

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT**

**2021 LOCAL BANKRUPTCY RULES**

**Effective Date: December 1, 2021**

Hon. Colleen A. Brown, Chief Bankruptcy Judge  
Jeffrey S. Eaton, Clerk of Court

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT

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In re:

**THE VERMONT LOCAL  
BANKRUPTCY RULES**

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**APPROVAL OF LOCAL RULES**

Pursuant to Rule 9029(a)(1) of the Federal Rules of Bankruptcy Procedure, the attached local rules, captioned as "The Vermont Local Bankruptcy Rules," are hereby approved, and are effective as of December 1, 2021.

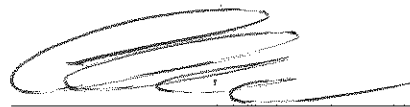
November 29<sup>th</sup>, 2021  
Rutland, Vermont



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Geoffrey W. Crawford  
Chief Judge, U.S. District Court

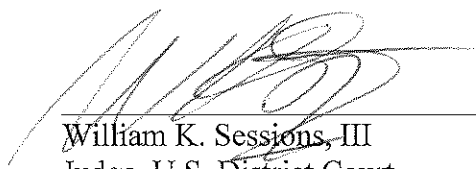
November 24<sup>th</sup>, 2021  
Burlington, Vermont



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Christina Reiss  
Judge, U.S. District Court


November 27<sup>th</sup>, 2021  
Burlington, Vermont



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William K. Sessions, III  
Judge, U.S. District Court

November 29<sup>th</sup>, 2021  
Burlington, Vermont



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Colleen A. Brown  
Chief Judge, U.S. Bankruptcy Court

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## **VT. LBR 1001-1. SCOPE OF RULES; SHORT TITLES.**

### **(a) Bankruptcy Rules and Forms.**

The Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms govern procedure in cases under Title 11 of the United States Code and are cited herein as the “Bankruptcy Rules” and the “Official Forms.”

### **(b) Local Rules, Appendices, and Forms.**

These Vermont Local Bankruptcy Rules are cited herein as “these Rules” and each abbreviated as “Vt. LBR.” Appendices to these Rules are each abbreviated as “Vt. LB Appendix.” Bankruptcy forms created for local use are cited herein as “Local Forms” and each abbreviated as “Vt. LB Form.” These Rules, Appendices, and Local Forms (1) govern procedure in this Court, (2) shall be construed, administered, and employed by the Court, practitioners, and parties, as a supplement to the Bankruptcy Rules and Official Forms, to advance the just, speedy, and cost-effective determination of bankruptcy cases and proceedings within this District, and (3) are available on the Court’s website.

### **(c) District Court Local Rules.**

Cases, contested matters, and adversary proceedings transferred or withdrawn to the United States District of Vermont will be governed, as applicable, by the Local Rules of Procedure for the United States District Court for the District of Vermont (cited herein as the “District Court Local Rules”), unless the District Court Judge presiding over the case or proceeding directs that these Rules shall instead apply.

### **(d) Bankruptcy Code.**

Unless otherwise indicated, all statutory citations in these Rules refer to Title 11 of the United States Code, cited herein as the “Bankruptcy Code.”

### **(e) The Court’s Website.**

References herein to the Court’s website refer to <http://www.vtb.uscourts.gov/>.

## **PART I – COMMENCEMENT OF CASE; PROCEEDINGS RELATING TO PETITION AND ORDER FOR RELIEF**

### **VT. LBR 1002-1. PETITION – GENERALLY.**

#### **(a) Filing a Petition through the Electronic Case Filing System.**

A petition commencing a case under the Bankruptcy Code may be filed through the Case Management/Electronic Case Filing System (hereinafter, “CM/ECF”), in accordance with the requirements set forth in these Rules. When a case is filed via CM/ECF, the debtor is not required to file the original petition, schedules, and statements with the Clerk of the Court (hereinafter, the “Clerk”). See also Vt. LBR 5005-2(c) (official record and effective filing date for all documents); Vt. LBR 9075-1(b)(1) (filing requirements related to emergency filings).

#### **(b) E-Mail Transmission of Documents for Filing or Submission.**

The Clerk’s Office will accept documents transmitted for submission or filing via e-mail, provided the documents are in portable document format (PDF) and, if a fee is due, are accompanied by a valid credit card authorization. See Vt. LBR 5005-1 (providing detailed instructions on proper formatting of documents). The e-mail address for submission or filing is: [efiling@vtb.uscourts.gov](mailto:efiling@vtb.uscourts.gov). A document transmitted for filing via e-mail shall be considered filed as of the date and time the Clerk’s Office enters it into CM/ECF, not as of the time the filer sent the e-mail or the Clerk’s Office received it. The filing party is bound by the document as e-mailed. See Vt. 1007-1(g) (definition of “submitted”); see also Vt. LBR 9011-4(b), (c), (d) (providing instructions on required e-mail signatures).

**(c) Non-Electronic Filings.**

- (1) To commence a case by filing a petition in a non-electronic format (i.e., by first-class mail, delivery to the Clerk's Office, or delivery directly to the Clerk), the filing party must file an original petition and master mailing list. See Vt. LBR 1007-3(a) (defining master mailing list). The petition and master mailing list must be held together with a paper clip or binder clip, and not bound or stapled. If the filing party files the statements and schedules with the petition, the master mailing list must be the last document and attached by paper clip or binder clip.
- (2) When a debtor delivers a petition non-electronically, that petition is "filed" and effective as of the date and time the Clerk's Office enters the document into CM/ECF, not as of the date and time the debtor delivered it or the Clerk's Office received it.

**(d) Corporate Resolution/LLC Authority.**

When a corporation or a limited liability company files a voluntary petition, it must also file a document evidencing authorization for the bankruptcy filing.

**VT. LBR 1005-1. PETITION – CAPTION.**

The caption on the petition, including other names used, must be complete and accurate. All documents filed in the case must contain a caption identical to that of the petition. A case filed by an individual debtor should not show any corporate names in the case caption unless the caption clearly describes the relationship between the debtor and the corporate entity (e.g., John Doe, President of ABC Corporation). Any reference to the debtor's social security number or other identifying number must be in redacted form (e.g., only include the last four digits of an individual's social security number, such as XXX-XX-1234). See Vt. LBR 5001-3(b) (providing instructions on redacting personal identifiable information).

**VT. LBR 1006-1. FEES – RESTRICTIONS ON DEBTORS; INSTALLMENT PAYMENTS; WAIVER OF FILING FEE.**

**(a) Restrictions on Debtors.**

Debtors may not pay the petition filing fee, or any portion thereof, with their own checks or with their own debit or credit cards. Debtors must pay the bankruptcy petition filing fee with cash, certified check, bank draft, or money order. See Vt. LBR 5081-1(a).

**(b) Installment Payments.**

An individual debtor may pay the filing fee in installments only if the Court grants the debtor's Application to Pay the Filing Fee in Installments. The debtor may make installment payments in the form of cash, certified check, bank draft, or money order only. The Application for Individuals to Pay the Filing Fee in Installments (Official Form B103A) is available on the Court's website.

**(c) Waiver of Filing Fee.**

An individual chapter 7 debtor who cannot afford to pay the filing fee either in full at the time of filing the petition, or in installments, may request a waiver of the fee. This request must be made on application to the Court using Official Form B103B ("Application to Have the Chapter 7 Filing Fee Waived"). The Court will determine whether the debtor qualifies for a waiver of the filing fee. A waiver of the filing fee may be granted only if the debtor demonstrates: (1) income less than 150% of the official poverty line applicable to the debtor's family size, and (2) an inability to pay the filing fee, even in installments. See 28 U.S.C. § 1930(f); see also Fed. R. Bankr. P. 1006(c); Vt. LBR 5081-1(f) (regarding waiver of other fees). Official Form B103B is available on the Court's website.



**VT. LBR 1007-1. LISTS, SCHEDULES, STATEMENTS, AND OTHER REQUIRED DOCUMENTS;  
TIME LIMITS.**

**(a) Schedules of Assets in All Chapters.**

- (1) Disclosure of All Assets. The debtor must list all assets in which the debtor has – or may have – an interest, and specify where the asset is located, as well as the nature and type of ownership the debtor claims, regardless of whether the debtor believes the asset is property of the estate. The debtor must describe all assets with sufficient specificity to allow for easy identification of the assets and attach an addendum to Official Form 106 A/B or Official Form 206 A/B, separately describing and listing all individual items worth more than \$1,500.
- (2) Business Inventory or Equipment. When a debtor lists business inventory or equipment on the bankruptcy schedules, the debtor must provide an addendum to Official Form 106 A/B or Official Form 206 A/B that includes the following: (A) a general description of the inventory and/or equipment, (B) a list of the item(s) in each category of equipment or inventory, (C) a brief explanation of the exact location of the item(s), (D) the name and address of the custodian, (E) how such property is protected, if at all, and (F) the amount and duration of fire and theft insurance, if any.

**(b) Schedules of Debts in All Chapters.**

All schedules of debts must be complete and include the date the debtor incurred each debt and the consideration for each debt. The debtor must list all debts, including disputed debts, contingent debts, and debts owed to creditors whom the debtor does not expect will file proofs of claim.

**(c) Motion to Enlarge Time.**

If a debtor files a motion to enlarge the time to file schedules and seeks to file the schedules within seven days before the first meeting of creditors, the debtor must obtain the trustee's consent.

**(d) Payment Advices Cover Sheet.**

In addition to complying with the requirements of § 521(a)(1)(B)(iv), a debtor must also file the local payment advices cover sheet (Vt. LB Form B), certifying under penalty of perjury that:

- (1) copies of all existing payment advices are attached to the payment advices cover sheet and state: (A) the total number of payment advices attached, (B) the period covered by those payment advices, and (C) the number of employers who issued those payment advices, or
- (2) no payment advices are attached to the payment advices cover sheet because the debtor had no income from any employer within the 60-day period prior to the date of the filing of the petition, or
- (3) some or all of the required payment advices are not attached to the payment advices cover sheet together with an explanation as to why.

The debtor must sign the payment advices cover sheet. If the case is a joint one, the joint debtor must also certify under penalty of perjury which of the three options outlined in the payment advices cover sheet applies. See also Vt. LBR 9011-4(c) (outlining signature requirements for non-attorneys).

**(e) Certificate from Approved Nonprofit Budget and Credit Counseling Agency Regarding Pre-Petition Credit Counseling.**

See Vt. LBR 4002-1(a); see also Vt. LBR 4004-2(a) (regarding filing certification of completion of post-petition financial management education).

