

Signed: November 23rd, 2021

SO ORDERED



Thomas J. Catliota
THOMAS J. CATLIOTA
U.S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND**

In Re:

**AMENDMENTS TO LOCAL
BANKRUPTCY RULES**

**ADMINISTRATIVE
ORDER NO. 21-04**

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**ORDER AMENDING LOCAL BANKRUPTCY RULES AND
RESCINDING ADMINISTRATIVE ORDERS 21-03 AND 03-02**

WHEREAS, a committee from the Bankruptcy Bar Association for the District of Maryland and the Consumer Bankruptcy Section of the Maryland State Bar Association (“Bar Committee”) was formed to review the Local Bankruptcy Rules and propose necessary amendments;

WHEREAS, the Bar Committee proposed certain amendments to the Local Bankruptcy Rules, which were reviewed, analyzed and, in some instances, further amended by the Court;

WHEREAS, the Court has determined that it is necessary to amend its Local Bankruptcy Rules on December 1, 2021;

WHEREAS, the proposed amended Local Bankruptcy Rules were published by the Clerk of Court for public comment on September 15, 2021, and the comments received in response to that publication were considered by the Court in its adoption of these amendments; and

WHEREAS, the Court also approved a technical corrective amendment to Local Bankruptcy Rule 5001-2.

NOW, THEREFORE, IT IS ORDERED that:

Pursuant to 28 U.S.C. § 2071, Rule 83 of the Federal Rules of Civil Procedure and Rule 9029 of the Federal Rules of Bankruptcy Procedure, the attached amendments are adopted

by the Judges of this Court to be effective December 1, 2021. The amendments shall be effective as to all proceedings pending in this Court on that date insofar as is just and practicable, and shall govern all proceedings in bankruptcy cases thereafter commenced in this Court. A summary of the amendments to the Local Bankruptcy Rules as well as a redlined version of the amended Local Bankruptcy Rules are appended hereto.

Effective December 1, 2021, Administrative Order 21-03 and Administrative Order 03-02 are rescinded as unnecessary.

End of Order



**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MARYLAND
OFFICE OF THE CLERK**

MARK A. NEAL
Clerk of Court

THOMAS C. KEARNS
Chief Deputy Clerk

www.mdb.uscourts.gov

November 23, 2021

**SUMMARY OF AMENDMENTS TO THE
TO LOCAL RULES FOR THE U.S. BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND**

EFFECTIVE DECEMBER 1, 2021

The Court has approved amendments to its Local Rules effective December 1, 2021. These amendments are made after prior publication of the amendments for public comment on September 15, 2021. The Court considered all comments received in connection with the public comments process and thanks the public and bar for its thoughtful comments and participation in the amendment process.

A brief explanation of the amendments follows. This summary was prepared by the Clerk's Office as an overview of the changes and should not serve as a substitute for reading the full text of the proposed amendments. Additionally, this summary is neither intended to serve as legal advice nor as a commentary on the changes to the Local Rules, and nothing herein should be cited as legal authority. This summary does not include minor, non-substantive stylistic changes that were incorporated into the Local Rules as part of this amendment process.

- **Local Rule 1002-2** is new and sets forth the procedure for a Chapter 11 debtor to elect to proceed under Subchapter V of the Bankruptcy Code.
- **Local Rule 1002-3** is new as part of an effort to reduce the impact on practice and procedures before the Court through Administrative Orders. Effective December 1, 2021, Administrative Order 21-03 will be rescinded as unnecessary.
- **Local Rule 1007-3** is deleted as duplicative of amended LBR 1009-1.
- **Local Rule 1009-1** is amended to combine the provisions of LBR 1007-3 into one rule setting forth the noticing requirements for mailing matrix amendments and creditors impacted by amendments to bankruptcy schedules.

- **Local Rule 2081-1** is deleted as unnecessary. The Notice of Commencement of Case issued by the Court and served on all creditors through the Bankruptcy Noticing Center notifies disputed, contingent, or unliquidated creditors of the need to file proofs of claim. Neither the Bankruptcy Code nor Federal Bankruptcy Rules require Chapter 11 debtors to provide additional notice to creditors with disputed, contingent, or unliquidated claims. The obligation remains for Chapter 11 debtors to provide special notice to such creditors in the event of bankruptcy schedule amendments (see amended LBR 1009-1(d)).
- **Local Rule 3007-1** is amended to conform to previous amendments to Federal Bankruptcy Rule 3007.
- **Local Rule 3011-1** is new and sets forth (1) the procedure for applying for the payment of unclaimed funds; and (2) under a Chapter 11 liquidating plan the authorization and procedure for the potential distribution of unclaimed funds to not-for-profit, non-religious organizations.
- **Local Rule 5001-2** is amended to remove the hours for the Court's After Hours Night Boxes, with this information posted on the Court's website to facilitate updates as operational needs dictate.¹
- **Local Rule 5005-1** is amended as part of an effort to reduce the impact on practice and procedures before the Court through Administrative Orders by incorporating relevant Administrative Orders into the local rules. Effective December 1, 2021, Administrative Order 03-02 will be rescinded as unnecessary.
- **Local Rule 7007-1** is new and sets forth a procedure for debtors to request the expedited turnover of motor vehicles within an adversary proceeding under 11 U.S.C. Section 542 in light of *City of Chicago v. Fulton*, 141 S. Ct. 585 (2021).

