report of no distribution, a trustee appointed in a case under chapter 7 or chapter 11 must file an interim report in each case that has been pending under the same chapter for more than 2 years, and for which a final report has not been filed. Additional interim reports must be filed at least every 6 months thereafter. This requirement is in addition to any reporting requirements set by the United States Trustee.
- (b) **Content of Report.** The trustee may satisfy the reporting requirement of this rule by filing a report substantially conforming to the local form (Trustee's Interim Report), including:
- (1) a brief description of the status of the case;
  - (2) the trustee's records of time spent administering the case during the reporting period;
  - (3) Form 1 - Individual Estate Property Record and Report; and
  - (4) Form 2 - Cash Receipts and Disbursements Record.

## LBR 2016-1. Compensation of Professionals

- (a) **Application Requirements.** Unless these rules provide otherwise, an application for compensation for services or reimbursement of expenses under § 330, 331, or 503(b)(4) must include the following:
- (1) the information about the applicant and the application, case status, project billing, and actual, necessary expenses as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, contained in:
    - (A) Appendix A - Guidelines for Reviewing Applications for Compensation filed under 11 U.S.C. § 330 in (1) larger chapter 11 cases by those seeking compensation who are not attorneys, (2) all chapter 11 cases below the larger case thresholds, and (3) cases under other chapters of the Bankruptcy Code (except that the project billing format is required only if the professional's compensation is anticipated to exceed \$20,000); and
    - (B) Appendix B - Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases (including Exhibits A - E).
  - (2) a summary sheet substantially conforming to the local form (**Compensation Summary Sheet**);
  - (3) detailed time records unless the professional is an auctioneer, real estate agent, or other professional whose compensation is based on a commission percentage; and
  - (4) a certification by the applicant that:
    - (A) the applicant has reviewed the application;
    - (B) the amounts being requested are billed at rates no less favorable than those customarily employed by the applicant and generally accepted by the applicant's nonbankruptcy clients; and
    - (C) to the best of the applicant's knowledge, information, and belief, the application conforms to the U.S. Trustee's Guidelines, this rule, and any order of the court, except as specifically noted in the certification.
- (b) **Client Review of Application.** A debtor in possession, trustee, or official committee must exercise reasonable business judgment in monitoring the fees and expenses of the estate's professionals. If a professional's total fees are anticipated to exceed \$20,000 in a case, billing statements must be sent monthly to the client and include a cover letter with

the following statement: "The court requires that a debtor in possession, trustee, or an official committee exercise reasonable business judgment in monitoring the fees and expenses of the estate's professionals. Any objections, concerns, or questions about the services or amounts in this billing statement should be communicated promptly to the professional and may be shared with the Office of the United States Trustee."

- (c) **Foreign Currency Amounts.** Amounts requested in an application for compensation must be stated in United States currency. The application may request approval of compensation and expenses in a foreign currency amount as converted to United States dollars in an approximate amount in effect at the time the application is filed, *e.g.* ¥1,500,000 (*approx. US\$13,800*). Unless the court orders otherwise, the actual payment amount may be calculated using the conversion rate in effect at the time of payment.

(d) **Standards for Reasonableness.**

- (1) **Compensation for Services.** In addition to the factors identified in the U.S. Trustee's Guidelines, the court generally will apply the following in determining the reasonableness of an application for compensation.
- (A) **Multiple Professionals.** Professionals must explain time spent in meetings and conferences or at hearings or depositions with other professionals or paraprofessionals in the same firm. Failure to justify this time may result in the allowance of fees limited to those requested at the lowest billing rate.
  - (B) **Multiple Cases.** Time claimed for periods of attendance at hearings, meetings of creditors, or other services involving more than one case must be prorated.
  - (C) **Administrative and Clerical Tasks.** Administrative and clerical services, such as photocopying, scanning, or faxing documents, filing papers with the court, or supervising such tasks performed by another, are not compensable.
  - (D) **Travel Time.** "Travel time" means time spent while traveling and not actually performing professional services for a client. A reasonable amount of travel time, not to exceed 8 hours per day, may be allowed for actual, necessary travel. If the travel also involves another case or client, the travel time must be prorated.
  - (E) **Privilege or Excise Taxes on Compensation.** Amounts attributable to privilege or excise taxes, but not income taxes, such as the State of Hawaii General Excise Tax, payable on receipts for compensation may be included in requests for compensation if customarily charged to

nonbankruptcy clients and to the extent that such taxes will actually be paid to a taxing authority.

