



UNITED STATES BANKRUPTCY COURT DISTRICT OF MARYLAND

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August 22, 2024

NOTICE OF PROPOSED AMENDMENTS TO LOCAL BANKRUPTCY RULES

The United States Bankruptcy Court for the District of Maryland (the “Court”) has approved for publication and public comment amendments to the Court’s Local Bankruptcy Rules (the “Rules”). Redline copies of the proposed amendments are attached and also available on the Court’s website at: www.mdb.uscourts.gov.

This summary was prepared by the Clerk’s Office as an overview of the proposed changes and is neither intended to serve as legal advice nor as a commentary on the proposed changes to the Rules, and nothing herein should be cited as legal authority. This summary does not include minor stylistic changes that may be incorporated into the Rules as part of this amendment process.

The following explain and highlight certain key changes:

- **Rule 1006-1** is amended to clarify that, when approved, the first filing fee installment payment may be made at filing or at another date as ordered by the Court.
- **Rule 3002-1** is amended to clarify the deadline for filing proofs of claim in Chapter 11 cases arising pursuant to 11 U.S.C. § 502(g) from the rejection of an executory contract or unexpired lease.
- **Rule 3022-1** is amended to clarify the process for the Court’s issuance of discharge orders in Chapter 11 cases (Sub V) with non-consensual plans.
- **Rule 4004-1** is amended to add Chapter 12 as a case type that requires the filing of an Affidavit Requesting Discharge, Local Bankruptcy Form P.
- **Rule 5070-1** is amended to clarify that the prohibition against recording applies to proceedings conducted in court, by telephone or by video. When this amendment is effective, Administrative Order (“AO”) 20-07 will be rescinded.
- **Rule 6004-2** is amended to clarify when a debtor must file and serve a notice setting a deadline for certain secured creditors to file, amend, or withdraw proofs of claims upon the sale of encumbered property in Chapter 13 cases.

- **Rule 7005-1** is amended to update a subsection reference change as part of the Federal Bankruptcy Rule restyling effective December 1, 2024.
- **Rule 7007-1** is deleted as no longer necessary due to the December 1, 2024, amendments to Federal Bankruptcy Rule 7001.
- **Rule 7007.1-1** is renumbered from Rule 7003-2 and simplified to require that any corporate affiliate disclosure statement filed pursuant to Federal Bankruptcy Rule 7007.1 must provide an address for each entity listed.
- **Rule 9010-4** is amended to provide that attorneys requesting to withdraw their appearance on behalf of a non-individual client must, in addition to other requirements, certify the name and last known address of both the client and resident agent or other responsible person or persons for that client.
- **Rule 9011-2** is amended to authorize the acceptance of debtor's electronic signature as an original signature when the debtor is represented by counsel. When this amendment is effective, AO 20-05 will be rescinded.
- **Rule 9019-1** is amended to require parties that voluntarily dismiss an adversary proceeding (in instances when a motion is not required under Federal Bankruptcy Rule 9019), to state in the notice of voluntary dismissal that the settlement does not involve a transfer of cash or other property to or from the bankruptcy estate.

Comments on the proposed amended Rules must be submitted on or before October 8, 2024, to Mark A. Neal, Clerk of Court, 101 West Lombard Street, Suite 8525, Baltimore, MD 21201 or emailed to LocalRules@mdb.uscourts.gov. If adopted, the amended Rules will take effect on December 1, 2024.

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RULE 1006-1 FILING FEES - INSTALLMENT PAYMENTS

(a) Tender of Payment. The debtor may pay the filing fee in cash or by cashier’s check, certified check, or negotiable money order made payable to “Clerk, United States Bankruptcy Court” or by debit card via Pay.gov. Only an attorney may pay filing fees by credit card. Payment by an attorney’s check will be accepted only if the check is drawn on the account of the attorney for the debtor or on the account of a law firm of which the attorney for the debtor is a member, partner, associate, or of counsel. The Clerk may maintain a list of attorneys and law firms whose checks have been dishonored and may refuse to accept the checks of such attorneys or firms.

(b) Payment of Fees in Installments. Upon a proper showing, the Court may approve an application by an individual to pay the filing and administrative fees in installments that proposes a payment plan with minimum payments in accordance with the following schedule:

	At Filing <u>or as</u> <u>Otherwise</u> <u>Ordered</u>	Within 30 Days After Filing	Within 60 Days After Filing	Within 90 Days After Filing
Chapter 7	25%	25%	25%	25%
Chapter 11	50%	50%	--	--
Chapter 12	25%	25%	25%	25%
Chapter 13	25%	25%	25%	25%

(c) Overpayment of Fees. Any overpayment of fees of \$25.00 or less will not be refunded.