**(f) Official Form 121, Statement About Your Social Security Numbers.**

- (1) Every debtor who is an individual must complete and sign Official Form 121, “Statement About Your Social Security Numbers,” as required by Bankruptcy Rule 1007(f).
- (2) If the individual debtor files the bankruptcy case *pro se*, the debtor must submit the completed and signed Official Form 121 with the petition.
- (3) If the individual debtor is represented by an attorney, the debtor’s attorney must retain the completed and verified Official Form 121 for at least 5 years in accordance with Vt. LBR 9011-1(b).
- (4) Official Form 121 is not part of the case docket or public court record and therefore Official Form 121 should never be filed. See Vt. LBR 1007-1(g) (definition of “submitted”).

**(g) Definition of “Submitted.”**

The term “submitted” as used in Bankruptcy Rule 1007(f), and in these Rules, refers to documents that will not be part of the public court record. When there is a requirement for a party to submit a document, the party must deliver or transmit it to the Clerk’s Office and the Clerk’s Office shall maintain it, off the public record, in a secure paper filing system or secure standalone computer system that is not connected to any network. Such documents should not be filed through CM/ECF.

**(h) Debtor’s Affidavit to be Filed in Chapter 11 Case.**

All chapter 11 debtors must file an affidavit setting forth:

- (1) the nature of the debtor’s business and a concise statement of the circumstances leading to the debtor’s chapter 11 filing;
- (2) whether the case was originally filed under chapter 7, 12, or 13 and, if so, the name and address of any trustee appointed in that case commenced under chapter 7, 12, or 13;
- (3) the names and addresses of all members of any committee organized prior to the order for relief in the chapter 11 case, any attorney for such committee, and a brief description of the circumstances surrounding the formation of any committee and the date of its formation;
- (4) the number of classes of shares of stock, debentures, or other securities of the debtor that are publicly held, and the number of holders of those interests, with a separate listing of those held by the debtor’s officers and directors indicating the amounts so held by each officer and director;
- (5) a list of all property of the debtor in the possession or custody of a custodian, public officer, mortgagee, pledgee, assignee of rents, receiver, secured creditor, or the agent of any of these entities, giving the name, address, and telephone number of each and the court in which a related proceeding is pending;
- (6) except for cases that fit within § 524(g), the nature and present status of each action or proceeding pending or threatened against the debtor or the debtor’s property, including the court and identifying number within that court, as well as the name, address, and telephone number of all opposing counsel; and
- (7) a list of all the real estate in which the debtor claims an ownership, leasehold, or other interest.

**(i) Additional Information Required if a Business Continues Operating.**

If the chapter 11 debtor is continuing to operate a business, the affidavit required under paragraph (h) above must also include:

- (1) the projected amount of weekly, bi-weekly, or monthly payroll and reimbursed expenses to employees, officers, partners, or other related individuals for the 30-day period following the filing of the chapter 11 petition;
- (2) an estimated schedule of cash receipts and disbursements, in 30-day increments, covering the debtor's business operations for 90 days following the chapter 11 filing; and
- (3) proof of all insurance.

**(j) When to File Additional Business Information.**

In a voluntary chapter 11 case, the debtor's affidavit referred to in paragraphs (h) and (i) above must accompany the petition. In an involuntary chapter 11 case, the affidavit must be filed within 14 days after the entry of the order for relief, unless the Court orders otherwise.

**(k) Waiver of Requirements.**

On application of the debtor showing that it is impracticable or impossible to furnish some or all of the foregoing information, and on notice to the United States trustee, with seven days to object, the Court may waive, or enlarge the time for complying with, any of the foregoing requirements.

**(l) Electronic Transmission of Chapter 13 Plan Payments.**

- (1) Each chapter 13 debtor must file the following documents with the chapter 13 plan:
  - (A) Vt. LB Form Y-8, consenting to the Court's entry of an order instituting either (i) direct wage withholding, or e-wage deduction via the TFS Bill Pay system, if the debtor has income from an employer, or (ii) automatic debits from a bank account if the debtor does not have income from an employer, and authorizing the trustee, without further or separate authorization or order, to modify or terminate the withholding, TFS BillPay, or automatic debits to comport with any modification or amendment of the plan approved by the Court; or
  - (B) a motion to waive the electronic payment requirement, setting forth cause for that waiver. See Vt. LBR 3070-1(a).
- (2) If a debtor has an employer, and files a motion for waiver of the wage withholding requirement seeking to make plan payments via automatic debits from a bank account, and the trustee has consented to the waiver, the proposed order must include language conditionally authorizing plan payments by automatic debit from a bank account, and include the following provision:

*In the event the debtor defaults on plan payments, the debtor may be required to make plan payments thereafter through a wage withholding order.*

**VT. LBR 1007-3. MAILING LISTS.**

**(a) Master Mailing List.**

The master mailing list must include all creditors, any federal agencies and officers, and any state agencies and officers required to receive notice.

- (1) The master mailing list must include the United States in the following format under the following circumstances:
  - (A) in all chapter 9, 11, and 15 cases and in filings under chapters 7, 12, or 13 in which the debtor owes, or potentially owes, a federal tax liability, the debtor must include the following address of the Internal Revenue Service:

Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346

- (B) When a debt, potential claim or interest, other than taxes, exists regarding a federal department, agency, or instrumentality, the master mailing list must include both (i) the name and address of the federal department, agency, or instrumentality, and (ii) the United States Attorney's Office, using the following address format:

[NAME OF FEDERAL AGENCY]

c/o United States Attorney

11 Elmwood Ave., 3rd Fl.

P.O. Box 570

Burlington, VT 05402-0570

- (C) This Rule supplements but does not replace Bankruptcy Rule 2002(j).

- (2) When a debt, potential claim, or interest exists regarding the State of Vermont, the master mailing list must include the following addresses:

- (A) for a tax debt or potential tax claim:

Vermont Department of Taxes

Bankruptcy Unit, 3rd Fl.

109 State St.

P.O. Box 429

Montpelier, VT 05601-0429

- (B) for a debt, potential claim or interest other than taxes:

[NAME OF STATE AGENCY]

c/o VT Attorney General

109 State St.

Montpelier, VT 05609-1001

- (3) Neither the name and address of the debtor(s) nor the name and address of the debtor's attorney should be on the master mailing list.

**(b) Additional Mailing List in Cases Filed Under Chapter 9 or Chapter 11.**

In chapter 9 or 11 cases, in addition to the master mailing list required by paragraph (a) above, the debtor must attach a separate mailing list of the 20 largest unsecured creditors (excluding insiders) containing the name and complete mailing address of each of these 20 unsecured creditors to ensure prompt noticing of the creditors' committee's organizational meeting. When a debtor has shareholders, the debtor must provide a separate sheet with the name and complete mailing address of each shareholder, to facilitate the prompt formation of a committee of equity security holders.

**(c) Formatting Generally.**

All mailing lists must comply with the following guidelines:

- (1) be typed in black ink and in a font size of no less than 12 point, using one of the following typefaces: Arial, CG Times, Courier, or Times New Roman;
- (2) be typed in a single column on each page, with margins no less than 3/4" and, if on paper, the list must be on plain 8 1/2" x 11" paper;
- (3) be in both uppercase (capital) and lowercase letters;
- (4) limit each name/address block to no more than five lines, with the first line setting forth the creditor/governmental agency name, the remaining lines for the address, and a blank line separating each name/address block from the previous name/address block;
- (5) have no line exceeding 40 characters in length;
- (6) have the nine-digit zip codes typed with a hyphen between the fifth and sixth digits;

- (7) if needed, have any attention lines or account numbers typed on the second line of the name/address block, and not on the last line;
- (8) if supplied, account numbers should be supplied in redacted format, identifying the last four digits only (e.g., XXXX-XXXX-XXXX-1234); and
- (9) if delivered on paper, be free of staples.

**(d) Formatting for Cases Filed Electronically.**

For cases filed electronically, the master mailing list must be formatted as a text file (\*.txt) in ASCII format.

**VT. LBR 1009-1. AMENDMENTS TO LISTS AND SCHEDULES.**

**(a) Amendments Generally.**

All amendments to lists and schedules must include the full case caption, as set forth on the petition. The party filing the amendment must contemporaneously serve the amendment on the United States trustee and the case trustee (if any), as well as on any other party entitled to notice. Individual debtors must complete and attach Official Form 106Dec, “Declaration About an Individual Debtor’s Schedules.” Non-individual debtors must complete and attach Official Form 202, “Declaration Under Penalty of Perjury for Non-Individual Debtors.”

**(b) How to Amend Lists or Schedules.**

The entire page or pages that an amendment affects should be redrafted with the amendment redlined, underlined, or boxed in, and in such manner that the amended page(s) will be complete without referring to the page or pages that have been amended. It must be clear what the document originally stated and what changes have been made. When an amendment is filed electronically and the filing party uses the highlight function to indicate the amendment, the party should use yellow highlighting to ensure the amendment continues to be easily identifiable if printed.

**(c) Notification of New Creditors.**

The party making the amendment must serve a copy of the “Notice of Commencement of Chapter [7, 11, or 13] Bankruptcy Case, Meeting of Creditors, and Deadlines” and the applicable amended list or schedule on any new creditor or party in interest added by the amendment as well as on any party or creditor whose claim or address was directly affected by the amendment, and promptly file a certificate of service with the Clerk. See Official Form 309A, Official Form 309F, or Official Form 309I.

**(d) How to Amend Master Mailing List.**

If the debtor becomes aware of a changed address for any creditor or party in interest, or determines that it is necessary to add to or delete a name and/or address from the master mailing list, the debtor must amend the master mailing list as follows: For an addition or change, the debtor shall include only the added or changed name and address in an amended master mailing list. For a deletion, the debtor must place an “X” through the information to be deleted from the master mailing list. The debtor must file a notice of amendment with the amended master mailing list.

**(e) Correcting Debtor’s Social Security Number.**

When a debtor must amend a document due to an error in the debtor’s social security number, the party filing the amendment must follow these procedures:

- (1) If the error affects only the first five digits of the debtor’s social security number, the debtor must:
  - (A) submit to the Clerk a physical paper copy (regardless of whether the case was commenced on paper or electronically) Official Form 121 along with either Official

Form 106Dec or Official Form 202, reflecting the full and correct social security number; see Vt. LBR 5003-1(b); see also Vt. LBR 1007-1(g);

- (B) serve upon all creditors, the case trustee, and United States trustee the amended Official Form 121, reflecting the full and correct social security number;
  - (C) file a certificate of service with the Clerk certifying service of the amended Official Form 121 upon all creditors, the case trustee, and the United States trustee; and
  - (D) ensure the amended Official Form 121 is not attached to the certificate of service because it should not become part of the public record.
- (2) If the error affects the last four digits of the debtor's social security number, in addition to subparagraphs (1)(A) through (D) above, the debtor must also file with the Clerk an amended petition with the correct last four digits of the social security number.

