



THE

MARSHALL CHRONICLES

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Percentage Fees Give The Trusteeship Life

Percentage fees are the lifeblood of a trustee's office. They are the funds used to pay all of our expenses including salaries and benefits, rent and utilities, and all the other expenses it takes to run our office. They are not set arbitrarily; much planning is involved in determining the percentage fee rate. It is the most important part of the budget process. We must determine all of our necessary expenditures, analyze and establish what our caseload and related case receipts and disbursements will be and from these figures we can mathematically calculate what our percentage fee rate should be. The maximum percentage fee that can be taken is 10%. This maximum is set by statute.

We have the ability change the percentage fee rate by filing an Amended Budget with the United States Trustee's (UST) Office. Occasionally we need to change our percentage fee rate during the year. Usually changes are related to employee issues, the case load changes from what was projected and/or the related case receipts and disbursements have changed. Calculating case-load statistics will be a very hot topic for all of the Chapter 13 trustee offices in FY 2006. It will take all of us a little while to see what effect the Bankruptcy Abuse Prevention Consumer Protection Act of 2005 (BAPCPA) will have on our offices. I will be ready at any point in time to amend the budget and possibly the percentage fee rate.

In most fiscal years we have had multiple percentage fee rates during the year. The first is calculated when we file our original Budget with the UST in June preceding the start of the fiscal year, which begins in October. We use this percentage fee rate until we amend the budget, and if things have changed enough on the Amended Budget, we change the percentage fee rate either up or down to

compensate for these changes. We can amend the budget multiple times, but we usually only do this once a year, usually at about the half way point. It is my goal to monitor the expenditures closely so that if we have to file an amended budget we can keep the percentage fee rate the same and then ultimately not have to file an amended budget at all. The first step to accomplish this objective would be to have a very small difference between the original percentage fee rate and the amended percentage fee rate. In our FY 2006 budget we have submitted a percentage fee request of 5.5%.

I feel it is the trustee's duty (and therefore mine) to keep the percentage fee as low as possible. Why? Because the lower the percentage fee rate the more money there is to disburse to the unsecured creditors. We do collect a percentage fee on all disbursements to all creditors, but all of the other creditors will receive their full amount of payment regardless of what the percentage fee rate is. If a secured creditor or attorney's claim is for \$1,000, they will receive their \$1,000 and we will retain the applicable percentage fee (whether it's 10% or 1%) at the time we disburse. The unsecured creditors are only going to get what is left in the pot after everyone else is paid. They not only want the fee to be low when it is time for them to be paid, but also when the creditors above them in the food chain are paid, so there will be more money available for their claims.

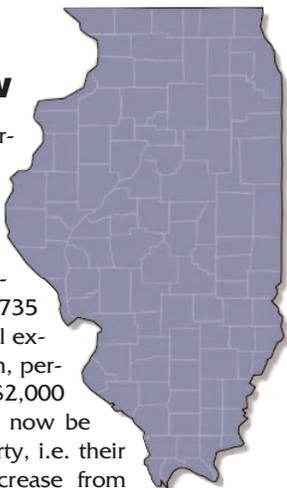
We need to calculate the percentage fee rate correctly in order to provide enough funds to operate the office efficiently, as well as to provide the optimum payments to the creditors, especially the unsecured creditors. That is why this calculation is the most important part of the budgeting process.

Dan Lyons



Legal New Exemptions To Follow The New Law

A recent memo is currently being circulated outlining a change in exemptions here in Illinois. Effective January 6, 2006, Illinois debtors will have an increase in exemptions available for them to protect their assets. For the specifics, check out 735 ILCS 5/12 1001 to determine the full extent of the increases. In short though, personal exemptions will change from \$2,000 per person to \$4,000. Debtors will now be able to protect equity in real property, i.e. their homestead exemption with an increase from \$7,500 per person to \$15,000 per person. The motor vehicle exemption is changing from \$1,200 in any one vehicle to \$2,400. Protection of proceeds from a personal injury case has been upped from \$7,500 to \$15,000. Lastly equity in tools of the trade are also subject to an increase in their protection from \$750 to \$1,500. These increases should allow debtors to keep more of their property and are more in line with other states across the country. (Thank you Judge Cox for circulating the memo.)



Anthony Olivadoti

Case Confirmation "I'm In Default?... You're Kidding!"

Recently, phone representatives have heard this line from a vast number of debtors. The reason being, within the last month a mass mailing of Payment Default Letters were mailed out to debtors and if represented by counsel, their attorneys.



