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COMPENSATION OF DEBTOR'S COUNSEL

by
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Compensation of debtor's counsel holds a special place in the Bankruptcy Code. In some ways, the rules are the same as those for other professionals seeking compensation; however, debtor's counsel is often subjected to a different, more restrictive, set of rules. This article will discuss these differences and the problems posed.

The debtor's selection of counsel is not subject to approval by the bankruptcy court. However, an attorney representing a debtor is required to file a statement with the court which, among other things, must set forth the compensation paid or agreed to be paid by the debtor for his attorney's services and the source of that compensation. The court may then pass upon the reasonableness of the services rendered in consideration of that compensation and, if the court determines that the compensation is excessive, either cancel the compensation agreement or order the compensation paid to be returned. 11 USC 329.

The Bankruptcy Code clearly authorizes debtor's counsel to be compensated from the estate for the actual, necessary services rendered. 11 USC 330(a). The unanswered question is for what type of services may debtor's counsel be compensated. Several courts have adopted a per se rule which prohibits any compensation for services rendered pre-petition, regardless of whether those services benefited the estate or not. In re George Worthington Co., 76 BR 605 (Bktcy Ct ND Ohio 1987); In re Kahler, 84 BR 721 (Bktcy Ct D Colo 1988). In each of these cases, the court held that the unpaid pre-petition fee of debtor's counsel was a general unsecured claim which was not entitled to administrative priority.

The rationale underlying these two opinions is not particularly compelling. In Kahler, the court relied upon Sections 503(b)(3) and (4) to hold that debtor's counsel was not entitled to an administrative claim. However, the court completely ignored Section 503(b)(2) which gives administrative priority to all professionals entitled to compensation under Section 330(a). As already indicated, debtor's counsel is specifically authorized to receive compensation under Section 330(a).

In Worthington, the court held, without citation, that pre-petition services rendered by debtor's counsel simply were not compensable within the context of Sections 330 and 331. However, there is nothing in either of these sections which suggests such a limitation. Furthermore, such an interpretation leads to obvious inequities, for most courts recognize that a debtor can compensate his counsel pre-petition for bankruptcy-related services provided that the amount is not excessive. If it is fair for a debtor to use his pre-petition assets to compensate his attorney for services rendered in contemplation of a bankruptcy filing (see In re Olen, infra), then it should make no difference whether that compensation is received pre-petition or post-petition provided the court has the opportunity to review the same.

Assuming debtor's counsel is entitled to compensation under Section 330 regardless of whether the services are rendered pre-petition or post-petition, the question still remains as to the type of services for which she may be compensated. In In re Vlachos, 61 BR 473 (Bktcy Ct SD Ohio 1986), the court pointed out that a debtor's attorney's duties in a Chapter 7 proceeding are different from those in a Chapter 11 or a Chapter 13. In a Chapter 7 proceeding, debtor's counsel has little if any concern that the debtor's creditors receive payment. Her duty, in fact, is to maximize the debtor's exemptions, thereby minimizing the amount available to the debtor's creditors. As such, the court ruled that debtor's counsel is entitled to compensation from the estate only if she can demonstrate that the services rendered were actual and necessary, were related to the debtor's administrative responsibilities, and otherwise were not capable of payment by the debtor. Put differently, debtor's counsel is entitled to compensation for assisting debtor in fulfilling his legal duties as a debtor in a Chapter 7 proceeding, but not for assisting a debtor in exercising the legal privileges afforded by a Chapter 7 proceeding. In re Taylor, 66 BR 390 (Bktcy Ct WD Pa 1986).

In applying these standards, the courts generally have allowed debtor's counsel to be compensated for assisting debtor in preparing his statement of affairs and schedules and preparing the debtor for and attending the first meeting of creditors. On the other hand, most courts have refused fee applications by debtor's counsel for defending objections to debtor's claimed exemptions or objections to debtor's discharge. See, e.g., In re Vlachos, supra, In re Leff, 88 BR 105 (Bktcy Ct ND Tex 1988).

However, one court has held that a debtor's legal expenses in defending an objection to discharge is compensable from the estate. In re Diehl, 80 BR 1 (Bktcy Ct D Me 1987). In that decision, the court determined that the "fresh start" offered to a debtor under the Bankruptcy Code required that the debtor be able to effectively defend objections to discharge. As such, it was unfair to discriminate between those debtors who could afford to defend objections from discharge (whether from exempt assets or otherwise) and those who could not. The courts which have refused compensation from the estate for defending objections to discharge have rejected this rationale on the basis that the creditors of the estate have already financed the debtor's "fresh start" through the write-off of their claim against the debtor; therefore, it is unfair that they be asked to contribute further to the debtor's "fresh start" by reducing their potential distribution through the allowance of administrative expenses to

debtor's counsel. In re Epstein, 39 BR 938 (Bktcy Ct D NM 1984).