In response to public comments received, the approval of proposed amendments to Local Rule 4001-6, requiring mortgage service holders to send certain customary notices and correspondence post-petition and to maintain debtors' electronic access to account information and payment methods, has been deferred pending further consideration of the issues raised by the public comments.

Redline copies of the proposed local rule amendments are attached and are also available on the Court's website at: www.mdb.uscourts.gov. The pending December 1, 2021 amendments to the Federal Bankruptcy Rules are available at: <http://www.uscourts.gov/rules-policies/pending-rules-and-forms-amendments>.

¹ The non-substantive amendment to Local Rule 5001-2 was not part of the public comment package published on September 15, 2021 but is nevertheless necessary to update the hours of operation for the Night Boxes.

Many of the rule amendments effective December 1, 2021, were proposed by a local rules committee comprised of Bankruptcy Bar Association and MSBA Consumer Bankruptcy Section members. The Court thanks the members of that committee, listed below, for their valuable and thoughtful contributions to the local rule amendment process:

Fred Nix, Chair	Mark Meyer
Marguerite Lee Devoll	Mary Miguez-Jordan
Seth Diamond	Frank Morris, II
Morgan Fisher	Dennis J. Shaffer
Richard London	Lisa Y. Stevens

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RULE 1002-2 ELECTION TO PROCEED UNDER SUBCHAPTER V OF CHAPTER 11

(a) A debtor who qualifies under 11 U.S.C. § 1182 may elect to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code by indicating that election on the debtor's bankruptcy petition.

(b) If a debtor who qualifies under 11 U.S.C. § 1182 elects to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code *after* the debtor files a bankruptcy petition under Chapter 11 or *after* the court grants a motion filed by the debtor to convert a pending case to one under Chapter 11, the debtor must file an amended bankruptcy petition indicating the election to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code.

RULE 1002-3 COMPLEX CHAPTER 11 CASE PROCEDURES

The United States Bankruptcy Court for the District of Maryland's Complex Chapter 11 Case Procedures, as amended, are attached to these Local Bankruptcy Rules as Appendix J and are incorporated herein in their entirety.

~~**RULE 1007-3 — NOTICE TO CREDITORS OMITTED FROM OR INCORRECTLY LISTED ON MASTER MAILING MATRIX**~~

~~If a debtor files schedules or a supplemental mailing matrix after filing the petition, and if the debtor's schedules or a supplemental mailing matrix include one or more creditors that were not included, or were listed incorrectly, on the debtor's master mailing matrix filed with the petition, a debtor must comply with the following procedures:~~

~~(a) Notice to Creditors. The debtor must send to each creditor that is added or whose address is corrected:~~

~~(1) a copy of the original Notice for Meeting of Creditors; and~~

~~(2) a copy of each order that establishes or extends a bar date for claims or for complaints to determine the dischargeability of certain debts or to object to the discharge of the debtor.~~

~~(b) Certificate of Compliance. With the schedules and supplemental mailing matrix, the debtor must file a certificate of compliance with this Rule, together with a dated and clearly titled supplemental mailing matrix that lists only the names and correct mailing addresses of each newly scheduled creditor.~~

RULE 1009-1

~~AMENDMENTS TO LISTS AND SCHEDULES~~ NOTICES TO CREDITORS (I) OMITTED FROM OR INCORRECTLY LISTED ON MASTER MAILING MATRIX OR (II) AFFECTED BY AMENDMENT TO SCHEDULE

~~When filing~~ Upon the debtor's filing of (i) amended schedules; or (ii) a supplemental/amended mailing matrix to add a creditor or correct a creditor's information, the debtor shall comply with the following notice requirements ~~that add previously unscheduled creditors, a debtor must comply with the following procedures:~~

~~(a) — Notice to United States Trustee. The debtor must send a copy of the amended schedules to the Office of the United States Trustee and to any trustee appointed in the case.~~

~~(ba)~~ Notice to Creditors. The debtor must send to each creditor who is added, whose address is corrected, or whose status or scheduled claim is changed by an amendment ~~ed schedule:~~

~~(1) — a copy of the amended schedule;~~

~~(2)~~ 1 a copy of the original Notice for Meeting of Creditors; and

~~(3)~~ 2 a copy of each order that establishes or extends a bar date for filing proofs of claims or complaints to determine the dischargeability of certain debts or to object to the discharge of the debtor; and

3 a copy of the amended schedule, if applicable.