- (2) **Reimbursement for Expenses.** In addition to the factors identified in the U.S. Trustee's Guidelines, the court generally will apply the following in determining the reasonableness of an application for reimbursement for expenses.
- (A) **Professional or Paraprofessional Services.** A professional employed under § 327 may not charge as an expense any fee payable to another professional or paraprofessional (e.g., an expert witness) unless the employment of the other professional or paraprofessional has been approved by the court prior to performance of the services.
- (B) **Meals.**
- (i) **While Traveling.** Reimbursement may be sought for the reasonable cost of meals while away from the island (inside Hawaii) or state (outside Hawaii) of the professional's office or principal place of business.
- (ii) **While Working.** Working meals at a restaurant or private club are not reimbursable. Reimbursement may be sought for working meals only where food is catered to the professional's office in the course of a meeting with clients, such as a creditors committee, for the purpose of allowing the meeting to continue through a normal meal period.
- (C) **Transportation.** Air travel may be reimbursable using the actual cost or the amount of the economy class fare, whichever is lower. Automotive travel expense is limited to the actual cost of rental of an appropriate vehicle, together with insurance and fuel costs associated with the rental.
- (D) **Parking.** The actual cost of parking expenses may be reimbursable except for parking at the applicant's principal place of business and, for applicants whose principal place of business is on the island of Oahu, parking while attending a court hearing or a meeting of creditors.
- (E) **Amenities.** Amenities, including, but not limited to, charges for entertainment, alcoholic beverages, newspapers, dry cleaning and laundry, are not reimbursable.
- (F) **Privilege or Excise Taxes on Expenses.** Amounts attributable to privilege or excise taxes, but not income taxes, such as the State of Hawaii General Excise Tax, payable on expenses may be included in requests for expenses if customarily charged to nonbankruptcy clients and to the extent that such taxes will actually be paid to a taxing authority.

- (G) **Objection Ceilings for In-House Expenses.** The U.S. Trustee's Guidelines provide for the establishment of objection ceilings for in-house expenses that are routinely incurred and for which the actual cost cannot easily be determined. The court generally will apply the following objection ceilings.

    - (i) **Photocopies:** \$.20 per page.
    - (ii) **Faxes:** \$.20 per paper page for outgoing and incoming transmissions, except that \$1.00 may be charged for the first paper page of an outgoing transmission.
- (e) **Chapter 7 Trustees.** Compensation Request in Final Report. A chapter 7 trustee may seek court approval of a final application for compensation by including the request in the trustee's final report. The trustee may include in a compensation request an amount attributable to liability for privilege or excise taxes, such as the State of Hawaii General Excise Tax, to the extent that the total compensation request does not exceed the statutory limitation of § 326(a).
- (f) **Chapter 7 Trustee's Professionals.** A professional employed by a chapter 7 trustee may file an application for final compensation substantially conforming to the local form (**Final Application for Compensation by Professional Employed by Chapter 7 Trustee**) in lieu of an application conforming to the requirements of subdivision (a) of this rule.
- (g) **Chapter 13 Debtor's Attorney Fees.**

  - (1) **Chapter 13 Rights, Responsibilities and Fee Agreement** Allowance of compensation to a debtor's attorney in a chapter 13 case requires the execution and filing of an acknowledgement of the parties' responsibilities and a fee agreement substantially conforming to the local form (**Chapter 13 Rights, Responsibilities and Fee Agreement**).
  - (2) **Allowance of Compensation.** A chapter 13 debtor's attorney may seek allowance of compensation under § 330(a)(4)(B) by either:

    - (A) requesting an order approving a "standard fee application" using a form substantially conforming to the local form (**Application for Compensation by Debtor's Attorney in Chapter 13 Case**), or
    - (B) requesting an award in a plan confirmation order of presumptively reasonable fees described in paragraph (3).
  - (3) **Chapter 13 Attorney Fee Guidelines.**

    - (A) **Presumptive Fees.** After notice and opportunity for comment, the court may adopt Chapter 13 Attorney Fee Guidelines that establish



procedures and determine presumptively reasonable fee amounts (“presumptive fees”) for typical and customary services performed by a debtor’s attorney in a chapter 13 case.