It is commonplace for debtor's counsel, and even committee counsel, to require a retainer of the debtor at the inception of a Chapter 11 proceeding. While the courts generally have allowed such retainers to be paid, the courts have required such retainers to be held in trust by counsel and have not permitted payment of fees from the retainer without prior notice and hearing as required by Sections 330 and 331. In re Kinderhaus Corporation, 58 BR 94 (Bktcy Ct D Minn 1986); In re Chapel Gate Apartments, Ltd., 64 BR 569 (Bktcy Ct ND Tex 1986). The amount of the retainer will depend upon such factors as the complexity of the case, the risk of nonpayment faced by counsel and the cash needs of the debtor. In addition, counsel may expect resistance from the secured creditor if it can trace its collateral to the retainer. As such, the payment of a retainer to counsel may become part and parcel of an overall cash collateral dispute with the secured creditor.

In In re Automend, Inc., 85 BR 173 (Bktcy Ct ND Ga 1988), the court held that the amount of the retainer should be limited to the services to be rendered in the early stages of the case. It rationalized that:

> The primary reason for attorneys to require payment of substantial retainer fees in Chapter 11 cases is that, in many normal cases, a substantial amount of work must be done in the first 30-90 days after the petition is filed in order for the debtor, with the guidance of its attorneys, to obtain conceptual and actual control of the debtor's business and to begin solving the problems causing its financial distress. The foundation for success or failure of a reorganization is often set in the initial phase of the case. During that phase, the preparation and filing of an application to the Bankruptcy Court for interim compensation easily diverts the attention of the debtor's attorney from righting the listing ship. In an average case, therefore, a retainer should not be in an amount sufficient to discharge all attorney fees for the entire case, but should provide fees only for the early stages of the case.

Supra at 177-178.

Obviously, this case ignores the reality that the recovery of attorney fees may be just as risky beyond this initial period. However, the impact of Automend may be somewhat alleviated if the court is willing to allow the debtor to replenish the retainer as part of the interim compensation process. The court in Automend did not address this point.

In contrast to Automend, the 9th Circuit Bankruptcy Appellate Panel held in In re Knudsen, 17 BCD 790 (BAP 9th Cir 1988), that under certain circumstances a court may permit a fee arrangement whereby the debtor is allowed to pay its counsel on a monthly basis without the requisite notice and a hearing provided a subsequent hearing is held and the fees paid are subject to disgorgement. However, the court limited such an arrangement to those rare cases where a court can make the following findings:

> (1) the case is an unusually large one in which an exceptionally large amount of fees accrue each month;
>
> (2) the court is convinced that waiting an extended period of time would place an undue hardship on counsel;
>
> (3) the court is satisfied that counsel can respond to any reassessment in one or more of the ways listed above [e.g., posting a bond; holding the funds in a trust account]; and
>
> (4) the fee retainer procedure is, iself, the subject of a notice hearing prior to any payment thereunder.

Supra at 793.

Debtor counsel's pre-petition services rendered in contemplation of the bankruptcy proceeding are subject to court approval even if debtor's counsel had the good fortune of securing a retainer or some other type of prepayment for his services. 11 USC 329. Debtor's counsel must disclose to the court within 15 days of the filing of debtor's petition the amount which debtor paid or agreed to pay counsel for services rendered or to be rendered in contemplation of or in connection with the bankruptcy proceeding. Any party in interest may then compel the court to examine debtor's counsel to determine whether the compensation paid or to be paid is excessive. Bankruptcy Rule 2017.

The most frequently cited case regarding the scope of permissible pre-petition representation of a debtor is In re Olen, 15 BR 750 (Bktcy Ct ED Mich 1981).

> An attorney for the debtor is entitled to compensation for analyzing the debtor's financial condition; rendering advice and assistance to the debtor in determining whether to file the petition in bankruptcy; the actual preparation and filing of the petition, schedules of assets and liabilities, and the statement of affairs; and representing the debtor at the Section 341 meeting of creditors. However, there is a consensus of opinion 'that the work involved is often largely clerical or more in the nature of an accountant's work and warrants but a small fee for covering the true professional services.' Allowable compensation for such services normally ranges from between $350 and $450. The performance of such service for a business entity may present additional problems requiring additional legal services and an attorney, therefore, in such cases may justifiably charge a greater fee. The compensation for whatever services are performed by the attorney is to be determined on a case-by-case basis.

