

# UST “MOST WATCHED LIST”

OR

TOP 10 WATCHED FOR “DON’T’S” WHEN PRACTICING BANKRUPTCY LAW

# Number 1:

- Read the instructions.
- Read the Code.
- Know limitations
  - Ex: 5% threshold for additional food/clothing

# Number 2:

- Trust but verify
- Debtors' counsel = Debt Relief Agency
- Mistakes can lead to conversion, dismissal, sanctions, or US Trustee review of ALL of your cases

# Number 3:

- Extension motions should be rare
- Only for cause
- No boilerplate
- Be aware of 341 date – give parties enough time
- Consequences: multiple 341 adjournments, increased scrutiny, more hassle
- MRPC candor requirement

# Number 4:

- Communicate with your client
- MRPC 1.4
- Client should never appear at a hearing alone
- Unhappy clients can result in public complaint letters
- Complaints = more scrutiny

# Number 5:

- Follow up with your clients
- MRPC 1.3
- Don't forget stipulations and time frames
- Missed deadlines = unhappy clients, unhappy US Trustee

# Number 6:

- Don't try to represent everyone
- Section 327(a) requires disinterestedness
- Interest includes any relationship that even “faintly colors” counsel's independence
- Representing principal of company vs. representing company
- Be clear when discussing the issue with your client

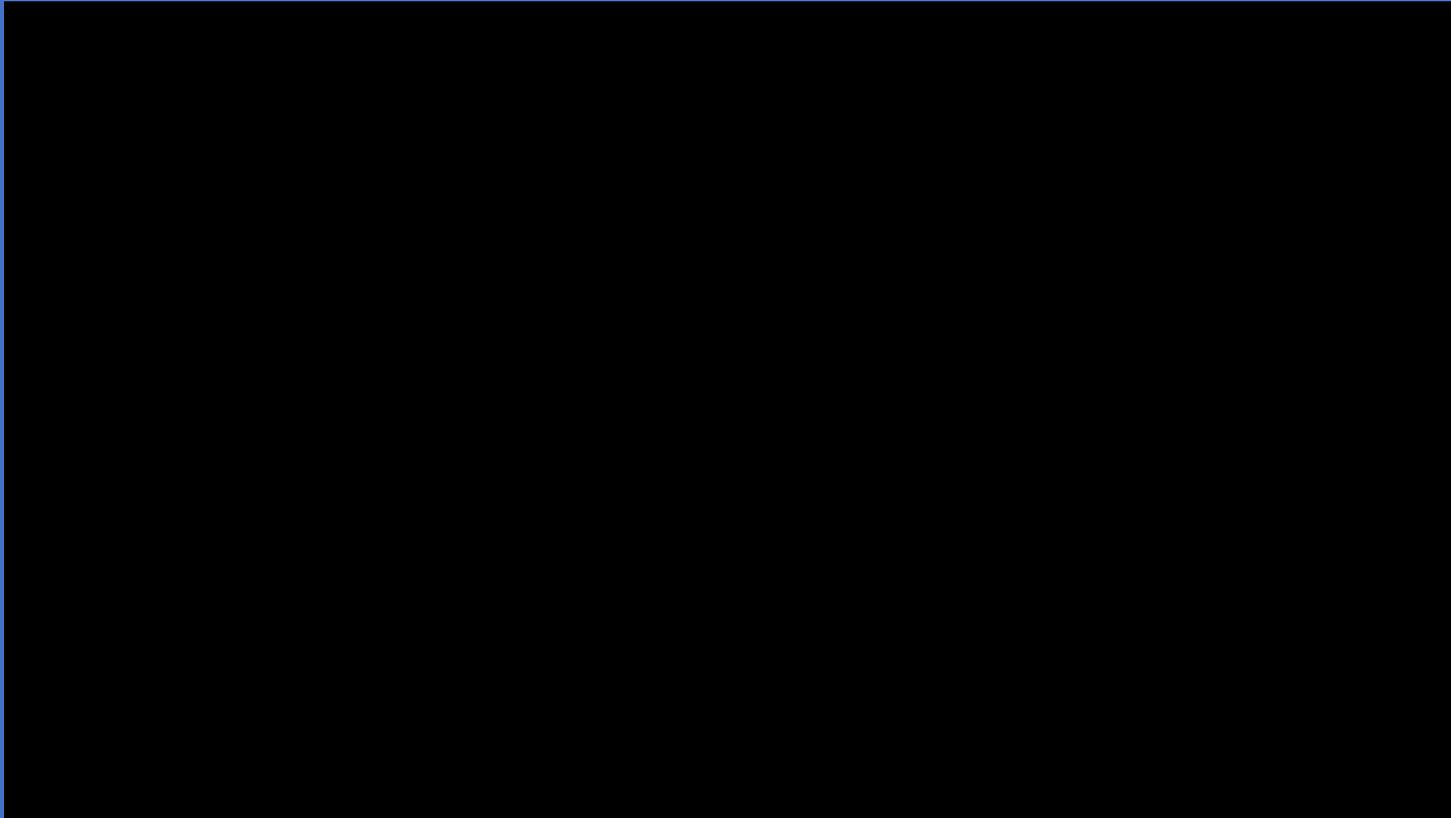
# Number 7:

- File timely employment applications
- Untimely = unpaid
- “I forgot” – not an extraordinary circumstance
- US Trustee heads up

# Number 8:

- Fee applications must be detailed
  - Comply with timing limitations
  - Check local rule requirements
  - Too general? Increased scrutiny and review
  - Can't bill for fee defense (*ASARCO*)
  - FEE APPS ARE PUBLIC
- (don't include wire/SWIFT/bank account info)

Number 9:



- US Trustee is *ALWAYS* watching.
- Always.
- Don't extrapolate action or inaction in one case to all cases

# Number 10:

- US Trustee is here to help.
- Yes, really.
- But we can't give you legal advice.
- We do appreciate a heads up if you see a "situation."

Thank you for your time and  
attention.