

## **EXHIBIT 2**

**UNITED STATES BANKRUPTCY ADMINISTRATOR  
MIDDLE DISTRICT OF NORTH CAROLINA**

**JOHN PAUL H. COURNOYER – BANKRUPTCY ADMINISTRATOR**  
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October 18, 2024

**To: Debtor’s counsel, committee counsel, financial advisors, accountants, examiners, brokers, auctioneers, and other professionals employed in chapter 11 bankruptcy cases.**

**Re: Chapter 11 Fee Application Guidelines**

These guidelines apply to fee applications in all chapter 11 cases, as incorporated by reference into the Court’s standard operating orders.

**Interim, Final, and Supplemental Applications**

You may seek compensation and expense reimbursement by filing interim, final, and/or supplemental applications. Final fee applications are always required. Interim and supplemental applications may be filed as circumstances warrant.

- *Interim.* You should not file an initial interim fee application until after the creditor’s meeting has been concluded and the case has been pending for at least 120 days. *See* 11 U.S.C. § 331. After the initial fee application, you may file additional interim fee applications on a quarterly basis. You may seek court authority to file applications more frequently—which the BA’s office would support only in large and complex cases.
- *Final.* After plan confirmation, conversion, or as otherwise ordered, you should file a final application covering the entire engagement, including any fees previously approved on an interim basis.
- *Supplemental.* You may file supplemental fee applications after confirmation but before case closing. These may be filed on a quarterly basis.

**Contents**

All applications must include:

- A cover sheet and application, using the forms available on the BA’s website by clicking [here](#).
- Biographical information for everyone that provided professional or

paraprofessional services under the application. It should include each person's name, position, education, experience (including bankruptcy-related experience), specializations or certifications, and customary billing rate (if applicable).

- A detailed description of services and expenses covered by the application. For engagements based upon hourly compensation, this requires itemized time entries that show the name, title, time expended, hourly rate, and description of each service provided, and an itemization for any expense reimbursements requested. For engagements based upon a commission, contingent fee, or similar structure, this requires a detailed summary of the services provided, the calculation of the requested compensation, and an itemization for any expense reimbursements requested.
- Copies of the employment application and the order approving employment.

### **Itemized Time Entry Guidelines**

The detailed itemization of time entries must follow the following guidelines:

- Chronological order.
- Billing increments of one-tenth of an hour (0.1, 0.2, etc).
- No lumped or combination entries.
- Time entries must contain enough detail to evaluate whether the time expended was reasonable for the service provided.
- *Adversary Proceedings.* Time entries associated with adversary proceedings should be billed as a sub-matter, or otherwise separated from time entries in the main case.
- *Intraoffice Conferences/Multi-Attorney Activities.* If multiple timekeepers seek compensation for joint activities, such as multiple attorneys appearing at the same hearing, the time entries should explain why the task required multiple people. If no explanation is provided, the BA will object to all but one timekeeper.
- *Half Rate for Travel.* Travel time may be billed at no more than half of the professional's allowed hourly rate.
- *Court Appearances.* Time entries for court appearances or creditor's meeting should be limited to the actual time spent in court or in the

creditor's meeting. Any other matters related to the court appearance, such as conferences before or after the hearing, must be separately billed.

- *Ministerial and Clerical Tasks Are Not Compensable.* Tasks like typing, transcription, opening the mail, copying, organizing files, filing, and filing a document with the court through CM/ECF are non-compensable unless the description clearly justifies a need for these tasks to be performed by a professional or paraprofessional.
- *Efficient Staffing.* Fees may also be reduced for attorneys' failure to use paralegals to perform tasks that do not need to be performed by an attorney, inefficient use of associates, or for the failure to properly staff the engagement.

### **Hourly Rates**

Professionals' hourly rates must be reasonable as required by 11 U.S.C. §§ 330, 506(b) or 506(c), as applicable. Except for trustees' counsel, there are no set hourly rates. Customary factors will be considered in evaluating the hourly rates requested.

### **Itemized Expenses**

The detailed itemization of expenses must follow the following guidelines:

- Each expense must be set out in sufficient detail to demonstrate its benefit to the estate.
- General overhead expenses, including supplies, are not allowed. Examples of general overhead expenses include telephone charges and charges for legal research services such as Westlaw or Lexis.
- All expenses must be billed at cost (i.e., no added profit or other multiplier).
- *Copy Charges.* The nature of the copying, the number of copies, the charge per copy, and the total charge should be disclosed. Copy charges billed by an outside service should be accompanied by an invoice.
- *Mileage.* Any mileage reimbursement request should detail the date of the trip, the destination and purpose of the trip, the number of miles driven, the charge per mile, and the total charge.
- *Other Travel.* Where a trip requires expenses such as meals or lodging, the details of each expense (meals, lodging, transportation, etc.) should


be clearly stated, along with the total cost. A single entry for the total expense of a trip is not adequate. The description should also explain why the trip was necessary.