Supra at 752 (citations omitted).

Within this general framework the courts will apply such lodestar principles as size and complexity of the case, difficulty of issues presented and expertise of the attorney.[1]

The most interesting issue regarding the pre-petition review of fees is the extent to which debtor's counsel may be compensated for "bankruptcy planning." The courts generally are willing to allow

1 Olen has been cited with approval by the 6th Circuit in In re Lucas, 827 F.2d 770. This case is not recommended for full text publication.

debtor's counsel to be paid pre-petition for advice given to the debtor regarding such matters as allowable exemptions and possible objections to discharge, e.g. Olen, all under the aegis of "rendering advice and assistance to the debtor in determining whether to file a petition in bankruptcy." Olen, supra. Needless to say, there is some inconsistency when a court allows pre-petition compensation for such services but does not permit compensation for such services when compensation is sought directly from the estate. This inconsistency is resolved in large part by the courts restricting such pre-petition planning and advice to only that which is actually necessary in deciding whether bankruptcy is a viable alternative or not. Presumably, a court will not allow debtor's counsel to load up his pre-petition fees by preparing for all the issues which may conceivably arise in the bankruptcy proceeding or by doing the trial preparation pre-petition on issues which will clearly be joined by the trustee upon filing.

Counsel other than debtor's immediate bankruptcy counsel are also subject to having their fees reviewed by the bankruptcy court. Claims filed against the estate by an attorney for the debtor will be disallowed to the extent the claim exceeds the reasonable value of those services. 11 USC 502(b)(4). In addition, fees paid within a year preceding the debtor's filing to an attorney for any services rendered "in contemplation of or in connection with the case" may be recovered to the extent they exceed the reasonable value of those services. 11 USC 329, Rule 2017. The reason for the inclusion of this provision is to compensate for "the temptation of a failing debtor to deal too liberally with his property and employing counsel to protect him in view of financial reverses and probable failure." In re Wood & Henderson, 210 U.S. 246 (1908). All that is required to bring a payment within the scope of this section is a finding that the bankruptcy was the "impelling cause" for the payment of the fees. Conrad, Rubin & Lesser v Pender, 289 U.S. 472 (1932). As such, fees paid to an attorney in connection with an attempted out-of-court settlement with a debtor's creditors may be subject to review in a subsequent chapter proceeding. Conrad, Rubin & Lesser v Pender, supra; In re Gregory & Goldberg, Inc., 9 BR 780 (Bktcy Ct SD NY 1981); In re J. J. Bradley, 2 CBC 2d 1245 (Bktcy Ct ED NY 1980). Post-petition services rendered by an attorney which are not directly related with the bankruptcy proceeding may also be subject to review. Bankruptcy Rule 2017, In re Walters, 1989 U.S. App. LEXIS 2412 (4th Cir 1988).

PROPOSED LOCAL BANKRUPTCY RULES SUBMITTED FOR COMMENTS

On March 28, 1989, the Bankruptcy Judges for the Western District of Michigan submitted new local bankruptcy rules and fee petition guidelines to the Bankruptcy Section of the Federal Bar Association for review and comment. Copies of these draft rules and guidelines may be obtained from Section Chairman Brett Rodgers upon request. At the Steering Committee's March meeting, Chairman Rodgers appointed a committee consisting of himself, Robert Sawdey, Jeffrey Hughes, and Peter Teholiz to review and comment upon these rules and guidelines. Since the Bankruptcy Judges have asked the Section to submit its comments and suggestions by May 1, 1989, Section members are encouraged to transmit their individual comments to Robert Sawdey, the Local Rules Committee's Chairman, by no later than April 15, 1989.

RECENT BANKRUPTCY DECISIONS

The following are summaries of recent decisions rendered by federal district and bankruptcy courts in Michigan that address important issues of bankruptcy law and procedure. These summaries were prepared by Patrick E. Mears with the able assistance of Larry A. VerMerris.