(b) — Notice to United States Trustee. Upon the filing of an amended schedule that adds a previously unscheduled creditor or alters a creditor's scheduled status or claim, in addition to complying with subsection (a) of this Rule, the debtor shall send a copy of the amended schedule to the United States Trustee and to any trustee appointed in the case.

(c) Certificate of Compliance. Contemporaneously with the filing of either (i) an ~~With the~~ amended schedule; or (ii) a supplemental/amended mailing matrix, the debtor must file a certificate of compliance with this Rule, together with, if applicable, a dated and clearly titled

supplemental mailing matrix that lists only the names and correct mailing addresses of ~~all~~each newly scheduled and/or amended creditors.

(d) Notice of Amendment of Schedules in Chapter 9 and Chapter 11 Cases. Whenever the debtor or trustee in a Chapter 9 or a Chapter 11 case amends the debtor's schedules to change the amount, nature, classification or characterization of a debt owing to a creditor, the debtor or trustee must, within fourteen (14) days of filing, transmit notice of the amendment to the creditor, which notice shall conspicuously identify the claims being amended, and provide notice of the creditor's right to file a proof of claim by the later of: (i) the bar date (if any); or (ii) either (a) thirty (30) days from the date of notice in a case proceeding under Subchapter V; or (b) sixty (60) days from the date of the notice in all other cases in Chapter 9 and Chapter 11. The debtor or trustee must file a certificate of service of the notice with the Clerk within seven (7) days ~~of~~after service.

~~**RULE 2081-1 — CHAPTER 11 — SCHEDULED CLAIMS**~~

~~The debtor in a Chapter 11 case must serve on each creditor whose claim is listed on a schedule as disputed, contingent, or unliquidated, notice of that listing within fourteen (14) days after filing the schedule or within fourteen (14) days after adding a disputed, contingent or unliquidated creditor to a previously filed schedule. The notice must clearly identify each creditor whose claim has been scheduled as disputed, contingent or unliquidated and state that such creditor has the right to file a proof of claim and the failure to do so timely may prevent the creditor from voting on a plan or participating in any distribution. The debtor must file a certificate of service of the notice within seven (7) days of service.~~

RULE 3007-1 CLAIMS -- OBJECTIONS

~~In addition to the service required by Federal Bankruptcy Rules 9014 and 7004(b), a~~ Any party objecting to a proof of claim must serve a copy of the objection and any supporting memorandum and affidavit on the claimant in accordance with Federal Bankruptcy Rule 3007~~at the name and address where notices should be sent as shown on the proof of claim and must certify that service to the court.~~ The objection must conspicuously state that:

(a) within thirty (30) days after the date on the certificate of service of the objection, the claimant may file and serve a memorandum in opposition, together with any documents and other evidence the claimant wishes to attach in support of its claim, unless the claimant wishes to rely solely upon the proof of claim; and

(b) an interested party may request a hearing that will be held at the court's discretion.

RULE 3011-1 UNCLAIMED FUNDS

(a) Application for Payment. An application for payment of unclaimed funds pursuant to 28 U.S.C. § 2042 shall be submitted in accordance with the Instructions for Filing Application for Payment of Unclaimed Funds available on the court’s website (the “Instructions”). The application shall be served on the United States Attorney for the District of Maryland (the “U.S. Attorney”). Failure to submit an application with all supporting documentation that complies with the Instructions and has been properly served on the U.S. Attorney may result in denial of the application without a hearing.

(b) Disposition of Unclaimed or Undistributable Funds Under A Chapter 11 Liquidating Plan.

(1) A Chapter 11 liquidating plan may provide that unclaimed funds may be redistributed to other creditors or administrative claimants or donated to a not-for-profit, non-religious organization identified in the plan or disclosure statement accompanying the plan.

(2) A Chapter 11 liquidating plan may provide that any undistributable funds, if applicable or practicable, may be redistributed to other creditors or administrative claimants or donated to a not for profit, non-religious organization identified in the plan or disclosure statement accompanying the plan.

(A) Undistributable funds are any funds other than unclaimed funds, including, but not limited to, funds that cannot be disbursed because: (i) a creditor has affirmatively rejected a distribution, (ii) the administrative costs of distribution effectively interfere with distribution, or (iii) all creditors, including administrative claimants, have been paid in full and there is no one that has a right to the funds.