RULE 3002-1 TIME FOR FILING CERTAIN PROOFS OF CLAIM

(a) Rejected Executory Contracts and Leases. Unless otherwise ordered by the Court, any proof of claim arising pursuant to 11 U.S.C. § 502(g) from the rejection of an executory contract or unexpired lease must be filed on or before the latest of:

(1) the time for filing a proof of claim pursuant to Federal Bankruptcy Rule 3002(c) [or, for Chapter 11 cases, Local Bankruptcy Rule 3003-1](#);

(2) thirty (30) days after the entry of the order compelling or approving the rejection of the contract or lease; and

(3) thirty (30) days after the effective date of the rejection of the contract or lease.

(b) Claims Following Foreclosure, Repossession, or Surrender of Collateral. Unless otherwise ordered by the Court or provided in a confirmed plan, an amended proof of claim asserting an unsecured deficiency claim for real property must be filed within one hundred eighty (180) days after entry of the order granting relief from the automatic stay or surrender of the property by the debtor or the trustee, whichever occurs earlier; and an amended proof of claim asserting an unsecured deficiency claim for personal property must be filed within sixty (60) days after entry of the order granting relief from the automatic stay or surrender of the property by the debtor or the trustee, whichever occurs earlier. Absent compliance with this Rule, any unsecured deficiency arising under this paragraph will be deemed disallowed unless the Court orders otherwise.

RULE 3022-1 ADMINISTRATION OF CONFIRMED CHAPTER 11 PLANS

(a) Subchapter V Cases. In a Chapter 11 case proceeding under Subsection V, the debtor or other party administering the confirmed plan must comply with the following requirements:

(1) Notice of Substantial Consummation. Within fourteen (14) days after a confirmed Chapter 11, Subchapter V plan is substantially consummated (as defined in 11 U.S.C. § 1101(2)), the debtor or plan administrator must file with the Court and serve on the trustee, the United States Trustee, and all parties in interest notice of such substantial consummation pursuant to 11 U.S.C. § 1183(c)(2). The notice must include a certification that includes a summary report of the disbursements, distributions, and transfers that have been made pursuant to the plan; a description of other acts taken to consummate the plan; and a description of any matters involving consummation of the confirmed plan that have not been fully resolved.

(2) Post-Confirmation Progress Reports. The debtor or plan administrator must file with the Court and serve on the United States Trustee reports of progress towards full administration of the plan until the Court enters a final decree. The first report must be filed no later than six (6) months after entry of the order of confirmation. Subsequent reports must be filed every six (6) months thereafter.

(3) Discharge Order. In a case involving a consensual plan confirmed under 11 U.S.C. § 1191(a), the Court will issue a discharge order as appropriate under 11 U.S.C. § 1141(d) upon confirmation of the plan. In a case involving a non-consensual plan confirmed under 11 U.S.C. § 1191(b), the Court will issue a discharge order as appropriate

under 11 U.S.C. § 1192 after [the debtor certifies that the debtor has completed all plan payments and requests entry of an order of discharge.](#) ~~completion of all plan payments.~~

(4) Motion for Final Decree. Upon full administration of the plan as defined in paragraph (c) of this Rule, the debtor or plan administrator must file with the Court and serve on the trustee, United States Trustee, and all parties in interest a motion for a final decree and to close the case. The motion must be substantially in the form of Local Bankruptcy Form N-1 (for non-individuals) or Local Bankruptcy Form N-2 which includes a request for entry of a discharge (for individuals) and must be accompanied by a certification of full administration. The certification must include a final summary report of the disbursements, distributions, and transfers that have been made pursuant to the plan.

(5) Final Decree. The Court may enter a final decree and close the case at any time after the plan has been fully administered.

(b) Non-Subchapter V Cases. In a Chapter 11 case not proceeding under Subsection V, the debtor or other party administering the confirmed plan must comply with the following requirements:

(1) Notice of Effective Date. Within fourteen (14) days after a confirmed Chapter 11 plan becomes effective, the debtor or plan administrator must file with the Court and serve on the United States Trustee and all parties in interest (including any trustee appointed in the case) notice of the occurrence of the plan's effective date.