#### **Vt. LBR 1015-1. JOINT ADMINISTRATION/CONSOLIDATION.**

##### **(a) Case Filed by Married Debtors.**

- (1) Individuals who are married and intend to commence a joint case may do so by filing a joint petition and paying one filing fee. Married debtors filing jointly must file joint schedules and a joint statement of financial affairs. If an item on a schedule or statement requires a different response from each debtor, the responses must be labeled to indicate which spouse is offering each response. Each asset and liability listed on the schedules or statements of married debtors filing jointly will be considered joint in nature unless otherwise indicated.
- (2) In all cases filed by an individual debtor and such individual's spouse under § 302, the Court will presume joint administration of the case and, in an asset case, the consolidation of the assets and liabilities, unless and until a motion is made by a party in interest to terminate joint consolidation.

##### **(b) Joint Administration of Related Cases.**

Unless otherwise ordered by the Court, motions for joint administration of related cases must be made in each of the subject cases, be served on all creditors and parties in interest, and designate which of the subject cases the movant seeks to have designated as the lead case.

- (1) Clerk's Duties. Upon entry of an order of joint administration, the Clerk will:
  - (A) designate one of the cases to be the lead case for purposes of docketing and filing;
  - (B) enter the original order of joint administration in the lead case;
  - (C) enter the order of joint administration simultaneously on the dockets of all other cases attested by the order; and
  - (D) thereafter, maintain only the lead case docket for all activity affecting any of the jointly administered cases, with the exception that the Clerk will maintain a separate docket for each petition (and any amendments to the petition), and a separate claims register for each case.
- (2) Consolidated Master Mailing List. Within seven days of the entry of the order of joint administration, the party who obtained the order must file with the Clerk a consolidated master mailing list constituting an aggregate master mailing list of all interested parties in all the jointly administered cases without duplication. This master mailing list must be in compliance with the requirements set forth in these Rules. See Vt. LBR 1007-3.
- (3) Additional Copies. In jointly administered chapter 9 or 11 cases, the Clerk may require the parties to file additional copies of documents.

**(c) Substantive Consolidation of Related Cases.**

- (1) Motion. Unless otherwise ordered by the Court, motions for substantive consolidation must be presented in each of the subject cases, be served on all creditors and parties in interest, and specify which case the movant seeks to have designated as the lead case.
- (2) Consolidated Master Mailing List. Within seven days of the entry of the order of substantive consolidation, the party who obtained the order must file with the Clerk a consolidated master mailing list constituting an aggregate master mailing list of all interested parties in all the substantively consolidated cases without duplication. This master mailing list must comply with the requirements set forth in these Rules. See Vt. LBR 1007-3.
- (3) Caption, Docket Entries, and Filing. Prior to the entry of an order of substantive consolidation, all documents must be filed with captions corresponding to the cases in which they are filed. Once the court has ordered the cases substantively consolidated, those cases will be treated as one case for all purposes, with a single case number, caption, claims register, and docket.

**(d) How to Terminate Substantive Consolidation.**

- (1) A party seeking an order terminating substantive consolidation must file a motion that meets the following requirements:
  - (A) in a chapter 7 asset case, the motion must be filed no later than the date set for the hearing on the trustee's final report;
  - (B) in a chapter 12 or 13 case, the motion must be filed no later than 60 days after the last date for filing a proof of claim, provided that any creditor who files a proof of claim has 60 days after the claim is timely filed to file a motion to terminate the substantive consolidation; and
  - (C) in a chapter 11 case, the motion must be filed prior to the entry of an order confirming the plan, unless the Court has entered an order allowing proofs of claim to be filed after confirmation, in which case the motion must be filed within the period specified for chapter 12 or 13 cases.
- (2) Termination of substantive consolidation will be effective retroactively, and post-petition acquisitions of the estate will be allocated accordingly, to the extent proceedings in the consolidated cases have not rendered that impossible.

**Vt. LBR 1017-1. DISMISSAL OF CASES.**

See generally Vt. LB Appendix II.

**(a) Effect on Related Adversary Proceedings and Contested or Other Matters.**

When a case is dismissed, any related adversary proceeding, contested matter, or other pending matter will be dismissed without prejudice, and without further order of the Court, unless the Court orders otherwise. In cases with pending appeals that may be dismissed, the dismissal of the case will not deprive the parties of their right to pursue the appeal. A party to an adversary proceeding that is dismissed under this Rule may obtain an order reinstating the adversary proceeding upon the filing of a motion within 30 days of entry of the order dismissing the underlying bankruptcy case upon a showing that dismissal of the case did not render the adversary proceeding moot.

**(b) Special Provisions Required in Motions to Dismiss Chapter 13 Cases.**

- (1) Debtor's Attorney Fees. A party filing a motion to dismiss a chapter 13 case must set forth the status of the debtor's payment of attorney fees to the debtor's attorney or state that this information is not available.

- (2) When the Debtor Files a Motion to Dismiss. When the debtor files a motion to dismiss a chapter 13 case, the motion must also include:
  - (A) the total fee the debtor agreed to pay the attorney for the chapter 13 case,
  - (B) the amount the debtor has paid to the debtor's attorney to date,
  - (C) the amount the debtor's attorney has earned to date, and
  - (D) whether the debtor's attorney has agreed to refund any portion of the fee paid, or waive a portion of the unpaid balance, upon dismissal of the case.
- (3) When a Creditor or the Trustee Files a Motion to Dismiss. When a creditor or the trustee files a motion to dismiss a chapter 13 case, the movant must also specify in their motion whether they seek to have the debtor's attorney disgorge a portion of the fee paid, or waive a portion of the unpaid balance, upon dismissal of the case. See also Vt. LBR 2016-1(f).

**VT. LBR 1017-2. CONVERSIONS.**

See generally Vt. LB Appendix II.

**(a) Conversion from Chapter 7 to Chapter 13.**

See Vt. LBR 9013-1(e).

**(b) Conversion from Chapter 11 to Chapter 7.**

If a chapter 11 debtor seeks to convert to chapter 7, the debtor may seek this relief by filing an *ex parte* motion affirming that the requirements of § 1112(a) have been met and serving a copy of the motion on the United States trustee.

**VT. LBR 1019-1. FILING OF THE CHAPTER 13 TRUSTEE'S FINAL REPORT AND ACCOUNT, AND NOTICE OF TRUSTEE'S PROPOSED REFUND OR DISBURSEMENT OF FUNDS ON HAND, ON CONVERSION OF A CASE FROM CHAPTER 13 TO CHAPTER 7.**

**(a) Filing of Trustee's Final Report and Account after Conversion.**

When a chapter 13 case is converted to a case under chapter 7, the chapter 13 trustee shall file, and transmit to the United States trustee, a final report and account, not later than 60 days after conversion of the case.

**(b) Notice of Refund or Disbursement of Funds on Hand.**

- (1) If the chapter 13 trustee has funds on hand at the time a notice of conversion of a case from chapter 13 to chapter 7 is filed, then within 14 days of the conversion, the chapter 13 trustee shall file a "Standing Trustee's Notice of Refund" (the "Notice"). The Notice shall indicate the amount of funds the chapter 13 trustee has on hand, the source of those funds, if known, whether those funds were derived from the debtor's post-petition wages, and to whom the chapter 13 trustee proposes to disburse those funds.
- (2) If the source of the funds on hand was post-petition wages, no further notice is necessary and the chapter 13 trustee may refund those funds to the debtor, as set forth in this Rule.
- (3) If the source of the funds was other than post-petition wages and totals more than \$400, then the chapter 13 trustee shall serve a copy of the Notice on the debtor, the debtor's attorney, the chapter 7 trustee, and all parties listed on the master mailing list.

**(c) Objection to Proposed Refund or Disbursement of Funds.**

The chapter 7 trustee and any interested parties shall have seven days within which to file an objection to the proposed refund or disbursement of funds, or otherwise assert a claim to the funds the chapter 13 trustee held as of the date of conversion.



**(d) Order Authorizing Refund or Disbursement of Funds on Hand.**

The chapter 13 trustee shall obtain an order authorizing the refund or disbursement of funds, consistent with the following:

- (1) In the event all funds on hand came from the debtor's post-petition wages, and no objection was filed within seven days of the filing of the Notice, the chapter 13 trustee shall promptly disburse the funds on hand to the debtor.
- (2) In the event the funds on hand came, in full or in part, from a source other than the debtor's post-petition wages, and no objection was filed within seven days of the service of the Notice, the chapter 13 trustee shall promptly disburse the funds on hand in the manner set forth in the Notice.
- (3) In the event an objection to the Notice is filed, the chapter 13 trustee shall not disburse the funds on hand until the Court enters an order adjudicating the objection and specifying how the funds are to be disbursed.

**Vt. LBR 1072-1. LOCATION OF COURT HEARINGS AND WHERE TO FILE DOCUMENTS.**

**(a) Hearing Location.**

The Court will convene hearings in both Rutland and Burlington, Vermont, at least once each month, at which attorneys and parties may appear remotely under certain circumstances. Movants must schedule hearings in the location where the first meeting of creditors is scheduled, unless the interested parties agree otherwise or the movant demonstrates exigent circumstances warrant a change in location. All hearing notices must specify the location of the hearing and the circumstances under which attorneys and parties may attend remotely. See Vt. LBR 9013-2(c)(2).

**(b) Filing Location.**

Except by leave of the Court or a showing of exigent circumstances, any non-electronic documents filed in connection with a hearing must be filed with the Clerk, regardless of where the hearing is to be held. Non-electronic filings may be sent via first-class mail to the U.S. Bankruptcy Court, P.O. Box 1663, Burlington, Vermont 05402-1663 or hand-delivered to either the U.S. Bankruptcy Court, 11 Elmwood Avenue, 2nd floor, Burlington, Vermont, 05401, or the U.S. Bankruptcy Court, 151 West Street, 2nd floor, Rutland, Vermont, 05701.

