

The United States Bankruptcy Court for the District of Maryland ordered the Chapter 13 Trustee to pay all fees and expenses requested by Debtor's former counsel after Debtor's case was dismissed prior to plan confirmation because of the complexity of the case and the extraordinary billing judgment in reducing fees

***In re: Martha Ikegwu*, 2015 Bankr. LEXIS 3217 (Bankr. D. Md. September 23, 2015).**

Summary by Marissa K. Lilja, Tydings & Rosenberg LLP

In *In re: Martha Ikegwu* the U.S. Bankruptcy Court for the District of Maryland (the "Court") considered an Application for Compensation for Counsel for the Debtor and for Reimbursement of Expenses (the "Application") filed by the Debtor's former counsel, the Burns LawFirm, LLC, after her individual Chapter 13 case was dismissed.

The Application was considered in light of the Supreme Court decision, *Harris v. Viegelahn*, 135 S. Ct. 1829 (2015), which was issued just 4 days after the Application was filed. The Court issued an instructive opinion, *In re Brandon*, 2015 Bankr LEXIS 3051 (Bankr. D. Md. September 10, 2015), while *Ikegwu* was pending and held that *Harris* does not preclude payment of allowed compensation to debtor's counsel by a Chapter 13 trustee in a case that was dismissed prior to confirmation of a chapter 13 plan. *Ikegwu* at *2.

The Application stated that debtor's former counsel was employed for over a year, billed a total of \$21,195.50 at their standard hourly rates, and incurred \$875.68 in expenses. *Id.* Counsel voluntarily reduced their fees by 50% in their exercise of billing judgment, requesting only \$11,472.75. *Id.* at *5. Although the amount requested was high for a Chapter 13 case, the Court determined that the instant case was unique and complex enough to warrant the additional fees. *Id.* at *6-*7. In addition to the inherent complexity of the case, the Debtor's own actions contributed to the difficulty in attempting to bring a confirmable plan before the Court. Counsel eventually withdrew after Debtor expressed dissatisfaction with the terms of her proposed plan and the case was ultimately dismissed. *Id.* at *7.

In evaluating the Application, the Court considered all relevant factors supplied by §330(a)(3) of the Bankruptcy Code, applied the "loadstar" approach from *Johnson v. Georgia Highway Express, Inc.* 488 F.2d 714 (5th Cir. 1974), and checked conformity with local rules. *Id.* at *4. The Court found that the Application, to which no opposition was filed, showed "extraordinary billing judgment" and the fees and expenses requested were reasonable and necessary, and further ordered the Chapter 13 trustee to pay the balance of the allowed amount from the remaining funds in her possession. *Id.* at *8-*9.