(2) Post-Confirmation Progress Reports. The plan debtor or plan administrator must file with the Court and serve on the United States Trustee reports of progress towards full administration of the plan until the Court enters a final decree. The first report must be

filed no later than six (6) months after entry of the order of confirmation. Subsequent reports must be filed every six (6) months thereafter.

(3) Discharge Order. In a case involving an individual, the Court will issue a discharge order, if requested by the debtor or plan administrator, as appropriate under 11 U.S.C. § 1141(d).

(4) Motion for Final Decree. Upon full administration of the plan as defined in paragraph (c) of this Rule, the debtor or plan administrator must file with the Court and serve on the United States Trustee and all parties in interest (including any trustee appointed in the case) a motion for a final decree and to close the case. The motion must be substantially in the form of Local Bankruptcy Form N-1 (for non-individuals) or Local Bankruptcy Form N-2 which includes a request for entry of a discharge (for individuals) and must be accompanied by a certification of full administration. The certification must include a final summary report of the disbursements, distributions, and transfers that have been made pursuant to the plan; and a description of other acts taken to consummate the plan.

(5) Final Decree. The Court may enter a final decree and close the case at any time after the plan has been fully administered.

(c) Full Administration of Plan. A Chapter 11 plan will be deemed fully administered under Federal Bankruptcy Rule 3022:

(1) in a Chapter 11 case other than a case involving a non-consensual plan confirmed under 11 U.S.C. § 1191(b), after the completion of the following:

(A) six (6) months have elapsed after the entry of a final order of confirmation that has become nonappealable;

- (B) the deposits required by the plan have been distributed;
 - (C) the property proposed by the plan to be transferred has been transferred;
 - (D) the debtor or the successor of the debtor under the plan has assumed the business or the management of the property dealt with by the plan;
 - (E) payments under the plan have commenced; and
 - (F) all motions, contested matters, and adversary proceedings have been finally resolved;
- (2) in a Chapter 11 case involving a non-consensual plan confirmed under 11 U.S.C. § 1191(b), upon completion of all plan payments; or
 - (3) at another time specifically defined by the plan.

RULE 4004-1 DISCHARGE IN CHAPTER 12 AND 13 CASES

In Chapter 12 and 13 cases, ~~The~~~~the~~ debtor's Affidavit Requesting Discharge, Local Bankruptcy Form P, must be filed and served on the ~~Chapter 13~~ trustee and all creditors no later than ninety (90) days after the ~~Chapter 13~~ trustee files the notice of completion of plan payments. The failure to timely file this affidavit may result in the case being closed without a discharge.

RULE 5070-1 PHOTOGRAPHING AND RECORDING COURT PROCEEDINGS AND COURTHOUSE SPACES

(a) Photographing, Recording, and Transmitting Court Proceedings. Unless otherwise ordered by the Court, no Court proceeding whether conducted in court, by telephone, or by video conference. may be photographed, video recorded, audio recorded, broadcast, televised, or otherwise transmitted except as follows:

(1) Judges presiding over ceremonial proceedings may authorize the use of cameras and video recorders during the proceedings.

(2) Official Court reporters and official electronic recorders employed by the Clerk's Office will record Court proceedings, provided, however, that no Court reporter or electronic recorder may use or permit to be used any official recording of a Court proceeding in connection with any radio or television broadcast.

(b) Photographing, Video Recording, and Televising Courthouse Spaces.

(1) Courtrooms and Other Public Spaces. Unless otherwise ordered by the Court, no courtroom or other public space in the courthouse may be photographed, video recorded, or televised except as follows:

(A) On the day of receptions or other social events, persons attending the event may use cameras in the space where the event is being held; and

(B) Employees of the General Services Administration (GSA) and GSA architects and contractors may use cameras in the courtrooms and other public spaces when Court is not in session.

(2) Office Spaces. Cameras may not be used in any office within the courthouse except with the approval of the person in charge of the office.

(c) Penalties. Any camera, recording device, or other equipment used in violation of this Rule may be impounded. Any violation of this Rule may be treated as a contempt of Court and any violator who is a member of the District Court Bar may be subjected to the disciplinary action of the District Court and/or this Court.

**RULE 6004-2 SALE OF ENCUMBERED ESTATE PROPERTY – CHAPTER 7, 12,
AND 13 ONLY**

(a) Sale Motions. A motion to sell property of the estate that is encumbered by a lien, claim, or interest in a Chapter 7, 12, or 13 proceeding must include all of the information required in Local Bankruptcy Rule 6004-1(a)–(i) and a description of all liens, claims, or other interests in or against the property (including the nature of the lien, claim, or interest and the balance owed to the holder thereof).