**PART II - OFFICERS AND ADMINISTRATION; NOTICES; MEETINGS;  
EXAMINATIONS; ELECTIONS; ATTORNEYS AND ACCOUNTANTS**

**Vt. LBR 2002-1. NOTICE TO CREDITORS AND PARTIES IN INTEREST.**

**(a) Duty to Provide Notice of Motions.**

Unless otherwise directed by the Bankruptcy Code, the Bankruptcy Rules, or these Rules, the Clerk is authorized to designate the parties who must serve notice on creditors and other parties in interest when notice is required under the Bankruptcy Code, the Bankruptcy Rules, or these Rules. Unless otherwise specified by the Court, a movant must give at least seven days' notice of any hearing and file a certificate of service prior to the deadline for the filing of objections. See also Vt. LBR 9013-6(a). Failure to serve timely and proper notice may result in (1) dismissal of the motion, (2) no action on the motion, and/or (3) an order directing the movant to pay costs if a party is prejudiced by the movant's failure to serve the motion timely and properly. See also Vt. LBR 9013-6(g).

**(b) Chapter 12 and 13 Plans.**

The Clerk will give notice of the time fixed for objecting to the first chapter 12 or 13 plan the debtor filed in a case. By contrast, the debtor's attorney (or the debtor, if *pro se*) must give

notice of the time fixed for objecting to any subsequently filed amended plan or modified plan the debtor files.

**(c) Clerk will Provide Master Mailing List.**

Upon request, the Clerk will provide a party with a master mailing list when these Rules require or permit a party other than the Clerk to give notice to creditors and other parties in interest.

**(d) Method of Service.**

Notices and documents required to be sent by a party other than the Clerk may be served (1) in person, (2) by e-mail if the recipient has consented to e-mail service, (3) by fax if the recipient has consented to fax service, (4) by regular, first-class mail, or (5) by certified mail. In emergency situations and with Court approval, notice may be provided by telephone, fax, or e-mail. See also Vt. LBR 9075-1(b)(1)-(3).

**(e) Service on the United States Trustee by Parties not Registered for CM/ECF.**

Parties who are not registered users of CM/ECF must serve the United States trustee with all notices of motion, together in the same envelope with (1) the motion, (2) supporting affidavits, (3) exhibits, and (4) a copy of the certificate of service. Unless the Court orders otherwise, all *ex parte* applications (including the required affidavits and exhibits) must be served upon the United States trustee at the time they are filed in the Clerk's Office. See Vt. LBR 4002-1(e) (regarding chapter 11 operating report guidelines).

**(f) Forms of Service.**

When service is not made via CM/ECF, and a motion consists of several documents, the movant must serve all parties entitled to service of the motion papers with the motion, exhibits, and notice of hearing to the e-mail address designated by each party in a single e-mail or by first-class mail in a single package.

**(g) Service of Motions to Determine Value.**

When a chapter 13 debtor seeks a determination of the allowed amount of a secured claim, and a corresponding determination of the value of the collateral securing that claim, the debtor must request that determination in their plan, i.e., in Part 3.2 of Official Form 113. The Clerk serves the plan but does so only by a means equivalent to first-class mail (i.e., by regular mail or e-mail, depending on the recipient's prior request). If the holder of a claim subject to a request for such a determination is entitled to an elevated level of service, e.g., per Bankruptcy Rule 7004(h), the movant must effectuate proper service of the plan on that party and file a certificate of service. See also Vt. LBR 3012-1.

**VT. LBR 2003-1. MEETING OF CREDITORS OR EQUITY SECURITY HOLDERS.**

**(a) Waiver of Debtor's Appearance.**

On application by, or on behalf of, a debtor setting forth an adequate showing of exigent circumstances, and with the filed consent of the case trustee, the Court may excuse or otherwise waive a debtor's attendance at a duly noticed first meeting of creditors on terms to which the case trustee consents. This application does not require notice or a hearing.

**(b) Documents Required at the First Meeting of Creditors.**

The debtor or the debtor's attorney must bring the original, executed petition, schedules, and statements to the first meeting of creditors. Failure to do so may result in the debtor and the debtor's attorney being required to appear at subsequent meetings of creditors.

## **VT. LBR 2003-2. CREDITORS' COMMITTEE DUTY TO PROVIDE INFORMATION IN CHAPTER 11.**

When a creditors' committee fails or refuses to provide a creditor it represents with information, that creditor may file a motion to compel the committee to produce the requested information. The motion will be treated as a discovery dispute. See Vt. LBR 7026-1(g).

## **VT. LBR 2014-1. EMPLOYMENT OF PROFESSIONALS.**

### **(a) Retention Procedure.**

Whenever a party seeks to employ an attorney, accountant, appraiser, auctioneer, agent, or other professional whose employment must be approved by the Court, pursuant to the Bankruptcy Code or the Bankruptcy Rules, it is the duty of primary counsel for the employing party to ensure approval is properly sought, to inform the professional of the applicable disclosure requirements, and to advise the professional of the requirements and risks, if any, pertaining to the professional's right to compensation and reimbursement of expenses from the estate.

### **(b) Applications for Retention.**

- (1) Notice; Content. A professional must file an application to retain a professional on 14 days' notice to the United States trustee. All such applications, whether made directly by a professional or on behalf of a professional, must include the professional's name, complete mailing and physical addresses, telephone number, and e-mail address.
- (2) Previous or Current Representation. If a debtor or trustee seeks to employ a professional who currently represents, or has previously represented, any creditor of the debtor, the application must include the following:
  - (A) whether the professional represented any creditor against the debtor in the instant case,
  - (B) the percentage of total annual revenues the professional's firm earned during the past year from these clients (or former clients) who are creditors of the debtor, and
  - (C) a statement by the professional acknowledging a continuing duty to exercise due diligence, monitor the reported revenue from these clients, and notify the Court if the above information changes, through addenda to the professional's Bankruptcy Rule 2016(b) disclosure statement.
- (3) Timing of Ruling. The Court will consider the application ripe for a ruling on the earlier of (1) the filing of a response by the United States trustee, or (2) the expiration of the 14-day notice period, subject to the limitations imposed by Bankruptcy Rule 6003(a). Unless otherwise ordered by the Court, no hearing is necessary on an application to retain a professional.

### **(c) Proposed Order to Accompany Application to Retain a Professional.**

In addition to the application for retention, the applicant must file a proposed retention order that includes a provision stating the professional's compensation is subject to Court approval and specifies the Bankruptcy Code section under which the professional is employed (generally § 327). See also Vt. LBR 9072-1(b) (directing that proposed orders be filed as attachments to applications and motions).

### **(d) Applications for Compensation.**

See Vt. LBR 2016-1; see also Vt. LBR 2016-2.

## **VT. LBR 2015-1. DEBTOR-IN-POSSESSION – DEBTORS' OPERATING REPORTS IN CHAPTER 12.**

### **(a) Requirement to File Operating Reports; Waiver.**

Every chapter 12 debtor shall be required to file monthly operating reports, commencing in the month following the filing of the chapter 12 petition (or entry of the order converting the

case to chapter 12), using Local Forms S-3, S-4, and S-5, unless the debtor demonstrates good cause to waive or modify this requirement within 21 days of the filing of the petition (or conversion order). A debtor may file a motion to waive the requirement to file operating reports or modify the content and/or frequency of the operating reports to be filed, using Local Form S-6.

**(b) Failure to File Operating Reports.**

If a chapter 12 debtor fails to file complete and timely operating reports, such failure may constitute cause for dismissal of the case under § 1208.

**(c) Operating Order.**

The Court will enter an operating order in every chapter 12 case, describing the debtor's duties generally, including the duty to file monthly operating reports and applicable local addenda. If the Court does not enter an operating order in the case, the trustee or another party in interest may file a motion requesting entry of an order directing the chapter 12 debtor to file operating reports. The motion shall set forth (1) a proposal with regard to the frequency of the reports (if other than monthly), (2) the scope of information to be included in each operating report (if other than as set forth in Local Forms S-3, S-4, and S-5), and (3) any additional documents to be attached to the operating reports. The movant shall serve a copy of the motion on all parties entitled to receive operating reports in the case.

**VT. LBR 2015-2. DEBTOR-IN-POSSESSION –BUSINESS DEBTORS' OPERATING ORDERS IN CHAPTER 13.**

**(a) Requirement to File Operating Reports; Waiver.**

Every individual who files a business chapter 13 case, and (a) designates their bankruptcy case as a business chapter 13 case on their petition, or (b) derives income from rental property or from operating a business, profession, or farm (cumulatively referred to herein as a "chapter 13 business debtor"), shall be required to file monthly operating reports, commencing in the month following the filing of the petition (or entry of the order converting the case to chapter 13), using Local Form S-1, unless the debtor demonstrates good cause to waive or modify this requirement within 21 days of the filing of the petition (or conversion order). A debtor may file a motion to waive the requirement to file operating reports or modify the content and/or frequency of the operating reports to be filed, using Local Form S-2.

**(b) Failure to File Operating Reports.**

If a chapter 13 business debtor fails to file complete and timely operating reports, such failure may constitute cause for dismissal of the case under § 1307.

**(c) Operating Order.**

The Court will enter an operating order in every chapter 13 business debtor's case, describing the debtor's duties generally, including the duty to file monthly operating reports and applicable local addenda. If (i) the Court does not enter an operating order in the case, (ii) the debtor fails to include information in their petition and schedules identifying themselves as a chapter 13 business debtor, or (iii) the debtor begins deriving income post-petition from operation of a business, profession, or farm, then the trustee or another party in interest may file a motion requesting entry of an order directing the chapter 13 business debtor to file operating reports. The motion shall set forth (1) a proposal with regard to the frequency of the reports (if other than monthly), (2) the scope of information to be included in each operating report (if other than as set forth in Local Form S-1), and (3) any additional documents to be attached to the operating reports. The movant shall serve a copy of the motion on all parties entitled to receive operating reports in the case.

## **VT. LBR 2016-1. COMPENSATION OF PROFESSIONALS.**

### **(a) Fee Application Guidelines.**

- (1) Except as set forth in subparagraph (2) below, any entity seeking interim or final compensation for professional services rendered, or for reimbursement of expenses, must comply with (A) Bankruptcy Rule 2016, (B) 28 C.F.R. Appendix A to Part 58, Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (“United States Trustee Guidelines”), and (C) applicable case law. See also Vt. LBR 6005-1(e) (regarding appraisers and auctioneers).
- (2) When the debtor’s petition lists \$50 million or more in assets and \$50 million or more in liabilities, any entity seeking interim or final compensation for professional services rendered must comply with (A) Bankruptcy Rule 2016, (B) 28 C. F. R. Appendix B to Part 58, Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases (“United States Trustee Guidelines for Larger Cases”), and (C) applicable case law.