Kostyu v. Internal Revenue Service, Case No. 88-1119 (E.D. Mich. November 30, 1988). This case, decided by District Judge Richard Suhrheinrich, outlined the proper procedure to be employed in filing a notice of appeal to the federal district court from an order entered by a bankruptcy court. In the debtor's Chapter 13 case, Bankruptcy Judge Ray Reynolds Graves entered an order dismissing the case on March 10, 1988. Eight days later, the debtor filed with the bankruptcy court a motion to reconsider the dismissal order. Thereafter, on March 21, 1988, the debtor filed a notice of appeal from the dismissal order. On April 6, 1988, the bankruptcy court entered an order denying debtor's motion for reconsideration and the next day entered an order of dismissal. The debtor did not file any notices of appeal from the entry of these last two orders.

The District Court, referring to the language of Bankruptcy Rule 8002(a) and case law decided thereunder, held that the debtor's notice of appeal filed before the order denying decision on debtor's motion for reconsideration was constituted a nullity because it was premature. The debtor's motion for reconsideration was treated as a motion to alter or amend under Bankruptcy Rule 9023 and therefore tolled the time for filing a notice of appeal from the original dismissal order. Since debtor failed to file a "subsequent notice of appeal within 10 days of the April 7, 1988, order, his failure to do so deprives this Court of jurisdiction." Consequently, the District Court dismissed the debtor's appeal with prejudice.

Schaffner v. Internal Revenue Service, 95 Bankr. 62 (E.D. Mich. 1988). In this case, the Chapter 13 debtors, husband and wife, filed a plan providing for the repayment and discharge of tax debts owed to the Internal Revenue Service and the State of Michigan, their only two creditors. Prior to commencing this Chapter 13 case, the debtor-husband had refused to file tax returns for 4 consecutive years, characterizing himself as a "tax protestor." In 1984, he was convicted of failing to file federal income tax returns and for fling false withholding exemption certificates and was thereafter sentenced to a 2-year prison term. In 1985, while in prison, debtor-husband received $11,000 from his employer's profit-sharing plan, none of which he used to pay his tax liabilities. Upon his release from prison, he negotiated a repayment plan with the Internal Revenue Service. In September, 1986, he and his wife filed their Chapter 13 petition after realizing that they would be unable to repay their tax liabilities.

The debtors' proposed plan provided for monthly payments of approximately $142 to the IRS and the State of Michigan over a 5-year period. The IRS objected to confirmation of the plan on the ground that it was not filed in good faith. After an evidentiary hearing on this objection, Bankruptcy Judge Steven Rhodes denied confirmation of the plan and dismissed the Chapter 13 case. The debtors thereupon appealed to the District Court which affirmed the decision below.

In his opinion, District Judge Patrick Duggan first declared that the applicable standard of review on this appeal was the "clearly erroneous" standard, citing In re Caldwell, 851 F.2d 852 (6th Cir. 1988). Judge Duggan then

recited the list of fifteen factors set forth in the Caldwell decision that a bankruptcy court should consider when determining whether a Chapter 13 plan is proposed in good faith. Reviewing the record before him, Judge Duggan concluded that Judge Rhodes had properly "considered the totality of the circumstances in reaching its conclusion that appellants' plan was not filed in good faith." In support of this finding, Judge Duggan pointed to the following factors: (i) the "illegal and fraudulent conduct of the debtor" that gave rise to the tax debts; (ii) the only debts treated by the plan were these tax liabilities; (iii) the debtor-husband's failure to pay over any of his profit-sharing monies to the taxing authorities; and (iv) the debtor-husband's failure to perform his obligations under his repayment plan with the IRS.

In re Cooper, Case No. GK 87-00873 (Bankr. W.D. Mich., March 22, 1989). In this Chapter 13 case, the debtors, husband and wife, filed their petition with the bankruptcy court on March 23, 1987. At that time, debtors were purchasing residential real property from an individual under a land contract. Pursuant to the terms of that contract, monthly installment payments of principal and interest were required to be made to the vendor until October 15, 1988, when the entire remaining balance became due and payable by means of a "balloon" payment. The debtors' plan, which was confirmed by the bankruptcy court, contained no provision attempting to modify the balloon payment requirement in the land contract.