RULE 5001-2 CLERK - OFFICE LOCATION/HOURS

(a) Office Hours. The office hours of the Clerk in the Greenbelt and Baltimore Divisions shall be from 8:45 a.m. to 4:00 p.m. on all days, except Saturdays, Sundays, and holidays observed by the District Court.

(b) After Hours Night Box. A night box is located in the lobby of each of the United States Courthouses in Baltimore and in Greenbelt. Bankruptcy petitions, pleadings and other papers may be placed in the night box for filing after regular office hours, Monday through Friday (except holidays) and until the courthouse is closed to the public or midnight, whichever is earlier. ~~The Garmatz Federal Courthouse in Baltimore is closed to the public at midnight while the Greenbelt Federal Courthouse is closed at 7:00 p.m.~~ The hours during which each night box is accessible are posted on the court's website. **The night box is intended as an after-hours convenience, and it is not intended as an alternative for filing papers during regular office hours.** All documents must be "date and time stamped" prior to being deposited in the secure night box.

(c) After Hours Filing. During periods outside the regular office hours of the Clerk's Office and when the night box is not available, arrangements may be made in advance for time sensitive filings by contacting a designated court representative. The contact information of the designated court representatives ~~are~~ is posted on the court's ~~web page~~ website, on each night box and on notice boards in the divisional offices.

(d) **Deadlines Are Not Extended. The availability of the night box and after-hours filing do NOT extend the "Last Day" as defined by Federal Bankruptcy Rule 9006(a)(4), which Last Day ends for filing, other than electronic filing, at 4:00 p.m. when the Clerk's Offices close.**

(e) Division of Business. The division of business for the United States Bankruptcy Court for the District of Maryland is as follows:

(1) Cases originating in Allegany, Calvert, Charles, Frederick, Garrett, Montgomery, Prince George's, St. Mary's, and Washington Counties are assigned to the Greenbelt Divisional Office, 300 U.S. Courthouse, 6500 Cherrywood Lane, Greenbelt, Maryland, 20770, (301) 344-8018.

(2) Cases originating in Baltimore City, Anne Arundel, Baltimore, Caroline, Carroll, Cecil, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties are assigned to the Baltimore Divisional Office, 8530 U.S. Courthouse, 101 West Lombard Street, Baltimore, Maryland, 21201, (410) 962-2688.

(f) Places for Holding Court.

(1) All court hearings in cases originating in Baltimore City, Anne Arundel, Baltimore, Carroll, Cecil, Harford, and Howard Counties will be scheduled in the Garmatz Federal Courthouse, 101 West Lombard Street, Baltimore, Maryland, 21201.

(2) All court hearings in cases originating in Allegany, Calvert, Charles, Frederick, Garrett, Montgomery, Prince George's, St. Mary's, and Washington Counties will be scheduled in the Federal Courthouse, 6500 Cherrywood Lane, Greenbelt, Maryland, 20770.

(3) All court hearings in cases under Chapters 7, 12 and 13 originating in Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties, including related adversary proceedings, and all Section 341 meetings of creditors therein, will be scheduled in the United States Courtroom, U.S. Post Office Building, Room 104, 129 East Main Street, Salisbury, Maryland 21801. A debtor in a case

originating from Queen Anne's County may request by motion that all future court hearings, excluding Section 341 meetings of creditors, be conducted at the United States Courthouse in Baltimore. In Chapter 11 cases, the Section 341 meeting of creditors will be conducted by the United States Trustee in Baltimore; and court hearings will be scheduled in Salisbury, if possible, or in Baltimore at the request of a party, if necessary.

(4) In cases under Chapter 11 originating in Anne Arundel County, Baltimore City, Baltimore County, Caroline, Carroll, Cecil, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, Talbot, Wicomico and Worcester County, the meeting of creditors held under Section 341 will be conducted by the United States Trustee in Baltimore. Court hearings may be scheduled in Salisbury or Baltimore at the direction of the court. The court will consider the convenience of the parties in selecting the venue.

RULE 5005-1 FILING BY ELECTRONIC MEANS

The court will accept for filing documents submitted, signed or verified by electronic means that comply with the Electronic Case Filing Procedures (~~Administrative Order 03-02,~~ attached as Appendix H) established by the court as published on the court's website.

RULE 7007-1 MOTIONS TO EXPEDITE TURNOVER OF MOTOR VEHICLES

(a) In 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) The Clerk will maintain a list of dates available for hearings on motions for expedited turnover of motor vehicles for each judge of the court. The list will be posted on the court's website. The plaintiff must select a hearing date from the list for the judge to whom the case is assigned that is more than seven days after the date of service.

(c) The plaintiff must file and serve a Notice of Motion for Expedited Turnover on the defendant that provides notice of the relief requested, the objection deadline, and the hearing date.