Rule 2016-1
Application for Compensation of Professionals

(a) Compensation. All professionals, including but not limited to, debtor's attorneys, accountants, and creditor's attorneys, seeking interim or final compensation for services and reimbursement of expenses from the estate under 11 U.S.C. §§ 330, 331, 503(b)(2), 503(b)(4), or 506(b) must file an application for compensation and reimbursement, which shall be sufficiently detailed to allow the court to determine whether all the time charged, or any portion thereof, is reasonable and was actual and necessary. The application must conform generally with Fed. R. Bankr. P. 2016. The application and any attachments must comply with the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses. The following rules also apply:

(1) Trustee Services. If the trustee is also serving as his/her own attorney, the trustee's attorney application must contain a certification that no compensation has been or will be sought for services as an attorney which are properly trustee services.

(2) Contingent Fee Matters. Detailed time records must also be kept on contingent fee matters.

(3) Travel Time. The court may allow professional travel time at one-half of the professional's normal hourly rate, unless otherwise justified. This is because time spent traveling is generally unproductive or, if productive, is rarely spent solely on the case for which the professional is traveling. Travel of one (1) hour or less round-trip is not compensable.

(4) Certification. Each application must contain a certification by the professional that:

(A) the professional has read the application;

(B) to the best of the professional's knowledge, information and belief, formed after reasonable inquiry, the compensation and reimbursement of expenses sought conforms with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the United States Trustee Guidelines, and these LBRs; and

(C) the compensation and reimbursement of expenses requested are billed at rates no less favorable to the debtor/estate than those customarily employed by the applicant generally.

(b) Expenses. An applicant has the burden of establishing that his/her expenses are reasonable and both actual and necessary. The following rules also apply:

(1) Photocopying. An applicant must identify the particular documents copied, the number of copies made, and the actual cost per copy – not to exceed 25 cents per page.

(2) Computerized Research. Computerized research is reimbursable at actual cost, without markup for handling or administrative charges.

(3) Messenger Service/Overnight Delivery. Messenger or overnight delivery services should only be used when the use of first-class mail is impractical. If reasonably incurred, reimbursement for these services will be allowed at actual cost. In-house messenger services are not reimbursable for more than the cost of comparable services outside the firm.

(4) Postage. Postage is reimbursable at actual cost.

(5) Long Distance Telephone Charges. Long distance telephone charges are reimbursable at actual cost.

(6) Facsimile Transmissions. Facsimile transmissions are reimbursable at actual cost, if reasonably incurred. For outgoing transmissions, the actual cost of the telephone charges are reimbursable. Facsimile transmissions received are reimbursable at actual cost, not to exceed 25 cents per page.

(7) Travel – Air transportation. Reimbursement for air travel is limited to the amount spent on coach fare.

(8) Travel – Within Puerto Rico. Automobile travel within Puerto Rico is reimbursable at a rate to be published by the clerk's office and based upon the mileage information available through the Puerto Rico Highway and Transportation Authority's website, www.dtop.gov.pr/carretera.

(9) Travel accommodations and meals. Reimbursement is allowed for reasonable hotel and meal expenses. Luxury accommodations are not reimbursable.

(10) Meals – Working. Working meals at restaurants or private clubs are generally not reimbursable. Reimbursement may be requested for working meals only when food is catered to the professional's office during a meeting with clients, such as a creditor's committee, to permit the meeting to continue through a normal meal period.

(11) Amenities. Charges for entertainment, alcoholic beverages, tobacco, newspapers, dry cleaning, etc., are generally not reimbursable.

(12) Property Inspection Fee. Charges for these inspections (usually drive-by) should be itemized detailing the date the alleged inspection was made.

(13) Miscellaneous fees. Filing fees, court reporter fees, witness fees, and service of process fees are reimbursable at actual cost.

(c) Denial For Non-compliance. The court may deny an application for compensation and expenses *sua sponte* if it does not comply with the requirements set forth in this LBR.

(d) Sanctions. The failure of an attorney to timely file the plan, schedules, or statements, to attend the meeting of creditors, to timely file amendments, or to appear at confirmation hearings or at any other scheduled meetings or hearings may result in the reduction of the attorney's fee, for each such occurrence, in such amount as the court finds to be appropriate.

(e) Attorney's Continuing Duty of Representation in Chapter 13 Cases. An attorney who represents a debtor in the bankruptcy court at the time a petition under chapter 13 is filed, or when a case under another chapter of the Bankruptcy Code is converted to chapter 13, has a continuing duty to represent the debtor until the occurrence of the earliest of:

(1) dismissal of the case;

(2) closing of the case; or

(3) the entry of an order allowing the attorney to withdraw from further representation of the debtor.

(f) Attorneys' Fees in Chapter 13 Cases.

(1) The court may approve attorneys' fees in chapter 13 cases at the confirmation hearing without the debtor's attorney filing a detailed application if the fees, costs and expenses [excluding the filing fee] do not exceed $3,000.00.

(2) When allowing the flat fee, in addition to the requirements of 11 U.S.C. §§ 526 and 527, counsel for the chapter 13 debtor should discharge the following responsibilities:

(A) Meet with the debtor to review the debtor's debts, assets, liabilities, income, and expenses.

(B) Explain which payments will be made directly by the debtor and which payments will be made through the debtor's chapter 13 plan, with particular attention to mortgage and vehicle loan payments, as well as any other claims that may accrue interest.

(C) Explain to the debtor how, when and where to make the chapter 13 plan payments.

(D) Explain to the debtor how the attorney's fees and trustee's fees are paid and provide an executed copy of this document to the debtor.

(E) Explain to the debtor that the first plan payment must be made to the trustee within 30 days of the date the plan is filed.

(F) Advise the debtor of the requirement to attend the § 341 Meeting of Creditors, and instruct the debtor as to the date, time and place of the meeting.

(G) Advise the debtor of the need to file any due tax returns prior to the § 341 Meeting of Creditors.

(H) Advise the debtor of the necessity of maintaining liability, collision and comprehensive insurance on vehicles securing loans or leases.

(I) Timely prepare and file the debtor's petition, plan, statements and schedules.

(J) Appear at the § 341 Meeting of Creditors with the debtor.

(K) Respond to objections to plan confirmation, and where necessary, prepare an amended plan.

(L) Prepare, file, and serve necessary amendments to the plan which may include suspending, lowering, or increasing plan payments.

(M) Prepare, file, and serve necessary amended statements and schedules, in accordance with information provided by the debtor.

(N) Prepare, file, and serve necessary motions to sell real property when appropriate.

(O) Object to improper or invalid claims, if necessary, based upon documentation provided by the debtor.

(P) Represent the debtor in motions for relief from stay and motions to dismiss.

(Q) If appropriate, prepare, file, and serve necessary motions to avoid judicial liens on real or personal property.

(R) Provide such other legal services as are necessary for the administration of the present case before the bankruptcy court.

(3) Post Confirmation Fees. If the compensation for debtor attorney's post confirmation services is in an amount of $500 or less, then no application for compensation need be filed pursuant to subsections (a) and (b) of this LBR.

(4) An application that seeks allowance of fees and expenses totaling $500.00 or less may be approved if it has the endorsed approval of the debtor and the chapter 13 trustee. If the application lacks their approval, it will be noticed to the debtor and chapter 13 trustee. The court may approve the application if no objection is filed within twenty-one (21) days from the date of the notice.

(5) At the request of any party in interest, or on the court's own initiative, the failure to perform any act required by this LBR in a timely manner may result in a decrease or disgorgement of the amount of attorney's fees allowed by the court for the services rendered.