When the debtors failed to make this balloon payment on its due date, the land contract vendor filed a motion for relief from the automatic stay, for "cause," under 11 U.S.C. § 362(d)(1). After an evidentiary hearing was conducted at the final hearing on this motion, Bankruptcy Judge James Gregg issued a written decision and entered an order modifying the automatic stay to permit the vendor to recover possession of the realty under applicable state law. Judge Gregg first found that 11 U.S.C. § 1322(b)(2) prohibited the debtors from modifying the rights of the land contract vendor as the holder of a security interest in the debtor's principal residence. Judge Gregg followed prior Michigan bankruptcy court decisions characterizing a Michigan land contract as a secured transaction and not as an executory contract. Judge Gregg then stated that, "when a claim is secured only by a mortgage or land contract respecting the debtor's principal residence, generally the debtor may not delay payment of an unaccelerated debt that has naturally matured prior to the filing of the case." Judge Gregg then posited that, as in this Chapter 13 case, when such a debt matures after the petition is filed, the debtor may not modify his obligation to make the balloon payment. Since the debtors here failed to make their required "balloon" payment to the vendor in accordance with the land contract, sufficient "cause" existed under 11 U.S.C. § 362(d)(1) to modify the automatic stay.

Official Unsecured Creditors Committee, et al. v. The Northern Trust Company, et al., Bankruptcy Case No. HM 84-00033, Adversary Proceeding No. 86-0325 (Bankr. W.D. Mich. March 17, 1989). This adversary proceeding was commenced by the creditors committee and Mobile Oil Company against the Chapter 11 Debtors and two of their bank lenders for a determination that the cash proceeds of preference and other recoveries "made or to be made" by the debtors were held by them free and clear of the banks' liens and security interests. One of these lenders, the Northern Trust Company, moved for summary judgment against the plaintiffs. In his opinion granting this motion for summary judgment, Bankruptcy Judge David Nims first recounted the long history of this Chapter 11 case. When the debtors were unable to secure financing from other sources, they requested post-petition financing from their secured lenders under 11 U.S.C. § 364. The propriety of this financing arrangement was approved by the Sixth Circuit Court of Appeals in In re Ellingsen MacLean Oil Co., 834 F.2d 599 (6th Cir. 1987). In the meantime, the debtors had recovered $256,000 in voidable preferences from third parties and had also received $84,090 as a distribution on an interest in a partnership owned by one of the debtors. Since the banks had asserted a superior right to both of these funds and since the debtors advised the creditors committee that they were prepared to distribute these monies to the banks, the committee commenced this adversary proceeding.

In deciding the banks' motion for summary judgment, Judge Nims first held that the bank's prepetition liens attached to these two funds even though these monies were collected by the debtors post-bankruptcy. Citing 11 U.S.C. § 552(b) which extends a secured creditor's prepetition lien to proceeds of its original collateral, Judge Nims declared that he would violate congressional intent as expressed in that provision if he were to avoid the banks' liens in these two funds. Alternatively, Judge Nims held that the postpetition liens granted to the banks pursuant to the post-petition borrowing order attached to these funds. Finally, Judge Nims held that the banks would be entitled to these monies on a superpriority basis under 11 U.S.C. § 364(c)(1) on account of the postpetition borrowing order.

In re Sampson, 95 Bankr. 66 (Bankr. W.D. Mich. 1988). In this Chapter 13 case, Bankruptcy Judge Nims held that the provisions of 37 U.S.C. § 701(c) prohibiting members of the United States armed forces from assigning their "pay" did not bar the Chapter 13 trustee from requiring that these sums be made the subject of a payroll deduction order entered pursuant to 11 U.S.C. § 1325(c). Judge Nims distinguished this case from the Sixth Circuit's opinion in In re Buren, 725 F.2d 1080 (6th Cir. 1984), which prohibited Chapter 13 trustees from issuing payroll deduction orders to the Social Security Administration on the ground that the anti-assignment statute involved in Buren differed substantially from the statute involved in this Chapter 13 case.

In re Elkins/In re Suttorp, 94 Bankr. 932 (Bankr. W.D. Mich. 1988). This joint decision, rendered by Bankruptcy Judges Laurence Howard and JoAnn Stevenson, addressed the issue of whether a Michigan debtor, on the eve of bankruptcy, may convert non-exempt property into entireties property and thereafter exempt that property under Michigan law and 11 U.S.C. § 522(b)(2). In these two related Chapter 7 cases, the debtors owned as joint tenants a parcel of commercial real estate. Prior to commencing their bankruptcy cases, they sold the parcel for a profit of $30,000 and then invested their respective shares of this profit in entireties property with their spouses. This action was taken by debtors on the advice of counsel while they were in financial difficulty. Judges Howard and Stevenson held that, since these transfers were made while the debtors were insolvent, they were therefore fraudulent as to their creditors under Michigan law, citing Dunn v. Minnema, 323 Mich. 687 (1949), McCaslin v. Schouten, 294 Mich. 180 (1940), and other state court decisions. Since the amounts so transferred would not be exempt from process under Michigan law, they could not be exempt under 11 U.S.C. § 522(b)(2)(B). Consequently, the judges held that the trustee could avoid these transfers as to the debtors involved.