- (B) **Adjustment of Dollar Amounts.** The guidelines establishing presumptive fees shall be adjusted periodically in the same manner and at the same time as dollar amounts are adjusted under 11 U.S.C. § 104(a) (except that the adjusted dollar amounts will be rounded upward to the nearest \$50), beginning with the adjustment to take effect on April 1, 2025.
- (4) **Court Approval of Compensation.** Unless fully earned and withdrawn from a client trust account prior to the filing of the petition, any funds paid to the attorney by or on behalf of the debtor for services in or in connection with the chapter 13 case must remain in a client trust account pending entry of a court order approving the compensation.
- (5) **Chapter 13 Case Converted from Another Chapter.** In a case converted to chapter 13, the debtor’s attorney’s request for fees in the chapter 13 case must disclose and take into account any payments for preconversion services.

## LBR 2070-1. Estate Administration

**Funds of the Estate - Account Identification.** The signature card (or if there is none, the depository agreement) for any account containing funds which are the property of a bankruptcy estate must clearly indicate that the depositor or investor is a "debtor in possession" or a trustee in bankruptcy.

## LBR 2072-1. Notice to Other Courts

- (a) **Notice of Bankruptcy Petition.** Notice of the filing of a bankruptcy petition in this district must be given to any federal or state court or administrative tribunal in which the debtor is a party to pending litigation or other proceeding. Notice must be given, at the earliest possible date, to the judge to whom the matter is assigned, the clerk of the court where the matter is pending, all counsel of record in the matter, and all parties to the action not represented by counsel. A debtor filing a petition without bankruptcy counsel shall give notice immediately to any attorney representing the debtor in pending litigation or other proceeding. Notice of a bankruptcy petition will not bar any conference in another court held to advise the court and the parties of the status of the bankruptcy case.
- (b) **Party to Give Notice.** In a voluntary case, the notice must be given by the debtor or the debtor's counsel. In an involuntary case, notice must be given by the petitioning creditors or their counsel.
- (c) **Effect of Not Giving Notice.** Failure to give the notice required by subdivision (a) of this rule may constitute cause for annulment of the stay imposed by § 362, 922, 1201, or 1301 and may also result in the imposition of sanctions.
- (d) **Notice of Order for Relief from Stay.** If an order terminating, annulling, modifying, or conditioning the stay imposed by § 362, 922, 1201, or 1301, will permit resumption of litigation or other proceeding, the party obtaining the order for relief from stay must give notice thereof to the parties noted in subdivision (a) of this rule.
- (e) **Notice of Other Order Affecting Litigation.** Notice of an order dismissing or closing a case, granting or denying a discharge, or otherwise affecting the resumption of litigation or any other proceeding, must be given by the debtor or the debtor's counsel to the parties noted in subdivision (a) of this rule. If the debtor or the debtor's counsel fails to give such notice promptly, the notice may be given by any party in interest with knowledge of the order affecting pending litigation or other proceeding.

