

# ENSURING THE FEES ARE REASONABLE

We have recently received approval for our office's annual budget for the fiscal year beginning October 1st. Our fiscal year corresponds with the fiscal year of the federal government as we are overseen by a branch of the Department of Justice. The budget was being developed during the month of June, 2008, and was submitted prior to June 30th. We have to estimate various items for next year a full 90 days before the year begins. Most of those estimations can be made with great accuracy and certainty, especially the costs that we will incur next year. Payroll and benefits, rent and utilities, office supplies, etc., usually have very little variance between actual and budgeted amounts.

In some years, though, it becomes very tricky to estimate what the future caseload might be. All components of estimating the caseload can be hard to determine. New filings, dismissals, closings, etc., can be very erratic. This year that didn't seem to be a problem as these components have been relatively stable for at least the last nine months. If there will be any changes in the next fiscal year, they will only cause the caseload to go up as our economy continues to flounder. So we could estimate with relative certainty what next year's caseload might be.

That leaves just one component of the budget to derive and that is the receipts. When you know the expenses and the receipts, it is just a mathematical calculation to determine the Percentage Fee to be charged on creditor disbursements. Creditor disbursements correspond to Debtor receipts, so figuring out the receipts is the key to this year's budget. In many years the most difficult part of the budget is estimating the caseload; when you figure this out, the receipts have a direct correlation to caseload. For example, if the caseload goes up 100 cases per year, you can expect the receipts to increase by some percentage. In other words, the 2009 cases will have an average plan payment 3% higher than the 2008 cases. There will be so many new 2009 cases filed,

there will be so many cases closed/completed from other years, and that will leave us with a number to use to calculate receipts.

Since the enactment of BAPCPA, it has become much more difficult to determine the correlation between the caseload and receipts. Each year the average plan payment seems to decrease, which does not make sense. But the reason the average plan payment decreases is because fewer and fewer plans are filed and confirmed with provisions to pay the current mortgage and/or to pay car loans. If you breakout an average plan payment without the funds necessary to pay a current mortgage and auto loans, then the average plan payments are increasing as they always have. So now it becomes important to estimate what percentages of plans will have current mortgages and auto loans included in order to correctly determine the receipts for the fiscal year.

Let me sum this up another way. Historically, if our staff stays at the same level from year to year, our expenses will go up 3-4% per year, close to the rate of inflation. If the caseload stays relatively the same from year to year, our receipts will also go up 3-4%, because the average plan payment usually goes up by the rate of inflation. So in this scenario, the percentage fee would stay the same from year. In years

when the caseload went down, staff would go down accordingly and the percentage fee would stay close to the same. Year after year, if staffing is adjusted accordingly with the caseload, the percentage fee would stay relatively the same.

Now we are faced with an estimated increase in caseload, but a decrease in receipts, not because the "basic" plan payment has decreased (it has, in fact, increased), but rather because the number of cases with current mortgages and car loans has decreased. It is not because the debtors have less problems with their mortgages and car loans (in fact, we all know they have more problems

*(Continued on page 2.)*



# Ensuring The Fees Are Reasonable

(Continued from page 1.)



than ever meeting these obligations), rather, it is because their plans are just filed without them, which causes the percentage fee we charge to increase. And who is hurt by this? Not the Trustee or her staff – there is still enough fee for them to get paid. Not the debtor attorney – the fee they charge stays the same. Not the secured creditor – they get paid in full no matter what the percentage fee. It is the unsecured creditors that get short changed – they get paid what is left after everybody else is paid.

This started off as a discussion about the fiscal budget for our office. And that is how I will finish. You see, one of the most important obligations of the Trustee is to “Ensure that bankruptcy estates are administered promptly and efficiently, and that professional fees are reasonable.” The above quote is from the United States Trustee Program website. We prepare and adhere to an annual budget in order to ensure the fees are reasonable.

Dan Lyons, Controller

<b>THE MARSHALL CHRONICLES</b>	
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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 third 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 <b>THE MARSHALL CHRONICLES</b> , as well as all the previously published issues, on the Chapter 13 Trustee website at <a href="http://www.chicago13.com/">http://www.chicago13.com/</a> .	

## Legal a-f-i-d-a-v-i-t



“A written declaration made on oath before somebody authorized to administer oaths, usually setting out the statement of a witness for court proceedings.”

Section 1325 of the bankruptcy code sets out requirements for confirming a Chapter 13 plan. More specifically, the following sub-sections lay out two specific requirements:

- (a)(8) the debtor has paid all amounts that are required to be paid under a domestic support obligation and that first become payable after the date of the filing of the petition if the debtor is required by a judicial or administrative order, or by statute, to pay such domestic support obligation; and
- (a)(9) the debtor has filed all applicable federal, state and local tax returns as required by section 1308.