### **(b) Applications for Compensation of \$1,000 or Less.**

When a professional seeks compensation in an amount equal to or less than \$1,000, the professional must file an application for compensation on 14 days’ notice to the United States trustee. Such applications for compensation, whether made directly by a professional or on behalf of a professional, must include the professional’s name, complete mailing and street addresses, telephone number, and e-mail address. The Court will consider the applications ripe for ruling on the earlier of (1) the filing of a response by the United States trustee, or (2) the expiration of the 14-day notice period. No hearing shall be set on the application unless the Court deems a hearing is necessary.

### **(c) Applications for Compensation Greater than \$1,000.**

Professionals seeking compensation in an amount greater than \$1,000 must file a motion and may use the default procedure described in Vt. LBR 9013-4. See Vt. LBR 9013-4(b)(7).

### **(d) Certification Required.**

Whenever a trustee or debtor (or, in a corporate case, the appropriate officer of the debtor) seeks approval of fees for a professional, they must specify in the application (or in a separate certification) that they have reviewed and supports the application for fees as filed or, if they oppose the application to any extent, state the factual and legal basis for their objection(s). When a professional other than one retained by a debtor or trustee (e.g., a professional retained by an official or unofficial committee) seeks compensation from the estate, the executive officer or chairperson of the retaining entity must file a statement supporting or opposing the application.

### **(e) Retainers.**

In a chapter 11 or 12 case, a professional may not draw down or take a payment from a retainer until the professional has an order of the Court authorizing the professional to do so, notwithstanding any agreements to the contrary between a debtor and the debtor’s professionals. Retainer funds must be segregated in a separate interest-bearing account for the benefit of the debtor to the extent this is consistent with state IOLTA regulations.

### **(f) Requirement to File Fee Applications.**

The Court, in the exercise of its discretion, may order a debtor’s attorney to file a fee application in any case and may direct disgorgement of all or part of the fee if the Court finds the fee to be unreasonable or paid in violation of the Bankruptcy Code, the Bankruptcy Rules, or these Rules. See 11 U.S.C. § 329.

**(g) Real Estate Brokers.**

If approved in a retention order, a real estate broker may be paid the customary commission at closing, as defined in Vt. LBR 6004-1(e)(4), subject to disgorgement in the event the Court determines the commission is unreasonable under the particular circumstances of the case or the estate is administratively insolvent.

**(h) Scope of Duties to be Performed by Debtor's Attorney for Flat Fee Charged.**

Except as provided in subparagraph (h)(4) and paragraph (i) below, the flat fee charged by a chapter 7 or 13 debtor's attorney shall include the following services:

- (1) In both chapter 7 and 13 cases:
  - (A) analyzing the prospective debtor's financial situation, and advising and assisting the prospective debtor in determining whether to file a petition under the Bankruptcy Code;
  - (B) preparing and filing the petition and all required lists, schedules, and statements,
  - (C) filing the certificate received by the debtor from an approved nonprofit budget and credit counseling agency for pre-petition credit counseling;
  - (D) filing the debtor's payment advices together with Vt. LB Form B, "Payment Advices Cover Sheet";
  - (E) representing the debtor at the first meeting of creditors and any duly convened subsequent meetings of creditors;
  - (F) amending lists, schedules, statements, and/or other documents required to be filed with the petition to reflect developments that occurred during the course of the case;
  - (G) where appropriate, preparing and filing motions under § 522(f) to avoid liens on exempt property,
  - (H) where appropriate, preparing and filing motions for abandonment or to clear title to the debtor's real property;
  - (I) terminating garnishments, trustee process or wage assignments;
  - (J) compiling and forwarding to the case trustee documents required by § 521 and Vt. LBR 4002-1; and
  - (K) preparing and filing a Debtor's Certification About a Financial Management Course. See Official Form B 423.
- (2) In addition to the tasks identified in subparagraph (1) above, in each chapter 7 case, where warranted by the facts of the case, the duties the retained attorney must perform in consideration of the flat fee also include:
  - (A) filing a motion to waive the chapter 7 filing fees;
  - (B) negotiating, preparing, and filing reaffirmation agreements; and
  - (C) preparing and filing motions under § 722 to redeem exempt personal property from liens.
- (3) In addition to the tasks identified in subparagraph (1) above, in each chapter 13 case, where warranted by the facts of the case, the duties required of the retained attorney also include:
  - (A) attending confirmation hearings and addressing all objections to confirmation;
  - (B) filing a valuation motion in accordance with Bankruptcy Rule 3012, where a debtor seeks to modify the amount of a secured claim pursuant to § 506(a), and, where necessary, introducing evidence as to the value of the collateral securing the subject claim (typically at or in connection with the confirmation hearing);

- (C) where warranted, preparing and filing a motion to strip a wholly unsecured mortgage under § 506; and
- (D) preparing and filing a motion for entry of the discharge order.
- (4) Applications to Limit the Scope of Legal Services in Certain *Pro Bono* and Reduced Fee Cases. Where a debtor is represented by an attorney retained through Legal Services Vermont, on either a *pro bono* or reduced fee arrangement, the attorney may file an application to limit the scope of employment and reduce the scope of legal services to exclude certain items enumerated in subparagraphs (h)(1) – (3) above. A debtor's attorney seeking this relief must file the application within 21 days of the filing of the petition, and must serve it on the debtor, case trustee, Legal Services Vermont, and the United States trustee.

**(i) Unbundled Legal Services.**

In a chapter 7 case, the Court will allow unbundled legal services with respect to a filing fee waiver application when:

- (1) Legal Services Vermont has referred, and an attorney has accepted, a case for *pro bono* or reduced fee legal representation;
- (2) the Court has set a hearing on the debtor's application for waiver of the chapter 7 filing fee in that case; and
- (3) a representative from Legal Services Vermont is willing to appear at the hearing to represent the debtor with respect to the debtor's eligibility for a fee waiver.

**VT. LBR 2016-2. PAYMENT OF DEBTOR'S ATTORNEY'S FEES IN CHAPTER 13.**

**(a) Presumed Reasonable Fee in Chapter 13 Case.**

Unless an objection is filed and sustained, or the Court *sua sponte* determines otherwise, the debtor's attorney's fees will be presumed reasonable up to the amounts set forth in Vt. LB Appendix XI, and may be allowed as an administrative expense in a chapter 13 case.

**(b) Payment of Debtor's Attorney's Fees in Chapter 13 Case.**

Attorney's fees set forth in the Bankruptcy Rule 2016(b) disclosure statement that are not paid in full prior to the filing of the case must be paid through the debtor's plan and may be paid ahead of other creditors if that treatment is both set forth in the plan and approved by the Court. Any attorney's fees incurred after the initial Bankruptcy Rule 2016(b) statement is filed (1) must be disclosed promptly in an amended Bankruptcy Rule 2016(b) statement, (2) may be charged to the debtor only after the Court approves them, and (3) must also be paid through the plan.

**(c) Applications for Fees in Excess of the Presumed Reasonable Fee.**

If a debtor's attorney seeks a fee higher than the presumed reasonable fee in a chapter 13 case, both the plan and the attorney's Bankruptcy Rule 2016(b) statement must include an explanation of why the higher fee is warranted in the case, and the attorney must be prepared to file a fee application for the higher amount of fees. Attorneys must maintain time records and be prepared to demonstrate the reasonableness of all fees they charge debtors regardless of whether the amount charged is below, at, or above the presumed reasonable fee set forth in this Rule.

**(d) Other Presumed Reasonable Fees.**

- (1) Presumed Reasonable Fees for Certain Motions. For certain routine motions, there is a rebuttable presumption that a fee is reasonable if it does not exceed the amounts specified in Vt. LB Appendix XI. An attorney may request fees as part of a motion or application, without a separate fee application, if the fees do not exceed the presumed reasonable fee for that motion or application.

- (2) Fees Higher than Presumed Reasonable Fees. Counsel may seek a fee higher than the presumed reasonable fee by filing a fee application in compliance with these Rules. The availability of a presumed reasonable fee does not entitle counsel to seek a fee that exceeds the value of the time they actually spent on the motion or relieve counsel of the obligation to keep accurate, contemporaneous records of time spent.

**(e) Duties of Applicant Seeking Compensation for Post-Petition Services.**

Except as provided in this Rule, if an attorney renders legal services post-petition, including post-mediation services related to loss mitigation, and they wish to be compensated for those services, the attorney must file:

- (1) a fee application in a form and manner consistent with these Rules;
- (2) an amended Bankruptcy Rule 2016(b) statement;
- (3) a motion to modify the plan to
  - (A) increase the funds being paid to the chapter 13 trustee,
  - (B) extend the term of the plan,
  - (C) include an alternate funding source, or
  - (D) diminish the dividend to some creditors, if the funds being paid into the confirmed plan are not sufficient to fund the payment of fees sought;
- (4) notice of motion; and
- (5) a certificate of service.

**(f) Consideration of Fees at Time of Dismissal.**

All motions to dismiss a chapter 13 case must contain a request that the Court consider whether any fees paid or due to the debtor's attorney should be disallowed based on the timing of the dismissal (*i.e.*, pre- or post-confirmation) and the work the attorney has performed through the date of the granting of the motion. See also Vt. LBR 1017-1(b)(1).

**Vt. LBR 2090-1. ATTORNEYS – ADMISSION TO PRACTICE.**

**(a) Admission of Attorneys Generally.**

The District Court Local Rules generally govern admission of attorneys to the bar of the District of Vermont, including the Bankruptcy Court. Attorneys may apply for admission through the Bankruptcy or District Court. Once admitted to the bar of the District of Vermont, an attorney is admitted to practice for all purposes in both the Bankruptcy and District Courts. See General Order # 82. Additionally, attorneys must register for CM/ECF as a pre-requisite to filing documents in this Court unless the Court grants an attorney's motion to waive the registration requirement. See Vt. LBR 5005-3; see generally Vt. LBR 9011-1. Any notice of appearance filed by an attorney who is not registered for CM/ECF must include a statement of consent to service by e-mail and include the filer's e-mail address.