If a debtor is one month behind in plan payments AND within the last 45 days mailed in a payment that is less than a full month's payment, a Default Letter was generated and mailed. These letters reflect the default amount, the date/amount of the last payment posted, and instructions for the debtor to cure this default amount before a motion to dismiss is set. These default letters have increased ACD phone calls quite a bit. The upside is that debtors are now informed of any plan default. This information provides our debtors the opportunity to take a more proactive approach in his/her case.

Many debtors were unaware of their plan default and showed genuine concern. Several have stated that their goal is to cure the current plan default and to prevent any future default.

A couple of our debtors had their plan payments deducted from their paycheck by their employer and couldn't understand why a default existed. After some investigation on their part, these debtors discovered that the employer deducted the money but for some unknown reason did not send the deductions to the Trustee's office. Unfortunately for the debtor, another employer sent the money to an incorrect address. Fortunately, these situations have been rectified and hopefully the plan payments will be sent on a consistent basis.

The five members on our Post Confirmation Review Team are responsible for generating the Payment Default Letters. Each team member is also responsible for reviewing cases with non-payment for two months AND less than 100% payment in the past 60 days. After careful review, if a motion to dismiss for material default needs to be set, the reviewer will set and file the motion electronically with the Court. Additionally, the PCR Team generates Financial Summaries for debtors and their attorneys. These three tasks are done daily since each PCR Team member is assigned an individual Judge and a specific day of the week.

Excellent customer service is a high priority for our Trustee. Keeping our debtors informed is one tool that we use to better serve our debtors and their attorneys.

Karen Barron

Internet Tidbit

Do you consider yourself the creative type? Find out what your doodles indicate about your personality by visiting drawapig.desktopcreatures.com. You will be able to draw a picture of a pig online, which can then be analyzed immediately to tell you something about your personality. It is all in fun, of course. While you are there, be sure to visit their gallery of great pig drawings--you will be amazed at the works of art people can create with just a computer mouse and the simple instructions to "draw a pig."

THE MARSHALL CHRONICLES

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Kimberly Grief, Cheryl Jones, Joanne Coshonis, Shanika Thomas, Cheri Johnson, Eileen Downes, HVB and Dave Latz.

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Newsletter Information:

If you would like to contact us or submit ideas or articles for the newsletter, you can do so by:

- ✓ e-mailing us at newsletter@chi13.com
 - ✓ dropping your submission or idea in the anonymous newsletter folder located in the mail room, or
 - ✓ leaving them with Dave Latz
- Please remember when making a submission to the newsletter, it must be:
- ✓ type-written and
 - ✓ submitted by the first Wednesday of the month via e-mail, a Word document or an ASCII file.

We also ask that anyone who attends a seminar please be prepared to furnish the committee with a detailed article on its subject.

You may also view this edition of **THE MARSHALL CHRONICLES**, as well as all the previously published issues, on the Chapter 13 Trustee website at <http://www.chicago13.com/>.

Trustee Matters

FYI

NACTT Staff Symposium has been scheduled In Chicago for August 30th and 31st, 2005.

Training for staff on the Bankruptcy bill has been scheduled at Hyatt McCormick Place in Chicago August 30th and 31st. The NACTT and the Executive Office of the United States Trustee Program have agreed that it is imperative to provide training to key employees on the new bill prior to October 17, 2005. Anthony, Jay, Joanne, Cheri, Karen, Rosalind and Dan will be attending this meeting. All staff will be placed in training groups and each one of those attending the training will be responsible for providing training to the groups on sections of the Code. I will continue to dissect a section of the Code in the monthly staff meeting until we have completed the key sections of BAPCPA.



Judge Wedoff and other Chapter 13 Judges will discuss Attorney Fees with the Attorneys on September 1st, 2005, at 4:00 PM.

With the implementation of BAPCPA, it appears that attorneys will have additional information to verify and will spend more hours representing clients in a Chapter 13. The current fee structure in the Northern District of Illinois allows attorneys to charge \$2,200 prior to confirmation and \$2,700 post confirmation. A request for additional fees has to be itemized. Judge Wedoff has agreed to discuss this matter with the Bar in an open forum in order to determine if a change in the fee structure is needed in light of BAPCPA. All attorneys are invited to discuss this matter with the Judges.

The UST has scheduled training for the Chapter 7 and Chapter 13 Trustees on September 22nd and 23rd in Lake Delavan, WI.