## LBR 2083-1. Chapter 13 – General

- (a) **Debtor's Notice of Conversion to Chapter 7.** A debtor may request an order converting a chapter 13 case, not previously converted from another chapter, to one under chapter 7 by filing and serving on the trustee and United States Trustee a notice substantially conforming to the local form (**Debtor's Notice of Conversion of Case to Chapter 7**). Unless the court directs otherwise, a hearing is not required.
- (b) **Debtor's Motion to Dismiss Case.** A debtor may request an order dismissing a chapter 13 case, not previously converted from another chapter, by filing and serving on the trustee and United States Trustee a motion substantially conforming to the local form (**Debtor's Motion to Dismiss Chapter 13 Case**). Unless the court directs otherwise, a hearing is not required.
- (c) **Debtor's Motion to Approve Sale of Personal Property.** A chapter 13 debtor may request an order approving a sale of personal property by filing a motion in accordance with LBR 9013-1(c) that identifies the subject property, purchase price, buyer(s), any security interests, and substantive terms of the sale. For property of the estate, notice shall be given to all parties entitled to notice under Bankruptcy Rule 2002 (Bankruptcy Rule 2002(h) applies). For property that is not property of the estate, the court may consider the motion without notice and a hearing if approved by the trustee.
- (d) **Debtor's Motion to Obtain Credit or Incur Debt.**
  - (1) **Form of Motion.** A chapter 13 debtor may request an order authorizing the debtor to obtain credit or incur debt by filing a motion substantially conforming to the local form (**Debtor's Motion to Incur Debt**).
  - (2) **Notice.** The court may consider the request without notice to creditors if:
    - (A) the collateral for the new debt is property that vested in the debtor upon plan confirmation or otherwise is not property of the estate;
    - (B) the loan proceeds will be used to satisfy all remaining payments to the trustee due under the plan;
    - (C) where a separate application for compensation will be made, any compensation for services of the debtor's attorney related to the motion will be paid into a client trust account, pending further court approval; and
    - (D) the trustee's approval is evidenced by the trustee's signature on the motion or proposed order.
  - (3) **Plan Modification.** A debtor is not required to file a separate motion to modify

confirmed plan if:

- (A) the sale or loan proceeds will be used to complete all remaining payments due under the confirmed plan; and
- (B) plan modification is limited to the acceleration of such payments.

(e) **Trustee's Motions to Dismiss.**

- (1) **Notice of Motion.** A motion to dismiss a case under Bankruptcy Rule 1307(c)-(e) requires a 28-day notice of a hearing to the debtor.
- (2) **Requirement to Meet and Confer.** If the debtor is represented by counsel, the debtor's attorney shall meet and confer remotely or in person with the trustee to resolve the issue prompting the motion to dismiss. Failure of the debtor's attorney to make a good faith effort to meet and confer at least 7 days before the hearing may be cause for sanctions. If the trustee files a declaration that the debtor's attorney failed to meet and confer, the court may reduce by \$250 any allowed attorney fees.
- (3) **Conditional Relief.** The ruling on a trustee's motion to dismiss may provide for a delay in entry of a dismissal order to allow the debtor to satisfy the deficiency for which the motion was filed, file a motion to modify the plan, or convert the case to another chapter. If the debtor is provided a deadline to file a motion for some other relief, such as plan modification, and the motion is timely filed and granted, the trustee's motion to dismiss will be deemed withdrawn. If the debtor's motion is denied, the clerk may enter an order granting the trustee's motion to dismiss without further notice or hearing.

(f) **Operation of a Business.**

- (1) **Requirement for Reports.** If the debtor is self-employed or operates a business, the trustee may require submission of a report that includes:
  - (A) a projection of average monthly income and expenses;
  - (B) evidence of appropriate business insurance;
  - (C) inventory of goods as well as a list of furniture and equipment as of the date of filing of the petition;
  - (D) monthly income and expense statements for at least 6 months preceding the date of filing of the petition, including a statement regarding incurred and unpaid expenses, signed by the debtor under penalty of perjury; and
  - (E) any additional financial information specified by the trustee.
- (2) **Trustee's Duties.** If business reports are not required under this rule, the trustee is not required to perform any additional duties under § 1302(c) with respect to

the debtor's operation of a business.

## LBR 2083-2. Chapter 13 – Motions to Approve Sale of Real Property

- (a) **Motion.** A chapter 13 debtor may request an order approving a sale of real property by filing a motion that substantially conforms to the local form (**Chapter 13 Debtor’s Motion to Approve Sale of Real Property**). The motion must attach the following:

