
From: [REDACTED] (USTP)
Sent: Thursday, October 18, 2018 5:29 PM
To: [REDACTED]
Cc: Salt Lake City
Subject: Administratively Insolvent Cases

Trustees –

I wanted to make you aware of a new request for our panel of Chapter 7 Trustees. When you are filing a final fee application for the professionals involved in a Chapter 7 case which is administratively insolvent, our United States Trustee, Pat Layng, would like you to include: “evidence of due diligence such as how and when the assets were valued; evidence of a prospective budget estimating the costs of avoiding, recovering, and/or liquidating assets; evidence of trustee management and supervision of counsel to scale back, settle, or terminate unprofitable litigation or collection efforts; and explanations as to why the trustee’s valuations and cost projections did not result in a distribution to unsecured creditors”. *In re Reynolds*, 2018 WL 2176082, Judge Anderson. Such an explanation will assist the Court and the UST in making a determination as to what steps, if any, could have been taken to avoid such a result.

Thank you for your cooperation and please let me know if you have any questions.

[REDACTED]
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