Ira Bodenstein and his staff will be conducting training in Delavan, Wisconsin, at the Lake Lawn Resort September 22nd and 23rd. Both Chapter 7 and Chapter 13 Trustees in Region 11 are required to attend. I am sure this training will answer questions concerning credit counseling and agency approvals, the means tests, official bankruptcy forms and other general areas of discussion. The Trustee, Anthony, Jay, Joanne, Kim and Dan will be attending.

The Trustee has approved the plan to redistribute the workflow so that each member of the Post Confirmation Team is running Default Letters and Motions to Dismiss.

Trustees are required to send a report to the UST of all cases in which a full payment has not been received from the debtor within 60 months. In order to police this policy, it was necessary to implement a procedure whereby prior to setting a Motion to Dismiss, we send a default letter to the debtor and their attorney informing of the default. The default letter has served two purposes; it acts as a check and balance to verify receipts and proper application of payments and it allows the debtor the opportunity to get current on his payments. If the debtor does not get current, his case is set for a Motion to Dismiss for Material Default. If I don't receive a plan payment, I cannot pay the debtor's creditors. This interferes with my obligation to properly administer the case. I know this has increased the number of telephone calls and evenly distributed the workload, but it serves the purpose for which it was intended. The default letter is here to stay.

Marilyn O. Marshall, Standing Trustee

Inquiring Minds

A debtor calls and inquires about an unsecured debt that was listed in the schedules and the creditor does not file a claim. What happens to that debt?

When the schedules are filed with the court, each unsecured creditor listed in the schedules is mailed a Notice of Chapter 13 Bankruptcy Case filing. The Notice includes all the pertinent information of the debtor, debtor's attorney, judge, §341 meeting of creditors date, hearing on confirmation of plan date, copy of a blank proof of claim form with instructions and a certificate of service. The Notice also includes the deadline to file a proof of claim. When an unsecured creditor has been notified of the bankruptcy case filing and does not file a proof of claim for repayment, the debtor is not obligated to this debt as long as the debtor completes the bankruptcy. If a debtor does not complete the bankruptcy case and the case is closed, the debt will remain an outstanding debt that will still need to be paid to the creditor.



Cheri Johnson

September Birthdays, Anniversaries And Other Notable Events

Happy 4th Anniversary to the Trustee,
Marilyn O. Marshall, on September 1st!

International Enthusiasm Week September 1st to the 7th.

Happy 7th Anniversary to **Denise Ashley** on September 9th!

Labor Day on September 5th.

Be Late for Something Day on September 5th.

Patriot Day on September 11th.

Someday on September 15th.

Constitution Day on September 16th.

Talk Like a Pirate Day on September 19th (Arrrh!).

National Love Your Files Week September 19th to the 23rd.

Family Health and Fitness Day on September 24th.

Happy Birthday to **Juliana Dunklin** on September 30th!







Information Services IS Department's Accomplishments For FY05



As I am preparing my employee evaluations for this fiscal year, it is a good time for me to reflect on the things my department has achieved in FY 05. I share this list with you to congratulate my team and also for you to appreciate all that we have accomplished as an office this year. Remember last October when we filed our first Final Report electronically? How about those shiny new OS X machines sitting on your desks? I've grouped the successes by CaseNET enhancements, training and equipment.

CaseNET Enhancements

- 1) Receive claim images electronically from the Clerk of the Court. (October 04)
- 2) Establish a checklist and standards to follow when the Trustee fee changes. (October 04)
- 3) Create and file Final Reports electronically. (October 04)
- 4) Automatically log users out of CaseNET after a period of inactivity. (December 04)
- 5) Provide an audit trail for changes to the debtor and joint debtor address in the case record (December 04)
- 6) Eliminating plug-ins from CaseNET in preparation for upgrade to OS X version of 4th Dimension. (on-going)
- 7) Receive petition, plan and amended plan images electronically from the Clerk of the Court. (January 05)
- 8) Create an interface for docketing that allows entry of a creditor name if no claim is yet on file. (January 05)
- 9) Two words: Images Tab! (February 05)
- 10) Receive schedules, amended schedules and amended petition images from the Clerk of the Court. (February 05)
- 11) Create subfolders for ECF files at the time the case folder is created. (February 05)
- 12) Work with the Financial Department to eliminate claim protected reserves. (February – April 05)
- 13) Alert user is there is money in case protected reserves when changing the debtor address. (February 05)
- 14) Create a button on the claim window so that you can view docket entries for that claim. (March 05)
- 15) Motions to Dismiss filed electronically with the Clerk of the Court. (March 05)
- 16) New job to help organize Claims Entry workflow. (April 05)
- 17) New job for Payment Default Letters to inform debtors to bring their case current before a Motion to Dismiss is set. (May 05)
- 18) Payee on undesignated checks can be set to debtor and joint debtor. (July 05)
- 19) Create Cashflow Details button on Plan tab. Worked with the Financial Department to create helpful screens to facilitate their review of cases. (July 05)
- 20) Create a button on the Images tab that opens the ECF case folder in a new Finder window. (July 05)