**(b) Admission of Attorneys *Pro Hac Vice*.**

- (1) Application for Admission. Any attorney who is a member in good standing of the bar of any federal court or of the highest court of any state may apply for *pro hac vice* admission to this Court by fulfilling the following requirements:
  - (A) Motion. Only a member in good standing of the bar of the District of Vermont who is professionally associated with the applicant in the subject case or proceeding may move for the applicant's *pro hac vice* admission. The movant need only serve the motion on the United States trustee and the debtor or plaintiff's attorney (if any).
  - (B) Supporting Affidavit. The applicant must attach to the motion an affidavit containing the following information:



- (i) the applicant's office mailing address, e-mail address, and telephone number;
  - (ii) a list of the courts to which the applicant has been admitted to practice, the dates of admission, and the applicant's bar identification number(s);
  - (iii) a statement specifying whether the applicant is in good standing and eligible to practice in those courts;
  - (iv) a statement specifying whether the applicant is currently suspended or disbarred in any jurisdiction;
  - (v) a statement describing the nature and status of any past or pending disciplinary matters involving the applicant;
  - (vi) an affirmation that the applicant has read the District Court Local Rules and these Rules;
  - (vii) a statement that the applicant has registered to use CM/ECF in this District or in another district with comparable CM/ECF training, or a statement that the applicant will complete CM/ECF training and be registered within 28 days of the Court granting *pro hac vice* admission, and that the movant will effectuate electronic filings until the applicant is so registered;
  - (viii) a statement designating the movant as the applicant's agent for service of process and this Court as the forum for the resolution of any dispute arising from the applicant's *pro hac vice* admission; and
  - (ix) a statement that the applicant understands their obligation to file a notice with the Clerk if any fact underlying the foregoing statements changes during the pendency of the case (e.g., if the applicant is suspended or disbarred in any jurisdiction), within 14 days of such changes in circumstances.
- (C) Fee. The current rate established for the *pro hac vice* admission fee must be paid to "U.S. Bankruptcy Court" and must accompany the motion. The fee is non-refundable. The Clerk shall waive the admission fee for admission of federal government counsel.
- (2) Revocation. The Court may revoke *pro hac vice* admission for good cause at any time, including for an attorney's failure to disclose a material change to the affirmations made in support of the attorney's application for *pro hac vice* admission.
- (3) Local Counsel. Unless excused by the Court for good cause, an attorney admitted *pro hac vice* must remain at all times associated in the action with a member of the bar of this Court ("local counsel") upon whom all process, notices, and other papers must be served, who must sign all filings, and whose attendance is required at all hearings. An attorney may be local counsel without having an office or residence in Vermont.
- (4) Filing Documents Prior to Entry of Order Granting *Pro Hac Vice* Admission. An attorney who is not admitted in this Court may file documents once the *pro hac vice* application is filed (and prior to entry of the order granting *pro hac vice* admission), but the time period for the opposing party to file the responsive pleading does not commence until local counsel files a notice of appearance.
- (5) *Pro Hac Vice* Admission for State Government Counsel. Any state government attorney who desires to appear in a case or proceeding pending before this Court may apply for admission under this Rule.
- (6) When *Pro Hac Vice* Admission Not Required. An attorney need not be admitted *pro hac vice* to file (A) a motion for relief from stay under § 362, (B) a proof of claim, or (C) a motion to redact a proof of claim. However, unless waived by the Court, *pro hac vice* admission is required if litigation is necessary to adjudicate any of these matters.

**(c) Legal Interns.**

- (1) Eligibility to Appear. A person who is not yet licensed to practice law in Vermont, but who meets the eligibility requirements for legal interns described in Rules 21 and 22 of the Rules of Admission to the Bar of the Vermont Supreme Court, may appear as legal counsel in this Court if:
  - (A) the legal intern is supervised by an attorney who meets the initial requirements set forth in subparagraph (c)(2)(A) below;
  - (B) the supervising attorney files an application on behalf of the legal intern that comports with the requirements set forth in Rule 23(a) of the Rules of Admission to the Bar of the Vermont Supreme Court; and
  - (C) the Court grants the application.
- (2) Supervising Attorney.
  - (A) Initial Requirements. The supervising attorney must:
    - (i) satisfy the qualification requirement described in Rule 24(b) of the Rules of Admission to the Bar of the Vermont Supreme Court;
    - (ii) be a member in good standing of the bar of the District of Vermont; and
    - (iii) be professionally associated with the legal intern
  - (B) Ongoing Obligations. The supervising attorney must:
    - (i) perform the duties of supervision described in Rule 24(c) of the Rules of Admission to the Bar of the Vermont Supreme Court; and
    - (ii) promptly notify this Court in writing if the legal intern's eligibility to appear as legal counsel has terminated under subparagraph (c)(3)(C) below or becomes aware that the legal intern is otherwise ineligible under the Rules of Admission to the Bar of the Vermont Supreme Court.
- (3) Limitations. A legal intern may not:
  - (A) perform activities except as authorized in Rule 24(d)–(e) of the Rules of Admission to the Bar of the Vermont Supreme Court;
  - (B) be compensated except as permitted by Rule 24(f) of the Rules of Admission to the Bar of the Vermont Supreme Court; or
  - (C) appear as a legal intern for longer than one year after the Court grants their application, unless the Court grants an extension.

**VT. LBR 2090-2. ATTORNEYS – DISCIPLINE AND DISBARMENT.**

When circumstances warrant discipline for conduct in this Court, this Court will enforce the disciplinary rules set forth in the District Court Attorney Disciplinary Rules.

**VT. LBR 2091-1. ATTORNEYS – WITHDRAWALS.**

**(a) Withdrawal of Attorney for the Debtor.**

Except as described in paragraph (b) below, an attorney who has appeared as attorney of record for a debtor may withdraw only upon order of the Court. No order of withdrawal will be issued without a hearing unless the Court, in its discretion, waives the hearing upon receipt of a written stipulation for attorney withdrawal signed by both the attorney and debtor. An order granting withdrawal of debtor's attorney must be served on all other parties in the case or proceeding in the manner set forth in paragraph (c) below.

**(b) Substitution of Attorney for the Debtor.**

The Court may issue an order allowing substitution of attorney for the debtor without a hearing if a stipulation or substitution of counsel agreement (with the signature of the debtor,

the withdrawing attorney, and the substituting attorney) is filed with the application for withdrawal. However, in its discretion, the Court may schedule a hearing to determine whether to approve the substitution (e.g., where the substitution request is filed within seven days of a hearing on a contested matter or within seven days of a trial). If issued, the order granting the substitution must be served on all other parties in the case or proceeding in the same manner as is set forth in paragraph (c) below. An attorney commencing employment in the case as substitute counsel must immediately file a Bankruptcy Rule 2016(b) disclosure statement and otherwise fully comply with Vt. LBR 2016-1 and these Rules.

**(c) Withdrawal or Substitution of other Attorneys.**

- (1) Notice of withdrawal or substitution of attorneys, other than debtor's counsel, is effective upon filing and must be served upon all parties in the case or the proceeding, the case trustee, and the United States trustee.
- (2) An attorney need not seek Court approval to withdraw from representing a creditor if the attorney has appeared solely for the purpose of filing a proof of claim, motion for relief from stay, reaffirmation agreement, or lease assumption.

**PART III – CLAIMS AND DISTRIBUTION TO CREDITORS AND EQUITY  
INTEREST HOLDERS; PLANS**

**Vt. LBR 3001-1. CLAIMS AND EQUITY SECURITY INTERESTS – NO ASSET CASES.**

Every chapter 7 case will be treated as a “no asset case” unless and until the case trustee files a “Notice of Asset Case.” Upon the case trustee’s filing of this notice, the Court will set a deadline for the filing of proofs of claim and issue a “Notice to File Claims” as required by Bankruptcy Rule 2002(e). Proofs of claim filed in chapter 7 cases not designated as asset cases will be accepted by the Clerk for filing, but no action will be taken upon them unless and until a Notice of Asset Case is filed.

**Vt. LBR 3002.1-1. HELOC CREDITOR NOTICE OF MORTGAGE PAYMENT CHANGE.**

**(a) Annual Statements.**

Notwithstanding the general requirement of Bankruptcy Rule 3002.1(b)(1) that a creditor whose claim is secured by a chapter 13 debtor’s principal residence must file and serve a notice each time the amount of the mortgage payment on its claim changes, if the secured claim is based on a home equity line of credit (a “HELOC”), then the holder of that claim (the “HELOC Creditor”) shall be excused from complying with that requirement if:

- (1) the monthly payment amount does not increase or decrease by more than \$10 in any single month;
- (2) the HELOC Creditor sends an annual statement within the same one-month period each year; and
- (3) the annual statement includes:
  - (A) a reconciliation statement showing the amounts of any monthly over- or under-payments over the course of the prior year;
  - (B) if there was a net over-payment for the prior year, the amount and application of the over-payment, the current balance the HELOC Creditor is holding, the location of the funds, and how the HELOC Creditor proposes to apply the over-payment against the current year’s amounts due; and
  - (C) if there was a net under-payment for the prior year, an invoice for the amount necessary to satisfy that under-payment.

**(b) Late Fees; Default.**

If the HELOC Creditor chooses to send an annual statement in lieu of notices of each payment change, then it may not assess any late fee, or declare the debtor to be in default, as a result of any shortfall in the monthly payment, if the debtor's payment was at least as much as was set forth on the last annual statement or a subsequent separate notice of payment change.

**Vt. LBR 3002.1-2. OBJECTIONS TO NOTICE OF MORTGAGE PAYMENT CHANGE IN CONDUIT MORTGAGE PAYMENT CASES.**

**(a) Objection Pending.**

If, pursuant to Bankruptcy Rule 3002.1(b), the debtor or trustee files a timely objection to a notice of payment change filed by the holder of a claim secured by a security interest in the debtor's principal residence (the "Mortgage Creditor") in a Conduit Mortgage Payment case (as that term is defined in Vt. LBR 3015-6(a)(1)), then, until the Court rules on the objection:

- (1) the debtor is not required to increase the plan payment;
- (2) neither the debtor nor the trustee is required to increase the monthly disbursement to the Mortgage Creditor;
- (3) the Mortgage Creditor may not declare a default or otherwise seek to enforce its rights against the debtor based on the debtor or trustee's failure to make the increased mortgage payment; and
- (4) the trustee shall continue to make payments in the pre-notice amount and retain any additional sums if the debtor voluntarily increases the plan payment pending the Court's ruling.

**(b) Objection Overruled.**

If the Court overrules the objection and allows the payment change, then:

- (1) within 14 days of entry of that order, the debtor shall file a motion to modify the plan and confirmation order with a proposed modified plan curing any post-petition mortgage default, increasing the monthly mortgage payment going forward, and adjusting the terms of the plan and amount of plan payments accordingly; and
- (2) the Mortgage Creditor may not declare a default or otherwise seek to enforce its rights against the debtor while the debtor's motion to modify plan is pending, so long as the debtor timely filed that motion.

