

D.N.J. LBR 2016-1. Application for Compensation and Reimbursement of Expenses

(a) Compensation on an hourly rate basis. The statement of the services rendered, time expended, expenses incurred, and amounts requested under Bankruptcy Rule 2016 must contain:

(1) for an application for compensation under \$10,000:

(A) the date and docket number of the applicant's order of retention or authorization;

(B) the date and docket number of any administrative fee order providing for interim compensation;

(C) a description of services rendered;

(D) the time spent in 1/10th of an hour increments by date and person, with applicable time sheets attached;

(E) the billing rate for each person who rendered services;

(F) the total time spent by each person who rendered services;

(G) a list of actual expenses summarized by category; and

(H) a narrative explaining the nature of the work performed and the results achieved; and any circumstances not apparent from the description of services or that the applicant seeks to emphasize, including special employment terms, billing or expense policies, voluntary reductions, reasons for the use of multiple professional persons for a particular activity, and reasons for substantial time billed for a particular activity.

(2) for an application for compensation of \$10,000 or more:

(A) Local Form *Fee Application Cover Sheet*;

(B) a description of services rendered, by date and person;

(C) the time in 1/10th of an hour increments spent by each person, with applicable time sheets attached; and

(D) a narrative explaining the nature of the work performed and the results achieved; and any circumstances not apparent from the description of services or that the applicant seeks to emphasize, including special employment terms, billing or expense policies, voluntary reductions, reasons for the use of multiple professional persons for a particular activity, and reasons for substantial time billed for a particular activity.

(b) Compensation on a contingent fee basis. The statement of the services rendered, time expended, expenses incurred, and amounts requested under Bankruptcy Rule 2016 must contain:

- (1) the date and docket number of the applicant's order of retention or authorization;
- (2) a list of actual expenses summarized by category;
- (3) a narrative explaining the nature of the work performed and the results achieved; and any circumstances not apparent from the description of services or that the applicant seeks to emphasize, including special employment terms, billing or expense policies, voluntary reductions, reasons for the use of multiple professional persons for a particular activity, and reasons for substantial time billed for a particular activity; and
- (4) an explanation of the calculation of the fee and expense request.

(c) Compensation on a commission basis. The statement of the services rendered, time expended, expenses incurred, and amounts requested under Bankruptcy Rule 2016 must contain:

- (1) the date and docket number of the applicant's order of retention or authorization;
- (2) a list of actual expenses summarized by category;
- (3) a narrative explaining the nature of the work performed and the results achieved; and any circumstances not apparent from the description of services or that the applicant seeks to emphasize, including special employment terms, billing or expense policies, voluntary reductions, reasons for the use of multiple professional persons for a particular activity, and reasons for substantial time billed for a particular activity; and
- (4) an explanation of the calculation of the fee and expense request.

(d) Exemption for certain real estate brokers. A real estate broker who is retained under Local Bankruptcy Rule [2014-1](#) and whose fees and expenses are approved in an order authorizing the sale of real property and the payment of certain professional persons at closing under Local Bankruptcy Rule [6004-5](#) is exempt from this Rule.

(e) Compensation on a flat fee basis. The application must contain:

- (1) the date and docket number of the applicant's order of retention or authorization; and
- (2) a statement indicating that the purpose for which the applicant was retained has been fulfilled.

(f) Other compensation arrangements. In any other circumstances, the statement of the services rendered, time expended, expenses incurred, and amounts requested under Bankruptcy Rule 2016 must contain:

(1) a narrative explaining the grounds on which the applicant seeks allowance of fees and expenses; and

(2) to the extent applicable, the items required in an application of an hourly rate applicant under subdivision (a) or a contingent fee applicant under subdivision (b).

(g) Request for reimbursement of expenses of a committee member. An official committee member may submit a list of actual expenses summarized by category.

2015 Comment

This Rule has been significantly revised to accommodate both the electronic filing process and the variety of compensation arrangements in bankruptcy proceedings. The Rule now allows for payment of both flat fee professionals and real estate brokers retained on a commission basis without the need for a full fee application.

The required narrative assists the court in its review of fee applications consistent with the precedent established in In re Busy Beaver Building Centers, Inc., 19 F.3d 833 (3d Cir. 1994) and Zolfo Cooper & Co. v. Sunbeam-Oster Co., Inc., 50 F.3d 253 (3d Cir. 1995).

The procedure for compensating auctioneers is now found in Local Bankruptcy Rule [2016-2](#).