

Rule 2014-1: Compensation of Professionals on a Fixed or Contingent Basis

(a) Except for real estate agents, brokers, and auctioneers employed on a stated commission basis standard in the industry for the type of property involved, or as otherwise ordered by the court, all professional fees will be subject to review for reasonableness pursuant to Bankruptcy Code § 330(a)(3) unless both the application and order for employment state, expressly and conspicuously, and preferably in the caption and the body of the document, that the fees are to be calculated, in whole or in part, on a fixed or percentage fee basis, subject to the court's right under Bankruptcy Code § 328(a) to adjust such fees if the terms and conditions of employment prove to have been improvident in light of developments that could not have been anticipated at the time that they were approved by the court.

(b) Disclosure of Retention of Professionals. Any professional person who seeks to be reimbursed or compensated by the estate or by third parties for the benefit of the estate must promptly disclose its employment, pursuant to the Bankruptcy Code and the Bankruptcy Rules. Any estate professional who retains another professional for the purpose of benefitting the estate shall also promptly disclose such retention. If, however, such disclosures would cause privileged information or confidential litigation strategy to be revealed, the Court may allow such disclosure to be made under seal, upon an appropriate motion.

Committee Notes 2007: This Rule is derived from former General Order 85.

Committee Notes 2015: Revised to add subpart (b) regarding retention of estate professional by other estate professionals or third parties, such as expert witnesses.