In order to expedite these matters and aid in getting cases confirmed, the Trustee developed an affidavit that covers both of these possibilities and must be signed under the penalty of perjury. Many attorney firms have developed their own version, usually calling them declarations, and these forms are accepted by the Trustee as well. The main difference between an affidavit and a declaration is the necessity of having the document notarized by a notary. In either version, the debtor attests that the information contained therein is actually true, much like the schedules and petition that get signed.

Modifications to the forms may be necessary when a specific requirement is trying to be addressed. We commonly see these in the form of indications attesting to the fact that the debtor had no pay advices to tender or that the missing tax years in question the debtor actually had no income and therefore was not required to file a return. These types of modifications gain closer scrutiny because we occasionally find that the allegations are simply not true but the affidavit/declaration was offered anyway to try and meet the confirmation requirements. We attempt to verify that documents that are submitted are, in fact, based on reality and not completely false.

There is a second DSO notice that is required to be filed in each case if the debtor is entitled to a discharge. This second DSO affidavit is an official form and can be found on the Clerk’s website. The second form does not address the filing of required tax returns and therefore cannot be used in the confirmation process as a substitute.

O. Anthony Olivadoti, Managing Attorney

**“It has always seemed strange to me that in our endless discussions about education so little stress is laid on the pleasure of becoming an educated person, the enormous interest it adds to life. To be able to be caught up into the world of thought – that is to be educated.”**  
– Edith Hamilton

**Information Services**

**Man, Those Are Some Big Printers!**



Over the past couple of years, we've had the good fortune to be able to replace some of our older printers. Toward the end of fiscal year '07 we replaced the printer in the central area

of the Case Administration/Legal departments with a Hewlett Packard 9040n Laserjet printer, which we commonly refer to as the "Michigan Central" printer. We also added a Hewlett Packard 5550 Color Laserjet printer which is located near the time clock. Then, in fiscal year '08, we replaced the printer in the Financial area with a Hewlett Packard 9040dn Laserjet printer, commonly referred to as the "Jackson (9040)" printer. Like many new things, there have been some learning issues involved in using these new printers.

First, there were installation issues, during which the Information Services department (me, in this case) had to figure out what software was necessary and then get it installed on each of your computers. It took a little while, but we got that part done.

Next, there were the Macintosh operating system issues: OSX versus Classic Mode, and how to properly set up your computers to print using the new printers. To refresh you: That consists of making sure that both the OSX Printer Setup Utility and the Classic mode Chooser are both set to use your preferred printer as their default printer. Checking this before printing from CaseNET can eliminate a whole lot of printing problems.

Occasionally other issues will crop up. As an example, I'm still a bit perplexed with how the Financial area's printer has an annoying habit of defaulting back to using its Tray 1 as its paper feed of choice (normally this would be the manual feed tray). I'm still working on solving that. We have a work around, but it is on my list of things to correct.

I am concerned that these new printers are not being used to their full potential – there have been reports of some folks using some of the older printers. That, in itself, is not bad, particularly if you're simply printing to the closest possible printer. That is definitely preferred and recommended. What I'm concerned about is if there is some sort of operational problem that is occurring that is causing you not to use your closest printer.

One of my favorite sayings as the office computer fix-it guy is: "I can't fix it if I don't know it's broken." Please, let me know if you're having a problem with something, be it a printer or any other piece of equipment in the office. Send me an e-mail; call me; grab my hand and pull me over. Just let me know. I may not be able to fix it right then and there, but, at the very least, I get it on my list of things to do!

The color printer is generally reserved for management and newsletter functions, but if you have any questions or problems printing to it, you should also let me know. Good luck, and good printing!

*Dave Latz, Operations Coordinator*

**Trustee Matters**  
**Announcements**



**Performance Evaluations**

The Office of the Chapter 13 Trustee completed evaluating its employees based upon performance this month. The goal is to award merit increases based upon performance at the beginning of the fiscal year, October 1, 2008. Managers will be meeting with staff August 25th through September 5th to review the results of the performance evaluations for FY 08. I am confident we have a systematic, fair mechanism in place to evaluate performance. If you would like to learn more about the purpose, reasons and guidelines for performance appraisals, please see Dan Lyons.

**FY 09 Budget Approved**

The annual budget submitted to the Executive Officer of the United States Trustee for FY 09 was approved. Effective October 1, 2008, our Trustee percentage fee will be 6.6%.