  - (1) Purchase contract and related documents (counter-offer, addenda, etc.);
  - (2) Preliminary title report; and
  - (3) Estimated seller’s settlement statement.
- (b) **Service.** The motion must be served on the trustee, all holders of a lien against the subject property, and any other party with an interest in the property being sold.
- (c) **Notice of Hearing.** Notice of a hearing on the motion shall be given to the trustee, lienholders, and other creditors and parties in interest not less than 28 days in advance of the hearing. The notice must substantially conform to the local form (**Notice of Hearing on Chapter 13 Debtor’s Motion to Approve Sale of Real Property**) and summarize the sale details including disposition of the sale proceeds.
- (d) **Deadline to Object.** Any objection to the sale shall be timely if filed not less than 7 days before the hearing. Absent a timely objection, the debtor may file the local form (**Declaration and Request for Entry of an Order**).
- (e) **Order**

  - (1) **Form Order.** If the motion is granted or if there is no timely objection, the movant shall upload in the court’s eOrders module a proposed order that substantially conforms to the local form (**Order Granting Chapter 13 Debtor’s Motion to Approve Sale of Real Property**).
  - (2) **Effect of Order Approving Sale.** Upon entry of an order approving the sale, the trustee shall suspend plan distributions (“suspended distributions”) to any lienholder identified in the order whose lien is being paid in full until the earlier of (i) 90 days, or a later date with the trustee’s consent, after entry of the order or (ii) the filing of a notice of cancellation of the sale.
- (f) **Closing of Sale.**

  - (1) **Report of Sale.** Within 14 days after the closing of the sale, the debtor must file a report of sale that attaches the final settlement statement. If the report of sale indicates that a lienholder’s claim has been paid in full, the trustee shall make no

further distributions on that claim whether or not the lienholder files a notice of satisfaction of claim. Any suspended distributions will be paid on other claims.

- (2) Cancellation.** If the sale does not close, the debtor must promptly file a notice that substantially conforms to the local form (**Notice of Cancellation of Sale**). Upon the filing of a notice of cancellation, the trustee shall resume plan distributions on claims by lienholders, including suspended distributions that accrued during the suspension period.



## LBR 2090-1. Attorneys - Admission to Practice

- (a) **In General.** The local rules of practice of the District Court regarding attorney admission and practice apply in all bankruptcy cases and proceedings, except as provided in LBR 2091-1. These include but are not limited to:
- (1) LR83.1 Attorneys; Admission to the Bar of this Court; Mandatory Notices for All Parties Concerning Changes of Address;
  - (2) LR83.2 Attorneys; Practice in this Court;
  - (3) LR83.3 Attorneys; Standard of Professional Conduct;
  - (4) LR83.4 Attorneys; Discipline;
  - (5) LR84.1 Supervised Student Practice of Law.
- (b) **Pro Hac Vice.** Attorneys may request permission to appear pro hac vice in a bankruptcy case or proceeding in this court by filing an application substantially conforming to the local form (**Application to Appear Pro Hac Vice**) and submitting the assessment required by the district court. The assessment should be payable to "Clerk, U.S. Bankruptcy Court." An attorney admitted to appear pro hac vice in a bankruptcy case will also be admitted to appear pro hac vice in a case that has been consolidated or is being jointly administered with, or in any adversary proceeding related to, the case in which the application has been granted.

## LBR 2091-1. Attorneys - Withdrawal and Substitution

- (a) **Withdrawal of Counsel.** Withdrawal of counsel is the termination of an attorney's or law firm's representation of a party in a bankruptcy case or adversary proceeding. These rule provisions do not apply when a partner, member, or associate leaves a law firm that will continue to represent the client.
- (1) **Bankruptcy Cases.**
- (A) **When Motion Required.** An attorney seeking to withdraw as counsel in a bankruptcy case must file a motion for court approval if:
- (i) the attorney represents a debtor;
  - (ii) the court approved the attorney's employment by a trustee or committee under § 327 ; or
  - (iii) the attorney represents a party in a pending contested matter.
- (B) **Form of Motion.** LBR 9013-1(c) governs a motion to withdraw as counsel. The motion must include a statement explaining the reason for withdrawal, unless that would violate the rules of professional conduct, and must indicate whether the client agrees with the withdrawal. If the client is not an individual, the motion must advise the client that an artificial entity may only appear through counsel and that adverse consequences may result if legal representation is not retained promptly.
- (C) **Service of Motion.** The withdrawing attorney must serve the motion and a notice of hearing on the client, the debtor, the trustee, the Office of the United States Trustee, any committee appointed in the case, and the parties to any pending contested matter in which the attorney has appeared.
- (D) **Notice of Withdrawal.** If a motion for court approval is not required, the withdrawing attorney may give notice of the withdrawal by filing a notice substantially conforming to the local form (**Notice of Withdrawal of Counsel and Request for Removal from Notice List**). An ECF user may also file a text-only docket entry without attaching the form but during the electronic filing must add the client's name and address to the creditor list if the client wishes to receive general notices about the bankruptcy case.

