

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In Re:)	
)	
Sequence of Payments for the Distribution of)	Administrative Order No. <u>16-02</u>
Attorney Fees to Debtors' Attorneys by the)	(Southern Division Only)
Chapter 13 Standing Trustee)	
)	

**ADMINISTRATIVE ORDER AUTHORIZING AND ALLOWING
THE SEQUENCE OF PAYMENTS FOR THE DISTRIBUTION OF ATTORNEY FEES
TO DEBTORS' ATTORNEYS BY THE CHAPTER 13 STANDING TRUSTEE**

This Order amends and replaces Administrative Order 11-01 entered on February 11, 2011 to ensure consistency with Local Rules 1006-1 and 5081-1, which were revised on December 1, 2015. The provisions of this Administrative Order are applicable only in Chapter 13 cases filed in the Southern Division. The following sequence of payments is authorized for the Chapter 13 Standing Trustee's distribution of funds in cases where the original petition was filed on or after December 1, 2015, if the plan or modified plan approved by the Court so provides:

- I. From payments received by the Trustee, the Trustee shall collect his percentage fee currently due from all Payments Under the Plan at the time that funds are disbursed until said fee is collected in full;
- II. From payments received by the Trustee, the Trustee shall then disburse any case filing fees that are currently due under 28 U.S.C. Chapter 123 and Local Rule 1006-1;
- III. From payments received by the Trustee, the Trustee shall then disburse post-petition, pre-confirmation adequate protection payments to secured or lease creditors with allowed claims as provided in the debtor's most recent plan until the amounts that are then currently due are paid in full;
- IV. From payments received by the Trustee, the Trustee shall then disburse the initial payment of attorney fees to debtor's attorney as awarded in the Confirmation Order, if an initial payment is awarded, until the initial payment is paid in full;

- V. From payments received by the Trustee, the Trustee shall then disburse pursuant to the Confirmation Order or a subsequent Order of the Court the following amounts proportionately:
- a. The monthly fixed payments awarded to secured creditors with filed, allowed claims including any amounts currently due and any unpaid arrearages; and
 - b. The monthly fixed payments awarded to priority unsecured creditors with filed, allowed claims including any amounts currently due and any unpaid arrearages; and
 - c. The monthly fixed payments awarded to debtor's attorney for the unpaid balance of attorney fees including any amounts due and any unpaid arrearages; and
 - d. The monthly fixed payments awarded for any other administrative expense including any amounts currently due and any unpaid arrearages.

The monthly fixed payments identified above in Paragraph V. shall continue until the amounts that are then currently due are paid in full.

- VI. The monthly fixed payments identified in Paragraph V. above that are due pursuant to the Confirmation Order or a subsequent Order of the Court but are unpaid shall accrue proportionately based upon the amount of each fixed payment awarded, and shall be paid proportionately by the Trustee on a pro rata basis from available funds on hand.¹

- VII. The provisions of this Administrative Order shall not be deemed collateral estoppel or res judicata as to a creditor, a creditor's attorney, or another party in interest who files an objection to confirmation or an objection to modification of a Chapter 13 plan pursuant to the United States Bankruptcy Code or other applicable law.

Dated this the 19th day of February, 2016.


TAMARA O. MITCHELL
United States Bankruptcy Judge

¹ For example: If the Confirmation Order provides for fixed payments in the amount of \$200 to a secured car creditor, \$200 to a secured mortgage creditor, and \$100 to debtor's attorney for the balance of the attorney fee awarded in the Confirmation Order, and the Trustee has received a partial plan payment in the amount of \$100, the Trustee shall disburse, after payment of Trustee fees, approximately \$40 to the secured car creditor, approximately \$40 to the secured mortgage creditor, and approximately \$20 to the debtor's attorney.