(b) Chapter 13 Case. In a Chapter 13 case [in which all claims secured by the property sold are not paid in full at closing on the sale](#), the debtor must file and serve a notice with the motion that includes the following in the title: “AND SETTING DEADLINE TO FILE, AMEND, OR WITHDRAW PROOFS OF CLAIM.” The notice must set forth the deadline for a lienholder to file, amend, or withdraw any proof of claim, which deadline must be at least twenty-one (21) days after the sale’s closing date.

RULE 7005-1 ELECTRONIC SERVICE

Pursuant to Federal Bankruptcy Rules 5005(a)~~(2)~~[\(3\)](#) and 7005, service pursuant to the Court's Electronic Case Filing Procedures (Appendix H) constitutes valid service.

~~RULE 7007-1~~ — ~~MOTIONS FOR EXPEDITED TURNOVER OF MOTOR VEHICLES~~

~~(a) — Request for Expedited Relief. After the filing of a complaint to commence an adversary proceeding to recover a motor vehicle under 11 U.S.C. § 542, the plaintiff may file a motion for expedited turnover of the motor vehicle, provided that the following conditions are satisfied:~~

~~(1) — The motion specifically identifies the motor vehicle, the legal authority supporting the requested turnover, and the justification for the requested expedited relief (including any adequate protection offered to the defendant by the plaintiff);~~

~~(2) — The plaintiff files an affidavit (or an unsworn declaration in accordance with 28 U.S.C. § 1746) supporting the requested turnover of the motor vehicle; and~~

~~(3) — The plaintiff files a certificate with the motion stating that the plaintiff conferred with the defendant and made a good faith effort to resolve the requested relief consensually prior to the filing of the motion.~~

~~(b) — Service of Motion and Notice of Hearing.~~

~~(1) — The movant must select a hearing date for this type of motion from the Court Hearing Scheduler Program, and such date must be more than seven (7) days after the date of service. The notice of the motion must state the hearing date and time.~~

~~(2) — The movant must serve a copy of the motion under this Rule on the respondent and any non-debtor co-owner in the manner required by Federal Bankruptcy Rules 9014, 7004, and 3007. Additional requirements for the notice, the certificate of service, and the proposed order are governed by Local Bankruptcy Rules 2002-1(a), 9013-4, and 9013-3, respectively.~~

~~(c) — Response to Motion. The Court Hearing Scheduler Program will compute the date that an objection is due, and such objection deadline must be included in the hearing notice. If no timely response is filed, the Court may rule on the motion without further notice or a hearing as set forth in Local Bankruptcy Rule 9013-1(d).~~

RULE ~~7003-2~~7007.1-1 DISCLOSURE OF CORPORATE AFFILIATES

Any statement filed pursuant to Federal Bankruptcy Rule 7007.1 must provide an address for each entity listed. ~~Each non-governmental corporate party to an adversary proceeding or contested matter must file a statement identifying all its parent corporations and listing every publicly held company that owns 10% or more of the party's stock. The statement must provide an address for each entity listed. A party must file the statement with its initial pleading filed in the Court and must supplement the statement within a reasonable time of any change in the information.~~

RULE 9010-4 WITHDRAWAL OF APPEARANCE OF AN ATTORNEY

(a) When Clients are Individuals.

(1) An attorney may withdraw an appearance entered on behalf of an individual if another attorney has entered an appearance for and appears as attorney of record for that individual.

(2) Except as provided in subparagraph (1), the appearance of an attorney may be withdrawn only with leave of the Court. An attorney moving to withdraw must certify:

(A) the name and last known address of the client; and

(B) that a written notice has been mailed to or otherwise served upon the client at least seven (7) days previously advising the client of the attorney's proposed withdrawal and notifying the client either to have a new attorney enter an appearance or to advise the Clerk that the client will be proceeding without an attorney.

(b) When Clients Are Other Than Individuals. If the client is other than an individual, including a corporation, partnership, unincorporated association, and government entity, appearance of an attorney may be withdrawn only with leave of Court and if:

(1) the appearance of another attorney has been entered; or

(2) the withdrawing attorney certifies:

(A) the name and last known address of both the client and resident agent or other responsible person or persons for that client; and

(B) that a written notice has been mailed to or otherwise served upon the client at least seven (7) days previously advising the client of the attorney's proposed withdrawal and notifying the client that it must have a new attorney enter

an appearance or be subject to dismissal of its case, dismissal of its claims and/or judgment by default on claims against it. If a new attorney has not entered an appearance within twenty-one (21) days after the filing of the motion to withdraw, the Court may dismiss an affirmative claim for relief by, or enter a default against, the party not represented by an attorney.