**Debtor Education Facilitators**

Training for those employees who volunteered to serve as facilitators for the Financial Management course will be conducted by Dave Latz in October, 2008. Keisha Hooks, Seluthé Mason, Catherine Mendoza, and Anthony Olivadoti, will be joining Joanne Coshonis, Paulina Garga, Dan Lyons, Marilyn O. Marshall and Elise Taylor as facilitators for FY 2009. The gratitude expressed by debtors through the evaluations has been excellent. Any employee who would like to share the DVD with family can see Dave.

**Bank of America Data**

All data submitted to LaSalle Bank electronically will be changed to Bank of America officially on September 2, 2008. Sandra Pillar has tested all of the electronic transmissions. If you are involved in this process, please see Sandra for any changes that you notice which are different from your regular transmissions to the bank. Bank of America has acquired LaSalle Bank and as a result is now our banking institution. The lockbox address for payments will remain the same. Debtor payments will continue to be mailed to 2060 Paysphere Circle and Employers payments are mailed to 1899 Paysphere Circle, Chicago, IL 60674.

**Monthly Staff Meeting and Dress Code**

Our monthly staff meeting will resume on Friday, October 3, 2008. Any changes in process and procedures will be communicated to staff at this meeting. Remember, on September 18, 2008, we will return to our regular business casual dress code. It has been a wonderful summer, but we must return to business as usual.

*Marilyn O. Marshall, Chapter 13 Trustee*

**"Four short words sum up what has lifted most successful individuals above the crowd: a little bit more. They did all that was expected of them and a little bit more."**

**– A. Lou Vickery**

**"Excellence is the unlimited ability to improve the quality of what you have to offer."**

**– Rick Pitino**





All photos by Carlton Merritt. Thanks, Carlton! Too bad you didn't take a self-portrait.

## Case Administration Attorney Fee Orders



Our office receives attorney fee orders through ECF downloads via email. We receive an average of 100 attorney fee orders per week. There are four case administrators who load fees on a weekly basis. They also verify each other's work on CaseNET.

The debtor's attorney will receive compensation for representing the debtor in a case. The flat fee for legal services through conclusion of the case is \$3,500. An attorney must file a motion to have the fees approved by the Court. Our office will process the attorney's fee order provided it contains the following information:

- ✓ Debtor's name and case number
- ✓ Balance allowed under the order and math has to match
- ✓ Entry date and signed by the Judge

If a case is confirmed or dismissed, and we have funds on hand, then we will disburse according to the language in the attorney fee order. Also, if a duplicate attorney fee order is entered, our office will notify the debtor's attorney that the Court has entered a duplicate fee order. The attorney must respond to the notice and vacate the duplicate order to prevent any further actions from our office. *Carlos Lagunas, Case Administrator – Confirmation*

## September Birthdays, Anniversaries, And Other Notable Events



September is:

- Be Kind to Editors and Writers Month.**
- International People Skills Month.**
- National Coupon Month.**

Happy 7th Anniversary to **Trustee Marilyn O. Marshall** on September 1st!

**Labor Day** on September 1st.

**NFL Season begins** on September 4th.

Happy Birthday to **Keisha Hooks** on September 11th!

**Patriot Day** on September 11th.

**Constitution/Citizenship Day** on September 17th.

**International Talk Like a Pirate Day** on September 19th.

**First Day of Autumn** on September 22nd.

**Hobbit Day** on September 22nd.

Happy Birthday to **Paulina Garga** on September 25th!

**Remember to Register to Vote Week**

September 28th through October 4th.

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



## Are Credit Card Rewards A Rip Off?



Consumers have long been told that credit card reward programs are a great deal.

After all, you are using your card anyway, so why don't you get something back? Well, it turns out that for most consumers, they are not such a bonus.

Over 85 percent of U.S. households are enrolled in at least one rewards program, according to consumer reports. The most popular programs are those that give a certain percentage of your expenditure back as cash. The downside to these types of cards is a higher interest rate on average or an annual fee. If you don't pay off your balance each and every month, any benefit from the cash back can quickly be erased by paying interest on your balance. Even if you do pay off your balance each month, an annual fee could end up being more than your cash reward.

So, what about those consumers who are savvy enough to make these programs work for them? According to studies, consumers who use cards linked to a reward program tend to spend more than those who don't. Even more surprising, almost 42 percent of reward cardholders rarely or never use their rewards. Since many programs place expiration dates on their rewards, these consumers are missing out on the very benefits that compelled them to get the card in the first place.