**(c) Objection Sustained.**

If the Court sustains the objection and disallows the payment change, then if the debtor voluntarily increased the plan payment while the objection was pending pursuant to subparagraph (a)(4) above, the trustee will apply any such retained sums either (1) as sums due under the confirmed plan (thus reducing the term of the plan) or (2) to the funds to be distributed to the general unsecured creditors (thus increasing the dividend to that class of creditors), as the debtor elects.

**Vt. LBR 3002.1-3. MOTIONS DECLARING DEBTOR CURRENT ON MORTGAGE.**

**(a) Contents of Motion.**

Every motion declaring debtor current filed to comply with the requirements of Bankruptcy Rule 3002.1(f) and (h) shall:

- (1) inform the Mortgage Creditor (as that term is defined in Vt. LBR 3002.1-2(a)) of its obligation to file and serve a response under Bankruptcy Rule 3002.1(g) that includes the information specified in paragraph (b) below; and

- (2) include in the proposed order (A) a directive to enter on the Mortgage Creditor's (or its servicer's) books an entry reflecting the date and content of the Court order, including any corrective entry necessary to align its books with the Court order, and (B) an injunction against the Mortgage Creditor sending inaccurate notices.

**(b) Contents of Response.**

Every response filed by a Mortgage Creditor, or its servicer, to comply with the requirements of Bankruptcy Rule 3002.1(g) shall contain the following information:

- (1) whether it agrees the debtor has paid in full the amount required to cure any pre-petition default;
- (2) whether the debtor is otherwise current on all post-petition payments, including any fees, charges, escrow, expenses, or costs associated with the mortgage loan due through the date of the response;
- (3) any unpaid principal balance owed as of that date;
- (4) any escrow account balance as of that date;
- (5) any suspense or other unapplied account balances as of that date; and
- (6) any fees, expenses, or charges that have been allowed but are unpaid as of that date.

**(c) Duty to File Motion.**

- (1) Conduit Mortgage Payment case. The trustee shall file any motion to declare debtor current required by Bankruptcy Rule 3002.1 in a Conduit Mortgage Payment case (as that term is defined in Vt. LBR 3015-6(a)(1)).
- (2) Non-Conduit Mortgage Payment case. The debtor's counsel (or the debtor, if *pro se*) may file any motion to declare debtor current required by Bankruptcy Rule 3002.1 in a non-Conduit Mortgage Payment case, i.e., a case where the debtor has made the mortgage payments directly to the Mortgage Creditor or its servicer during the chapter 13 case.

**Vt. LBR 3007-1. CLAIMS – OBJECTIONS.**

**(a) Attachment of Proof of Claim to Objection.**

Every objection to claim must include, as an exhibit, a copy of the proof of claim to which it objects.

**(b) Objections to Claims in Non-Subchapter V Chapter 11 Cases.**

Except with respect to subchapter V cases, objections to claims in chapter 11 cases must be filed and served prior to the hearing held to consider and approve a disclosure statement, unless the Court orders otherwise.

**(c) Objections to Claims in Subchapter V Chapter 11 Cases.**

Objections to claims in chapter 11 subchapter V cases must be filed and served no later than 30 days after the claims bar date set by the Court as stated in the subchapter V scheduling order entered in the case, unless the Court orders otherwise.

**Vt. LBR 3012-1. VALUATION OF COLLATERAL, ALLOWANCE OF SECURED CLAIMS, AND ESTABLISHMENT OF INTEREST RATE IN CHAPTER 12 AND 13 CASES.**

**(a) Creditor's Proof of Claim.**

A creditor's proof of claim shall control for purposes of establishing both the amount of a creditor's allowed secured claim and the interest rate to be paid on that allowed secured claim, unless (1) the debtor's plan provides otherwise and is confirmed, or (2) the debtor files a motion, to allow the secured claim in a different amount or with a different interest rate, and the Court grants that motion.

**(b) Debtor's Motion to Establish Amount of Secured Claim and Interest Rate.**

The debtor, under § 506(a), may seek to have a creditor's secured claim allowed in an amount that corresponds to the debtor's assessment of the value of the collateral or with an interest rate different from the contractual interest rate, as set forth below.

- (1) Through the Chapter 13 Plan. In a chapter 13 case, the debtor must propose the allowed amount of a secured claim and the interest rate to be paid on that claim, in Part 3.2 of Official Form 113. See generally Vt. LBR 3015-1(a) (describing requirement that all chapter 13 plans be filed on Official Form 113). There, the debtor must identify the collateral, set forth the debtor's estimate of the collateral's value, explain the basis for the debtor's valuation, state the proposed amount of the allowed secured claim, state the proposed interest rate, and explain the basis for the proposed interest rate if it is different from what the creditor asserts. The debtor must describe and attach proof of the creditor's interest in the collateral. The debtor must also file the plan separately as an embedded motion. See Vt. LBR 3015-1(b).
- (2) Through a Modified Chapter 13 Plan. If the debtor fails to seek valuation of the collateral and allowance of a secured creditor's claim in Part 3.2 of Official Form 113 prior to confirmation of the plan, the debtor must file a motion to modify the plan, to assert this relief under § 506(a).
- (3) In a Chapter 12 Case. The debtor may establish the amount of an allowed secured claim in a chapter 12 case either through the plan or by motion. If in the plan, the debtor must include a conspicuously identified provision (i) setting forth the debtor's valuation of the collateral securing the claim, and (ii) proposing the allowed amount of, and interest to be paid on the secured claim, under §506(a). Whether the debtor seeks this relief through the chapter 12 plan or a motion, the debtor must set forth all information required in a chapter 13 case, as specified above, and must serve the plan or motion on the creditor in the manner required by the Bankruptcy Rules.

**(c) Rebuttable Presumption of Valuation of Motor Vehicles.**

The value of motor vehicle collateral will be presumed to be the midpoint between the National Automobile Dealers Association average trade-in value and clean retail value unless (1) the parties agree to a different value, (2) the debtor or secured creditor presents an appraisal which the other party does not dispute, or (3) a different value is fixed by the Court after an evidentiary hearing held specifically to determine the value of that vehicle.

**(d) Other Collateral Valuation.**

The debtor must specify the basis of each proposed valuation of collateral set out in Part 3.2 of Official Form 113 and attach documents that support the proposed valuation. See Vt. LBR 3015-1(a).

**VT. LBR 3013-1. MOTION TO STRIP LIEN OR MORTGAGE THAT IS WHOLLY UNSECURED IN CHAPTER 12 AND 13.**

**(a) Motion to Strip a Wholly Unsecured Lien or Mortgage under § 506(a).**

A motion under § 506(a) in a chapter 13 case must be made in Part 3.2 (and noted on Part 1.1) of the debtor's plan. See Vt. LBR 3015-1; see also Official Form 113.

**(b) Contents of the Motion.**

In addition to the information required by Part 3.2 of Official Form 113, the debtor must attach to the motion:

- (1) a copy of the lien or mortgage that contains the recording information;
- (2) a clear description of the property subject to the lien or mortgage in question;
- (3) the document upon which the debtor is relying to establish the value of the property; and

- (4) a document setting forth the name and address of each entity that holds a lien of record against the property, the recording reference for each lien (including town, book, page, and date of recording), and the amount of the claim secured by each lien.

**(c) Orders Granting Motions to Strip Mortgages or Other Liens in Chapter 12 and 13.**

Unless the Court approves different terms after notice to the lien holder or mortgagee and the chapter 12 or 13 trustee, in addition to the confirmation order, the debtor must file a proposed order stripping a lien or mortgage that:

- (1) specifies that the lien or mortgage is stripped only if the plan is completed;
- (2) states if the case is dismissed, the order granting the motion to strip the lien or mortgage is void;
- (3) provides the order is conditional and is of no effect unless it contains a certification by the chapter 12 or 13 trustee that the debtor satisfied all of their obligations in the case and the case was not dismissed; and
- (4) include the following trustee certification language:

*Certification of Chapter 12/13 Trustee*

*I, [name], the Chapter 12/13 Standing Trustee for the District of Vermont, hereby certify under penalty of perjury under the laws of the United States of America that the Debtor has completed his/her Chapter 12/13 Plan.*

*Dated:* \_\_\_\_\_

\_\_\_\_\_*[signature]*\_\_\_\_\_  
*Chapter 12/13 Trustee*

**Vt. LBR 3013-2. CLASSIFICATION OF CLAIMS AND INTERESTS IN CHAPTER 12.**

Secured and Priority Claims. The chapter 12 trustee must pay all secured and priority claims the amount indicated in the proof of claim unless either the creditor affirmatively consents to a different treatment or an objection to the claim is filed and sustained. If a priority or secured creditor does not file a proof of claim, the chapter 12 trustee must pay the amount provided in the plan.

**Vt. LBR 3013-3. CLASSIFICATION OF CLAIMS AND INTERESTS IN CHAPTER 13.**

Secured and Priority Claims. The chapter 13 trustee must pay all secured and priority claims in the amount indicated on the proof of claim unless either the creditor affirmatively consents to a different treatment or an objection to the claim is filed and sustained. If a priority or secured creditor does not file a proof of claim, the chapter 13 trustee must pay the amount provided in the plan.

**Vt. LBR 3014-1. SECTION 1111(B) ELECTION.**

**(a) Election in Chapter 11 Non-Subchapter V Cases.**

Except with respect to subchapter V cases, a class of secured creditors may make an election under § 1111(b) up to 14 days before the confirmation hearing, unless the Court sets a different date.

**(b) Election in Chapter 11 Subchapter V Cases.**

In subchapter V cases, a class of secured creditors may make an election under § 1111(b) not later than 30 days after the debtor files a subchapter V plan.

## **VT. LBR 3015-1. PLAN REQUIREMENTS IN CHAPTER 13.**

### **(a) Required Form.**

All chapter 13 plans must be filed on Official Form 113, unless the debtor obtains leave of the Court to file the plan in a different format. Whenever these Rules discuss a chapter 13 plan or specify a “part” of a plan they are referring to Official Form 113.