**RULE 9011-2 SIGNING OF ELECTRONICALLY TRANSMITTED PLEADINGS;
REPRESENTATIONS TO THE COURT**

(a) Responsibility for Use of Login and Password. An attorney or other person whose individual PACER account is linked to the Court’s CM/ECF system, as described in the Court’s Electronic Filing Procedures (Appendix H), is responsible for all documents filed using that PACER login and password.

(b) Signature and Certification. The transmission of a petition, pleading, motion, or other paper by electronic means constitutes both a signature by the attorney or other person responsible for transmitting it that is required by Federal Bankruptcy Rule 9011(a) and a certification within the meaning of Federal Bankruptcy Rule 9011(b). Such transmission also constitutes a representation by the attorney or other person responsible for an electronic transmission to the Court that he or she is in possession of the original petition, pleading, motion, or other paper, with all original signatures thereon other than those papers signed solely by the filing user and co-counsel.

(c) Verification of Signatures.

(1) The requirement that all petitions, lists, schedules, statements, and amendments thereto must be “verified” in Federal Bankruptcy Rule 1008 is met, and the documents may be electronically filed, if the debtor’s attorney either:

(A) obtains the original, physical signature prior to filing; or

(B) files the document electronically without possession of the original signature, provided that such electronic filing constitutes a certification by the attorney that the debtor has signed it and that, at the time of filing, the filing attorney is in possession of an image format or other facsimile of the document, including the signature page received from the

debtor either electronically (including by email or text) or by facsimile machine. Any document filed electronically without the original signature in the filing attorney's possession, it shall be filed by placing "/s/ Debtor's Name" where the signature occurs, thereby constituting a representation a certification that before filing the attorney transmitted the entire document to the debtor for review and signature, the attorney communicated with the debtor regarding the substance and purpose of the document, received the signature page back from the debtor electronically, and received express authorization to file the document.

(2) The requirements in the Local Bankruptcy Rules of obtaining, maintaining, or producing an "original signature," and the requirement of a "signature" in 28 U.S.C. §1746, are met if the attorney complies with this Local Bankruptcy Rule.

(3) A petition or Chapter 13 plan verified and filed in accordance with paragraph (1)(A) or (B) of this Local Bankruptcy Rule shall be deemed to be signed by the debtor for purpose of Local Bankruptcy Rules 1002-1(a)(1) and 3015-1(c).

RULE 9019-1 SETTLEMENTS AND AGREED ORDERS

(a) Order. Subject to the requirements of Federal Bankruptcy Rules 2002(a)(3), 4001(d), and 9019, when the Court is advised by the moving party that an adversary proceeding or contested matter has been settled, the Court may enter an order dismissing the adversary proceeding or contested matter and providing for the payment of costs. Such an order of dismissal will be without prejudice to the right of a party to move for good cause to reopen the proceeding or matter within a reasonable time after settlement should have occurred if the settlement is not consummated. Alternatively, the Court, upon notification by the attorneys that a proceeding or matter has been settled, may require the attorneys to submit, within fourteen (14) days, a proposed order providing for the settlement, in default of which the Court may enter judgment or other appropriate order.

(b) Motion Required. Notwithstanding Federal Bankruptcy Rule 7041, if parties to an adversary proceeding resolve the issues presented therein, one or more of the parties must file a motion for Court approval under Federal Bankruptcy Rule 9019 if the settlement involves a transfer of cash or other property to or from the bankruptcy estate. [If a motion is not required under Federal Bankruptcy Rule 9019, then the parties must state in their notice of voluntary dismissal that the settlement does not involve a transfer of cash or other property to or from the bankruptcy estate.](#)

(c) Complete Disposition. An order entered pursuant to this Rule has the effect of noting the settlement of the entire adversary proceeding or contested matter, including all claims, counterclaims, third-party claims, and crossclaims, unless otherwise stated.

(d) Filing Procedures. In adversary proceedings, motions for approval of settlements must be filed in the adversary case and served on all parties in the adversary case. Notice of the

motion for approval of a settlement must be filed in the main case and served on all parties entitled to receive notice.