- 21) When displaying a list of addresses for a creditor, the preferred address is listed first. (July 05)
- 22) Re-establish the mid-case audit job. (July 05)

Training

- 1) Dave trains Team Leaders how to run statistical reports on ACD activity. (October 2004)
- 2) Cliff attends the 4D Summit. (October 2004)
- 3) Dave, Sandra and Darlene conduct training session on "Faxing From Your Desktop" and "Searching Identity Emails." (November 2004)
- 4) CaseNET training on "Open Table" with Legal Department. (February 2005)
- 5) Sandra joins other Systems Directors from the Northern District for a meeting at Glenn Stearns' office. (March 2005)
- 6) CaseNET training on "Open Table" with Financial Department. (March 2005)
- 7) OS X Training Tips and Tricks with Dave and Cliff. (April 2005)
- 8) Darlene attends NACTT Staff Symposium and assists with registration desk. (April 2005)
- 9) OS X Training Tips and Tricks with Dave and Cliff. (May 2005)
- 10) Sandra attends Information Mapping seminar. (June 2005)

Equipment

- 1) Work with STACS recommendations to secure our computer network. (on-going)
- 2) New ECF server up and running. (January 2005)
- 3) Ordering and installation of new computer stations with dual screens begins. Eight complete set-ups. (February 2005)
- 4) Five computer stations installed. (March 2005)
- 5) Six computer stations installed. (April 2005)
- 6) Four computer stations installed. (May 2005)
- 7) Three computer stations installed. (June 2005)
- 8) Six computer stations installed. (July 2005)
- 9) Five computer stations installed. (August 2005)

Congratulations on the jobs well done of the past year. We look forward to many more accomplishments in the next fiscal year!

Sandra Pillar



Kids Korner
How I Spent My Summer Vacation

This summer I went to Indian Lakes Resort in Bloomingdale with my mom and our friends. We had a lot of fun. We swam in the pool where they sometimes even showed movies. We played mini golf and had milk and cookies. My favorite part of the trip was going to the waterpark. It had two diving boards and two waterslides. It also had big lily pads to jump across. We stayed at the waterpark for a long time. I liked that trip.



*Allison Pillar, Age 10
 Daughter of Sandra Pillar*

This summer wasn't so great as the past summer because my brother Adam and I got hurt in an accident. Although I did go to a summer camp. Before camp I went to Six Flags with my brother, mother and father. I had a lot of fun, even though I had been there before. For the first few weeks I went to swimming lessons at Centennial Pool. It was fun because I learned to dive in the pool. This summer my mom signed me up for the library's programs. At first I was mad but my favorite was the Survivor Game. In the game the librarians would give you clues and the kids would have to find them.

The best thing about my summer vacation is that I get to sleep late, go on more trips, and spend time with my family especially grandma she takes me shopping.

*Alysia Donahue, Age 7
 Daughter of Carolyn Donahue*

This summer vacation was a lot of fun. I rode my bike most of all. I also read books. Mom sent me to a program at our library. We read 6 books. My favorite was when I went to Six Flags and mom finally let me ride the big rollercoaster. My father and my two uncles took me to a baseball game and I ate 3 hotdogs and Cubs lost again. I also went to the Aquarium with the summer camp. We saw a dolphin show and got to eat at McDonald's with a super fries and milkshake. The only bad thing was my arm was broken in an accident. I hope to go to Disney World next year to see Mickey Mouse and his family.

I think it is good to have summer vacation. If we don't we would explode with all the work stuck in our minds. We should not have school all year around because teachers need a little time off and so do the kids.

*Adam Donahue, Age 9
 Son of Carolyn Donahue*

Employee Bio
Dave Latz



Nickname: DL, Grumpy

Birth date: October 13, a long time ago. I graduated high school before some of you were born.

Birthplace: Chicago, IL

Family: My wife Helen, our two cats, Carmella and Meadow, mother, father, six brothers, two sisters, a lot of nieces and nephews, mother-in-law, sister-in-law, aunt, uncle, and lots of cousins.

Position: Operations Coordinator (sounds impressive doesn't it?).

