

MAR 02 1999

2:55 P.M. REC'D  
LODGED FILED *ju*

**IN THE UNITED STATES BANKRUPTCY COURT**

**FOR THE DISTRICT OF IDAHO**

<b>IN RE</b>	)	
	)	<b>Case No. 98-02141</b>
COMMUNITY HOME HEALTH,	)	
INC.,	)	<b>SUMMARY ORDER</b>
	)	
<b>Debtor.</b>	)	
_____	)	

On January 27, 1999, the Court conducted a hearing on the Application for Compensation of Arthur Anderson LLP as accountants for the Chapter 7 Trustee. The Application was filed on January 7, 1999. On January 20, a supplement to the Application was filed. The Applicant seeks payment of \$4,520 in fees for accounting services. Trustee supports the application. No response was received from the U.S. Trustee.

Section 330(a) of the Bankruptcy Code allows reasonable compensation to bankruptcy estate professionals that provide actual, necessary services to a trustee. Requirements for a professional fee application are outlined in F.R.B.P. 2016(a). In addition, the U.S. Trustee has developed guidelines concerning professional compensation, and has available approved forms for fee applications.

In this case, the Application will be denied without prejudice because it fails to satisfy the legal requirements for a proper application. The

SUMMARY ORDER - 1

96

original application contained no itemization of the services rendered or time spent by the professional at all. The supplement attempts to provide this information, but continues to lack appropriate detail.

For example, the supplement shows time billed in half hour increments. This is unacceptable, all time in bankruptcy cases being more properly billed in tenths of hours.

The supplement entries are vague and nondescript in recounting the services. In many instances the services are described as "billing." Other entries refer to "discussion" of tax returns. One charge assesses four hours of time at \$90 per hour for someone to perform "data entry" presumably for computer prepared tax returns, something the Court sincerely doubts should be chargeable as professional, rather than clerical, services. Moreover, all charges are at the same \$90 per hour rate although the application provides no information about the relative qualifications and experience of the various accountants performing the services. The Court is also concerned as to why some of the services could not have been provided by accountants with lower hourly rates.<sup>1</sup>

---

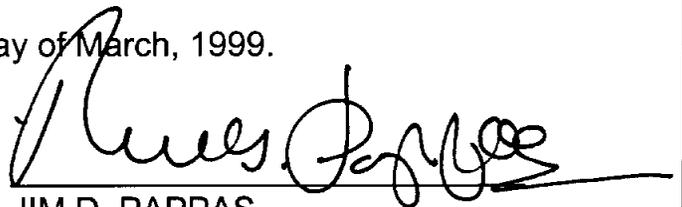
<sup>1</sup> The Court appreciates Applicant's position that its normal hourly rates for accounting services range from \$135 to \$355 per hour, and that the \$90 per hour rate is a relative bargain. With due respect to the abilities of the accountants working for Applicant, the Court must politely disagree and observe that in its many years of experience with bankruptcy accountants, it has yet to see fees charged and approved in excess of \$100 per hour. The Court can understand this may come as a

SUMMARY ORDER - 2

Applicant has not shown what services were performed, nor that the services were reasonably necessary, of benefit to the bankruptcy estate, nor that Applicant's charges are reasonable in amount. Applicant's representatives should meet with the Chapter 7 Trustee and the staff of the U.S. Trustee to discuss the requisites of a proper fee application, review the U.S. Trustee's written guidelines concerning professional compensation, and try again. In addition, the Chapter 7 Trustee should exercise more care in informing the professionals he retains about the requirements for proper fee applications.

For these reasons, **IT IS HEREBY ORDERED THAT** the Application be **DENIED WITHOUT PREJUDICE**.

DATED This 2<sup>nd</sup> day of March, 1999.



JIM D. PAPPAS  
CHIEF U.S. BANKRUPTCY JUDGE

---

disappointment to Applicants and suggests perhaps bankruptcy accounting may not be a desirable area of practice in which Applicant wants to engage.

SUMMARY ORDER - 3

CERTIFICATE OF MAILING

I, the undersigned, hereby certify that I mailed a true copy of the document to which this certificate is attached, to the following named person(s) at the following address(es), on the date shown below:

Office of the U.S. Trustee  
P. O. Box 110  
Boise, Idaho 83701

Jed W. Manwaring, Esq.  
P. O. Box 959  
Boise, Idaho 83701

Lynn C. McGlothlin  
Arthur Andersen  
P. O. Box 7787  
Boise, Idaho 83707

Bernie Rakozy  
P. O. Box 1738  
Boise, Idaho 83701

CASE NO.: 98-02141

CAMERON S. BURKE, CLERK  
U.S. BANKRUPTCY COURT

DATED: 3/2/99

By Sylvia J. Wuth  
Deputy Clerk

SUMMARY ORDER - 4