Consumers can make the most of these programs, however, with some practical approaches to their credit card use strategy. You are more likely to benefit from these programs if you find a credit card that offers points for where you shop most often. Figure out how much you would have to spend to get the rewards you are interested in. Be sure to subtract any fees for using the points and your credit card's annual fee. If this amount is larger than what you normally spend, it is better to find a card that offers rewards more suited to your lifestyle.

If you are able to find a card with no annual fee that offers a cash back program, opt for that over any points program. In general, a rewards program is only a good deal if you pay your bills in full each month. If you carry a balance, you may wish to skip a rewards program altogether; instead find a card that has as low an interest rate as you can find.

Finally, if you do have a card with a reward program, be very aware of how this might tempt you to spend more than you've budgeted. Credit card companies offer these programs for a reason – not only do you remain loyal to that company, but you will also on average spend more on your purchases. Resist the temptation to spend above your budget just because you'll get the points. It is better to spend less and save the money to pay for that airline ticket or magazine subscription yourself.

## Words In Words

You can sometimes make words using the letters in a larger word. For example, from the word "tube" you can make "be," "bet," "but," and "tub." Now onto a harder one: how many words can you make from the word "notebook?" (Hint: we found 25.)

Answers:

*Be, bent, bet, bone, book, boot, eon, knob, knot, net, no, nook,*

## How Salty Are You?

Cutting excess salt in your diet is more than just being careful with the salt shaker at the table. In fact, only about 6% of your daily sodium intake comes from salting your food when eating. About 5% comes from cooking and 12% from natural sources. The real problem is with processed and prepared foods, which account for over 77% of your daily sodium consumption. This means that even when you are careful about the amount of salt you add to your food, it may already be full of sodium to begin with.

Nutrition Facts	
Serving Size 1 can (165 mL)	
Servings per Container 3.5	
Amount per serving	
Calories 30	Calories from Fat 0
Total Fat 0g 0%	
Saturated Fat 0g 0%	
Cholesterol 0mg 0%	
Sodium 520mg	22%
Total carbohydrate 6g	2%
Dietary Fiber 1g	4%
Sugars 5g	
Protein 1g	



While sodium is essential to proper body functioning, too much can tax your kidneys, heart, and blood vessels. How much do you need on a daily basis? Experts recommend no more than 2,400 milligrams (mg) a day. If you have any existing conditions, such as kidney disease, cirrhosis, high blood pressure, or congestive heart failure, you should limit your sodium intake to about 1,500 mg each day. Be sure to talk to your doctor to find the right level for you.

How do you know how much sodium you are getting? One teaspoon of table salt has 2,325 mg of sodium. A tablespoon of soy sauce has about 900 mg. Even a cup of milk contains about 100 mg of sodium. Your best bet is to read the labels on the food you eat. Every food label will list the amount of sodium the product contains. Salt also comes in various forms. Monosodium glutamate (MSG), baking soda, baking powder, sodium nitrate, and sodium nitrite all contain sodium.

To cut sodium easily in your diet, try to eat fewer processed foods. Cook using more fresh meats and vegetables. You should also reduce the amount of salt you add when you cook. Don't forget that foods like salad dressings, sauces, gravies, and many condiments contain large amounts of salt. There are many low-sodium products available if you are still looking for convenience foods.

If you are afraid that your food will taste bland, take heart. There are many ways to increase the flavor of your food without adding salt. Use more fresh or dried herbs and spices. Fruit juices and the zest from citrus fruits can also add flavor, as can natural aromatics. Garlic, onions, and celery are great flavor enhancers, too.

Finally, you can reduce your desire for salt naturally over time. Decrease your use of salt gradually, and you will find that your taste buds adjust to the change. After a few weeks of cutting your salt intake, you will no longer miss it, and you will enjoy the taste of the food itself even more.

## Internet Tidbit

Top ten lists have been popular ever since the days of Moses. People seems to love a good top ten list. To find a great collection of funny, insightful, useful, and interesting top ten lists, go to toptenz.net. You'll find everything from the Top 10 Board Games We Secretly Hate to the Top 10 Google Maps Satellite Photos and much more. Have fun browsing through the list and then, if you feel inspired, submit your own.



## The History Of Labor Day

Labor Day is dedicated to the American worker and is a tribute to the American labor movement. The first suggestion of a day set aside to honor workers came from Peter J. McGuire in the 1880s. McGuire was the general secretary of the Brotherhood of Carpenters and Joiners and also a cofounder of the American Federation of Labor. He suggested a day to thank and commemorate those who had "delved and carved all the grandeur we behold."