STEERING COMMITTEE MEETING MINUTES

A meeting was held on March 31, 1989, at noon at the Peninsular Club. The following committee members were present: Brett Rodgers, Larry Ver Merris, James Engbers, Peter Teholiz, Steven Rayman, Thomas Schouten, Robert Sawdey, Joseph Mansfield, Patrick Mears, Jeffrey Hughes, and Colleen Olson.

The following matters were discussed:

1. Brett Rodgers had a memo from the IRS with respect to the tax ramifications of abandonments and he will make copies and send to all committee members for discussion purposes at the next meeting.

2. The new editor of the Newsletter commencing August of 1989 will be Larry Ver Merris.

3. The Judges' pictures will be framed within the next 30 days and will be brought to the next meeting.

4. An update with respect to the seminar was given by Jeff Hughes and Colleen Olson. The new dates are August 24-26, 1989, at Shanty Creek. A proposed format for the educational portion of the seminar will be presented at the next meeting.

5. A discussion of the Bankruptcy Appellate Panel project was next on the agenda. Tom Schouten and Jim Engbers are following up with respect to Judge Hillman's questionnaire and the response received from the Clerk of the First Circuit Court of Appeals.

6. Copies of the proposed local rules were handed out by Brett Rodgers and a small committee was set up with Brett Rodgers, Jeff Hughes, Peter Teholiz and Bob Sawdey as chairman for the purpose of reviewing them. A meeting of the committee was set up for Thursday, April 6, 1989, at 3 p.m. Written comments on the proposed local rules should be submitted to Bob Sawdey by April 15, 1989, by the rest of the steering committee.

7. A discussion was held with respect to establishing filing windows in Lansing and Kalamazoo. Joe Mansfield will keep us informed as to the progress in that direction.

8. The Executive Committee of the Federal Bar Association is meeting on the first Tuesday in April and Brett Rodgers asked that someone be present to present our idea of marketing newsletters with respect to bankruptcy issues to various interested creditors. Larry Ver Merris indicated he would be present.

9. Brett Rodgers announced that there are two new members of the Bankruptcy Section: Daniel Kubiak and Albert Nicholas.

10. The next Steering Committee noon luncheon will be held at the Peninsular Club on April 21, 1989.

EDITORS NOTEBOOK

I extend a note of congratulations to Larry Ver Merris, a partner in the Grand Rapids law firm of Day, Sawdey & Flaggert, upon being elected the new Editor of this Newsletter. Larry will assume these duties on August 1, 1989. The May, June, and July issues will carry a two-part article on representing creditors committees in Chapter 11 cases and one other article not yet decided upon. Anyone interested in submitting this final article for Volume 1 of the Newsletter should contact me at (616) 459-6121.

Brett Rodgers, one of the Chapter 13 Trustees in this District and Chairman of the Section's Steering Committee, has application forms for associate membership in the National Association of Chapter 13 Trustees. Annual dues are $50. Applications may be obtained by calling Brett at (616) 957-3550.

National Business Institute, Inc. of Eau Claire, Wisconsin, will be conducting an all-day seminar on May 19, 1989, at the Kentwood Club, 3684 28th Street, S.E., in Grand Rapids, on the topic "Foreclosure and Repossession in Michigan." Registration for the seminar is from 8:30 to 9 a.m. on the day of the seminar. The program begins at 9 a.m. and ends at 4:30 p.m. The three areas of discussion will be (i) Real Property Foreclosures; (ii) Personal Property--Prebankruptcy; and (iii) Bankruptcy--Effects on Secured Claim. Additional information may be obtained by calling NBI at (715) 835-7909.

Patrick E. Mears

LOCAL BANKRUPTCY STATISTICS

The following is a summary of the number of bankruptcy cases commenced in the United States Bankruptcy Court for the Western District of Michigan during the period from January 1, 1989, to March 31, 1989. These filings are compared to those made during that same period one year ago.

	1/1/89-3/31/89	1/1/88-3/31/88
Chapter 7	825	721
Chapter 11	31	30
Chapter 12	3	9
Chapter 13	342	331