**Holdback and Other Special Provisions**

The Court has discretion to implement a holdback and other special provisions under appropriate circumstances. Nothing in this guidance should be construed as precluding additional or modified requirements governing fee applications on a case-specific basis.

**Service**

Unless otherwise ordered, all fee applications shall be served on the BA, any trustee or examiner, debtor’s counsel (or the debtor in a *pro se* case), any committee counsel, and any party that has requested service. The bankruptcy noticing center shall provide notice of the application to all parties in the official matrix.

  
\_\_\_\_\_  
John Paul H. Cournoyer  
U.S. Bankruptcy Administrator  
Middle District of North Carolina

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA  
DIVISION**

In re:	)	
	)	
_____ ,	)	Case No. _____
	)	
Debtor.	)	Chapter 11
	)	

**CHAPTER 11 FEE APPLICATION COVER SHEET**

Applicant:	
Applicant Represents:	
Type of Professional:	

**Current Application**

Type (Interim, Final, or Supplemental)	
Compensation Requested:	
Expenses Requested:	
Total Amount Requested:	
Time Period Covered:	
Retainer Balance:	

**Summary of Services Rendered (Current Application)<sup>1</sup>**

<u>Name</u>	<u>Title</u>	<u>Hourly Rate</u>	<u>Total</u>	<u>Hourly Rate Previously Approved</u>

<sup>1</sup> For non-hourly engagements, such employment based upon a commission or contingent fee structure, leave this section blank.

**Prior Application(s)**

Compensation Approved:	
Compensation Paid to Date:	
Expenses Approved:	
Expenses Paid to Date:	

**Future Application(s)**

Projected Additional Compensation Through Case Completion:	
Projected Additional Expenses Through Case Completion:	
Summary of Additional Services to Be Provided Through Case Completion:	

I certify that the information contained in this cover sheet, application, and supporting documentation is true and accurate, and that the application complies with the chapter 11 fee application guidelines currently in effect.

This the \_\_\_ day of \_\_\_\_\_, 20\_\_.

[\*INSERT SIGNATURE BLOCK]

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA  
\_\_\_\_\_ DIVISION**

In re: \_\_\_\_\_ )  
 )  
 )  
 ) Case No. \_\_\_\_\_  
Debtor(s). \_\_\_\_\_ )  
 ) Chapter \_\_\_\_  
 )  
 )  
 )

**[\*INTERIM/FINAL/SUPPLEMENTAL] APPLICATION FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

[\*APPLICANT NAME] (the "Applicant"), seeks [\*interim/final/supplemental] approval of compensation and reimbursement of expenses, under 11 U.S.C. §§ 330 and 331, Fed. R. Bankr. P. 2016, Local Rule 2016-1, and the chapter 11 fee guidelines current in effect, and states as follows:

1. [\*General case background, such as petition date, debtor-in-possession status, any conversion history, etc.]
2. The Court has jurisdiction over this case and this proceeding under 28 U.S.C. § 1334. Under 28 U.S.C. § 157(a), the United States District Court for the Middle District of North Carolina has referred this case and this proceeding to this Court by its Local Rule 83.11. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2). The Court has authority to enter final orders in this proceeding.
3. On \_\_\_\_\_, the Applicant filed its application to be employed as a professional in this case. On \_\_\_\_\_, this Court entered an order authorizing the Applicant's employment in this bankruptcy case. Copies of the employment



application and the order approving the Applicant's employment are attached as Exhibit A.

4. A cover sheet in the form prescribed by the chapter 11 guidelines has been affixed to the front of this application and is incorporated herein by reference.

5. Biographical information for everyone that provided professional or paraprofessional services under this application is attached as Exhibit B. This biographical information includes each person's name, position, education, experience (including bankruptcy-related experience), specializations or certifications, and customary billing rate (if applicable).

6. A detailed description of services and expenses covered by the application is attached as Exhibit C.

WHEREFORE, the Application requests the Court grant the following relief:

1. Approval of [\*interim/final/supplemental] compensation in the amount of \$\_\_\_\_\_, and reimbursement of expenses in the amount of \$\_\_\_\_\_, for the time period of \_\_\_\_\_ through \_\_\_\_\_;

2. [\*If a final application only] Final approval of all compensation and expenses previously approved and included in this application, in the total aggregate amount of \$\_\_\_\_\_ in compensation and \$\_\_\_\_\_ in expenses; and

3. Such other relief as the Court deems just and proper.

[INSERT SIGNATURE BLOCK]

**Exhibit A**

Copies of employment application and approval order

**Exhibit B**

Biographical Information

**Exhibit C**

Detailed Description of Services and Expenses

**[\*AFFIX CERTIFICATE OF SERVICE]**