Hobbies: Painting and playing with miniature soldiers, model railroading and golf.

Favorite Food: Pizza, meatloaf, macaroni and cheese – nothing that's good for me.

Favorite TV program: The Amazing Race.

Favorite Color: Well...Helen has blue eyes.

Favorite expression: "DK" (don't know) or "doodoo occurs."

Favorite Smell: Coconut.

Favorite Childhood memory: Visiting Grandma Latz, the Witch, on Halloween – she scared the bejeezus out of us.

If you could meet one person in the world, either dead or alive, who would it be? Jesus Christ.

What's most important in life? My family.

Is the glass half full or half empty? I pretty much try to keep my glass full all the time.

What's guaranteed to make you smile? Carmella.

First thing you do in the morning when you wake? Have a cup of coffee.

My friends would describe me as: That nice gray-haired guy with the thinning hair.

A perfect day for me would be: Spent someplace exotic (either tropical or in Europe) with Helen.

Most embarrassing moment: Let's see...it was in eighth grade and had something to do with a pretty girl, being called up to the front of the classroom and a strategically placed book.

Proudest moment: The day Helen and I were married.

In 5 years I see myself: Well, I'd like to be retired and just enjoying the rest of my life. We'll see – it's not that far away.

Anything else you'd like to tell us? Don't worry, be happy!

ERC Update – The Office Picnic Was A Fantastic Success!

We were not going to let the threat of rain put a damper on our day! We started arriving at 9:30 AM with armloads of games, prizes, blankets and chairs. Dan brought a bean-bag toss game that was a lot of fun. Cheri brought a bocce ball lawn game which several people played. Throughout the day you could see children playing kickball, volleyball, and trying their best at the potato sack race. Also there was a limbo game Hawaiian style! You could find Rita all morning providing temporary tattoos for the children (and the adults) with a variety to choose from. We also had a sno-cone stand, which helped combat the humidity. The afternoon wound down with a contest for the best-dressed Hawaiian outfit. Patti and Dave took first in that contest and all the children received a goodie-sack for coming to the picnic.

The ERC committee wants to thank everyone for participating. We really had a great time!

The ERC Committee

**Did You Know?
September is National
Chicken Month**

To hypnotize a chicken, you hold it and draw a line in the dirt over and over. It will stay still as long as you do this.

In 1979, Colonel Sanders, spokesman for Kentucky Fried Chicken, was the second most recognized public figure in the world.

The world's largest Kentucky Fried Chicken (KFC) restaurant in the world is in Beijing, China.



There is no discernible difference in flavor or nutrition between brown and white eggs. Their different colors come from the type of chicken doing the laying--brown eggs are laid by rust-red chickens, while white eggs are laid by white chickens.

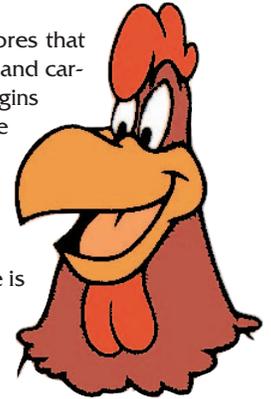
The White Leghorn chicken makes up ninety percent of the North American egg-laying population.

A chicken eggshell has about 8,000 pores that are large enough for oxygen to flow in and carbon dioxide to flow out. A baby chick begins breathing air about three days before hatching.

The normal average life span for a chicken is eight years.

A female chicken under one year of age is called a pullet. A male chicken under age one is called a cockerel.

Any group of three or more chickens is called a flock.



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Another Marathon Update

Thankfully the weather has cooled off over the last few weeks; the heat has been harder on me than the increased mileage. I have now completed a run of 16 miles and a total of 32 miles for the week. Though this is not easy, it is far easier than I ever thought it would be. When I started this I could not run for even one mile, now not only am I doing 16 miles but also I am getting slightly faster. The cooler weather has really helped, and during our 15-mile run we ran about nine miles in rain. That helped keep me cool, but I did not like the squishy feeling in my shoes and it was somewhat slippery.

The midweek run has also increased from three miles back in June to eight miles in late August. I usually run during the week, after work, and it is hard to get this in before nightfall. The marathon is now about five weeks away, and I am starting to talk

to the other runners about their experiences with the race so I can get an idea of what to expect. If anybody wants information on watching the marathon, go to www.chicagomarathon.com for information. You can find a route map to see if we run near your home. Later in September, if you tell me where you might watch from, I could tell you the approximate time I might pass that point so you can look for me.

Dan Lyons