- (2) **Adversary Proceedings.**

  - (A) **Court Approval Required.** An attorney seeking to withdraw as counsel for any party in an adversary proceeding must obtain court approval by filing a motion, as described in subparagraph (a)(1)(B) of this rule.
  - (B) **Service of Motion.** The withdrawing attorney must serve the motion and notice of hearing on the client, all other counsel of record, and all other unrepresented parties in the adversary proceeding.
  - (C) **Statement of Non-Representation.** An attorney representing a debtor in the bankruptcy case whose services in related adversary proceedings are not included in the attorney-client agreement, and who has not made an appearance in the adversary proceeding, is not required to seek court approval but must promptly file a statement of non-representation in the adversary proceeding and serve it on all counsel of record.
- (b) **Substitution of Counsel.** A substitution of counsel is the contemporaneous replacement of one attorney by another attorney authorized to practice before the court.

  - (1) **In General.**

    - (A) The substituting attorney must be admitted to practice in the United States District Court for the District of Hawaii.
    - (B) This subdivision (b) does not apply if the party will be left without counsel after the "substitution."
    - (C) If employment of the attorney terminating representation required court approval under § 327, the substitution of counsel will become effective only upon the entry of an order granting an application to employ the substituting attorney.
  - (2) **Bankruptcy Cases.** Except as provided in subdivision (b)(1)(C), court approval of the substitution is not required. Substitution of counsel may be accomplished by filing a notice substantially conforming to the local form (**Notice of Substitution of Counsel in Bankruptcy Case**) containing the signatures of the client and the attorneys involved. The notice must be served on the debtor, trustee, the Office of the United States Trustee, any committee appointed in the case, and parties to any pending contested matter in which the client is involved.
  - (3) **Adversary Proceedings.** Notice of substitution in an adversary proceeding

may be accomplished with a notice substantially conforming to the local form (**Substitution of Counsel in Adversary Proceeding; Order Approving**) containing the signatures of the client and the attorneys involved. The notice must be served on other counsel of record and unrepresented parties in the adversary proceeding and submitted to the judge for approval.

- (c) **Change of Business Address or Firm Affiliation.** Subdivision (e) of LR83.1 applies in adversary and miscellaneous proceedings. In bankruptcy cases, an attorney who changes the attorney's business address or firm affiliation must give notice of the change in each pending case in which the attorney has appeared and has not withdrawn. This notice must be filed within 14 days of the effective date of the change.

- (1) **Form and Service of Notice.** The notice requirement may be satisfied by filing a notice substantially conforming to the local form (**Attorney's Notice of Change of Address / Attorney's Notice of Change of Firm Affiliation**) or electronically filing a text entry on the case docket, in accordance with procedures established by the clerk. The attorney must serve the notice on all parties not receiving notices of electronic filing under CM/ECF.
- (2) **Change of Firm Affiliation.** An attorney who changes firms but will continue to represent the party in a pending case, contested matter, or adversary proceeding must explicitly indicate that information in the notice. An attorney who will no longer be representing the party must include a notice that the attorney is withdrawing representation of that party and must (i) indicate the name of another member of the former firm upon whom service may be made, or (ii) comply with the provisions under LBR 2091-1 regarding withdrawal and substitution of counsel.
- (3) **Effect of Noncompliance.** An attorney who fails to give or serve notice as required by this subdivision (c) may not use deficient service as a defense if pleadings were sent timely to the attorney's former address or law firm.
- (4) **CM/ECF User Account.** An attorney who is a registered ECF user is responsible for changing, promptly after the effective date of the change, the office, address, and email information in the attorney's user account.