

MEMORANDUM

TO: All Chapter 7 Debtors
All Attorneys who represent Chapter 7 debtors
All Chapter 7 Trustees for the Cleveland Division
Office of the United States Trustee

FROM: Pat E. Morgenstern-Clarren, United States Bankruptcy Judge *(pmc)*

RE: Motions to redeem in cases assigned to Judge Morgenstern-Clarren— information to be included at time of filing

DATE: January 14, 2005

This memorandum replaces the one issued May 11, 2000.

The number of motions to redeem filed by debtors under 11 U.S.C. § 722 has increased in the last several months and in many cases it is not clear how the debtor intends to fund the proposed redemption amount. To address this issue, all motions to redeem should include a statement as to the source of funding for the redemption. If the funding involves obtaining credit, a copy of the financing agreement should be attached to the motion.

Also, the financing agreements that the court is asked to approve generally include an amount of money to pay attorney fees incurred solely in connection with the redemption effort. If such a fee request is greater than \$300.00, the motion must include: (1) a time sheet from counsel supporting the amount requested; and (2) a notice from counsel to the debtor explaining how much it will actually cost the debtor to borrow those specific funds at the interest rate proposed. Hearings will be held on all motions requesting fees greater than \$300.00.

If a motion has incomplete information, it will be adjourned once for compliance. If the information is not timely supplemented, the motion will be denied without further hearing.

Providing this information at the time the motion is filed will allow the motion to go forward as scheduled as well as save counsel from incurring additional time in compliance. Your cooperation is appreciated.