It was the Central Labor Union in New York City, however, that actually held the first public Labor Day holiday. On Tuesday, September 5, 1882, a demonstration and picnic was held, with a second one the following year. In 1884, the labor union suggested commemorating this "workingman's holiday" on the first Monday in September.

By 1886, many cities were recognizing Labor Day. Oregon was the first state to officially recognize the holiday in 1887. Finally, in 1894, twelve years after that first Labor Day, Congress passed an act making the first Monday in September of every year a legal holiday.

The most common observance of Labor Day around the country is similar to that first one--street parades, festivals, and picnics. The greatest asset of a nation is its people, and it is fitting that every year on Labor Day, tribute is paid to those who have helped make America strong and prosperous.

## Energy-Boosting Foods

If you are feeling tired and sluggish, it could be what you're eating. For an easy energy boost, try these simple food changes.

Sugary snacks can cause a spike in your blood sugar, followed by a large drop. This can cause you to feel energy-depleted. Instead of grabbing a doughnut or cookie, try a piece of fruit instead. You'll satisfy your sweet tooth with natural sugars and some extra fiber, both of which can help you increase your energy level for a longer period of time.



Researchers have found that garlic can help boost your energy level, although they haven't identified the reasons behind this. You can add garlic to your pasta, chicken dishes, sandwich spreads, dips, casseroles, and soups to tap into this hidden energy source.

Magnesium-rich foods have been shown to improve energy levels in patients suffering from chronic fatigue. These foods include almonds, cashews, pumpkin seed, spinach, halibut, and soybeans. Adding these foods to your diet can help with those low-energy days.

Eat something every three to four hours to help maintain a good energy level. Snack on nuts, cheese, whole grain crackers, yogurt, or a piece of fruit during the day to keep you on an even keel.

### Trivia Quiz: Pack Your Lunch

Just in time for back to school fun, this trivia quiz is sure to get you thinking. Lunchboxes, especially metal ones, have become collectors' items and some are fetching significant sums of money. So after you finish the quiz, check your closets – you may have a treasure hidden away!

1. What was the best selling lunchbox of all time?
2. Who was on the first metal lunchbox produced?
3. Who was on the last steel metal lunchbox produced?
4. Why did lunchbox manufacturers stop making steel metal lunchboxes?
5. How many different metal lunchboxes were created?
6. Vinyl lunchboxes appeared on the market in the 50s. What were they made of?



7. The first Thermoses produced by the Aladdin Company used what to close the top?
8. Who was on the front of over 600,000 lunchboxes sold in 1966?
9. True or False. You can now buy metal lunchboxes again.
10. Who is the largest manufacturer of lunchboxes today?



<p><b>The Answers</b></p> <ol style="list-style-type: none"> <li>1. The Disney School Bus (dome-style lunchbox).</li> <li>2. Hopalong Cassidy.</li> <li>3. Rambro.</li> <li>4. The State of Florida banned metal lunchboxes in response to the concerns of a group of mothers, who convinced legislators that kids hitting each other on the heads with these boxes was too dangerous. Other states soon followed.</li> <li>5. About 450.</li> <li>6. Plastic over stiff cardboard.</li> <li>7. A cork.</li> <li>8. The Beatles.</li> <li>9. True.</li> <li>10. Thermos.</li> </ol>
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## OFFICE OF THE CHAPTER 13 TRUSTEE MARILYN O. MARSHALL

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The Marshall Chronicles is now available in full color,  
both in print and on-line at [www.chicago13.com](http://www.chicago13.com)

### Did You know? Coupons

September is National Coupon Month. Did you know that:

- ✂ The first coupon was issued in 1894 when Asa Candler gave out handwritten tickets for a free glass of his new fountain drink. What was that drink? It was Coca-Cola! Asa Candler was a druggist by trade who had just purchased the formula for Coke for \$2,300.
- ✂ A year later in 1895, C.W. Post offered the first grocery coupon worth one cent off his new cereal, Grape Nuts.
- ✂ In 1957, the first clearing house devoted to coupon redemption opened.
- ✂ About 86% of the United States population uses coupons.

- ✂ Households earning between \$50,000 and \$75,000 are more likely to use coupons than any other income group.
- ✂ Over 50% of Sunday newspapers are purchased for the coupons.
- ✂ For every coupon it accepts, a store gets eight to twelve cents, in addition to the face value of the coupon, reimbursed by the manufacturer.
- ✂ About 35% of manufacturers will send coupons to consumers only upon request.
- ✂ Less than 2% of all coupons printed are ever redeemed.