### **(b) Embedded Motions.**

- (1) Debtors must check the applicable box in Part 1 of the plan and complete the relevant sections in Part 3 of the plan, i.e., on Official Form 113, when seeking to:
  - (A) avoid judicial liens or nonpossessory, nonpurchase money security interests that impair their exemption under § 522(f);
  - (B) determine the value of collateral and fix the amount of the creditor’s claim secured by that collateral under § 506(a);
  - (C) strip one or more liens on their property;
  - (D) otherwise modify the payment of the claim from the terms in the parties’ contract (e.g., extend repayment period, reduce interest rate); or
  - (E) surrender collateral and terminate the automatic stay against that collateral.These Rules refer to these requests for relief in a Plan as “embedded motions.”
- (2) Additionally, to obtain relief through an embedded motion, debtors must file the plan in CM/ECF a second time, in lieu of filing a separate motion for the specific relief, and attach a notice of motion (specifying the page and part of the plan requesting the relief), a certificate of service, and a proposed order for that specific relief. See Fed. R. Bankr. P. 7004.
- (3) The hearing date for an embedded motion must either precede or coincide with the hearing date for confirmation of the plan.

### **(c) Minimum Monthly Payments.**

Unless the Court orders otherwise for good cause shown, the minimum monthly plan payment is \$50.

### **(d) Sale Plans.**

A plan that is funded in whole or in part from the sale of property is called a “sale plan.” Sale plans must (1) provide that the sale(s) will close within 1 year of confirmation of the plan, unless the Court approves a later closing date, and (2) specify details of the sale(s) in Part 2.4 of the plan. Once the debtor has a fully executed contract of sale, the debtor must file a separate motion to approve the sale and then file a report of sale within 14 days after the closing.

### **(e) Treatment of Pre-Petition Claims.**

All allowed pre-petition claims must be paid through the plan, regardless of a creditor’s preference or the dischargeability of the debt.

### **(f) Disclosure and Payment of Attorney’s Fees.**

All unpaid pre-petition debtor’s attorney’s fees must be disclosed in the Bankruptcy Rule 2016(b) statement, included in the plan, and paid through the plan. All post-petition debtor’s attorney’s fees must be approved by the Court and paid through the plan. See Vt. LBR 2016-2.

### **(g) Service of Plans.**

The Clerk will serve all plans via CM/ECF or first-class mail. The debtor is responsible for any elevated service required under the Bankruptcy Rules for the relief sought in embedded motions.



**(h) Amended Plans.**

The debtor may file an amended plan, along with all necessary amended schedules supporting it, no later than seven days prior to the confirmation hearing date. The debtor must serve the amended plan on all parties whose treatment is diminished from the treatment set forth in the original plan.

**(i) Motion to Enlarge Time to File Plan.**

If a debtor files a motion to enlarge the time to file the plan and seeks to file the plan fewer than seven days before the date set for the initial meeting of creditors, the debtor must obtain the trustee's consent.

**VT. LBR 3015-2. TIMING AND LOCATION OF CONFIRMATION HEARINGS IN CHAPTER 13.**

Based on the geography of Vermont, the travel distances between some towns and the federal courthouses within the state, the success of the prior practice of holding the initial meetings of creditors and confirmation hearings on the same day, and the adverse economic impact that would result otherwise, the Court determines it is in the best interest of all parties to continue the practice of holding chapter 13 meetings of creditors on the same day, and at the same location, as chapter 13 confirmation hearings. This determination creates a rebuttable presumption that any party may challenge by written objection on 14 days' notice to all parties in interest.

**VT. LBR 3015-3. OBJECTIONS TO CONFIRMATION IN CHAPTER 13.**

**(a) Creditor's Duty to Review and Opportunity to Object to Plans.**

Creditors must promptly review all plans and amended plans and present any objections in a timely manner.

**(b) Timely Objections.**

Parties are encouraged to file written objections to the confirmation of a chapter 13 plan at least seven days before the date set for the initial confirmation hearing, and by 10 a.m. on the last business day before the hearing on confirmation of an amended plan. All objections, whether written or not, must be made no later than the date set for the initial confirmation hearing, unless (1) the trustee and debtor consent to a later objection deadline, or (2) the objecting party shows good cause for filing the objection at a later date and that its filing of a late objection will not prejudice any party.

**VT. LBR 3015-4. ADDITIONAL, SEPARATE, PROPOSED ORDERS REQUIRED FOR EMBEDDED MOTIONS IN CHAPTER 13.**

A party who files an embedded motion must also file a proposed order granting that relief under Vt. LBR 3015-1(b)(2). The proposed order must make specific reference to the page and part of the plan where the relief was sought.

**VT. LBR 3015-5. CONFIRMATION ORDERS IN CHAPTER 13.**

Confirmation orders shall set forth the terms of the plan approved at the confirmation hearing and may include minor adjustments and additions provided all affected parties consent to them. Orders confirming sale plans must identify the property to be sold (*i.e.*, the physical address for real property, a vehicle identification number for a vehicle) and the deadline for completing the sale(s).

**VT. LBR 3015-6. CONDUIT MORTGAGE PAYMENT PLANS IN CHAPTER 13.**

**(a) Definitions.**

For purposes of this Rule, the following terms have the stated meanings:

- (1) A “Conduit Mortgage Payment” is the Regular Monthly Mortgage Payment the debtor is obligated to pay to the mortgage creditor post-petition (as defined below), which the trustee disburses pursuant to the terms of this Rule.
- (2) A “Conduit Mortgage Payment Plan” is a plan which states in Part 3.1 of Official Form 113 that the trustee will make ongoing monthly mortgage payments on one or more mortgages.
- (3) The debtor is “Delinquent” when the debtor owes the Mortgage Creditor any past due payments or other charges as of the Filing Date. This term does not include a failure to make Regular monthly Mortgage Payments that could have been – and were – timely paid after the Filing Date.
- (4) The “Filing Date” is the date the case was filed under or converted to chapter 13.
- (5) A “Mortgage Creditor” is an entity entitled to enforce an allowed claim secured by a properly perfected mortgage on the debtor’s principal residence, or the servicer for that entity, as determined by which entity files a proof of claim for the mortgage debt. Whenever this Rule refers to notice on the Mortgage Creditor, or requires the Mortgage Creditor to file a document, those references also include the Mortgage Creditor’s attorney.
- (6) The “Post-Petition Mortgage Arrearage” is the sum of past due Regular Monthly Mortgage Payments the debtor owes to a Mortgage Creditor that first came due after the Filing Date.
- (7) The “Pre-Petition Mortgage Arrearage” is the sum of regular monthly mortgage payments the debtor owes to a Mortgage Creditor that could last be timely paid prior to the Filing Date.
- (8) A “Regular Monthly Mortgage Payment” is
  - (A) the sum of the principal, interest, taxes, insurance, administrative fees, and any other charges properly escrowed, charged, or assessed under a promissory note, and secured by a properly perfected mortgage on the debtor’s principal residence, that is due each month; or
  - (B) a monthly amount of no less than the sum of the taxes, insurance, administrative fees, and anticipated interest and principal, that is proposed in conjunction with the debtor’s participation in this Court’s mortgage mediation program, provided that any plan proposing to use a regular monthly mortgage payment, defined under this Rule, may only be confirmed by the Court if
    - (i) after notice and opportunity to object, the Mortgage Creditor does not object, and
    - (ii) the debtor’s plan provides that the debtor will promptly modify this figure to match the outcome of mortgage mediation if the mediation yields a different regular monthly mortgage payment.
- (9) A “Waiver Order” waives the requirement for a debtor to make Conduit Mortgage Payments and will only be granted upon a showing of cause based upon exigent circumstances.

**(b) Post-Petition Mortgage Payments.**

- (1) When the Debtor is Not Delinquent. A debtor who is not Delinquent is not required to make Conduit Mortgage Payments but may elect to do so.
- (2) When the Debtor is Delinquent. A debtor who is Delinquent is required to make Conduit Mortgage Payments unless the debtor obtains a Waiver Order.

**(c) Duties of the Debtor.**

In Conduit Mortgage Payment cases, the debtor must:

- (1) file a wage withholding authorization, Vt. LB Form Y-8, within 14 days of the Filing Date, unless the Court grants the debtor's motion for waiver of the wage withholding requirement;
- (2) promptly modify the amount of plan payments to comport with changes in the Monthly Mortgage Payment;
- (3) promptly object to the Mortgage Creditor's proof of claim if the debtor has cause to believe the amounts or computations on the proof of claim are inaccurate; and
- (4) immediately file, and serve on the trustee, a copy of the acceptance of a trial payment plan ("TPP") so the trustee has the information necessary to disburse Conduit Mortgage Payments in a manner consistent with the terms of the TPP.

**(d) Duties of the Trustee.**

In Conduit Mortgage Payment cases, the trustee must:

- (1) disburse payments to the Mortgage Creditor within 30 days of the date the Mortgage Creditor files a proof of claim (and not disburse any payments if the Mortgage Creditor has not filed a proof of claim), unless the Court orders otherwise;
- (2) promptly adjust the amount of the plan payment when the Regular Monthly Mortgage Payment increases, either on stipulation between the trustee and the debtor or pursuant to a Court order;
- (3) disburse only full payments to the Mortgage Creditor and immediately notify (by e-mail) the debtor, the debtor's attorney (if any), and the Mortgage Creditor when there are insufficient funds to make full and timely payment;
- (4) include a statement on the voucher of each payment the trustee sends to a Mortgage Creditor that specifies:
  - (A) the debtor's name, the case number, and the last four digits of the Mortgage Creditor's account number; and
  - (B) the amount allocable to the Conduit Mortgage Payment and the amount allocable to the Pre-Petition Mortgage Arrearage;
- (5) file and serve upon all parties in interest a notice of delinquency (specifying the due date, number of missed payments, and the amount needed to cure the plan payment default) within 14 days of the debtor's first instance of plan payment default; and
- (6) file and serve upon all parties in interest a motion to dismiss the case if (A) the debtor does not cure the plan payment default or file a motion to modify the plan within 30 days of the trustee's notice of delinquency, (B) the debtor defaults on plan payments again, or (C) the trustee determines other grounds warrant dismissal of the case.

**(e) Duties of the Mortgage Creditor.**

In Conduit Mortgage Payment cases, the Mortgage Creditor must:

- (1) apply each Conduit Mortgage Payment disbursed by the trustee to the earliest outstanding post-petition payment due under the plan, as specified on the voucher narrative accompanying the payment;
- (2) forbear from assessing a late fee unless the tardiness of the payment was caused by the debtor's failure to make a full or timely plan payment to the trustee;
- (3) upon request, promptly provide an annual payment history to the trustee or debtor; and
- (4) upon request, promptly provide to the trustee or debtor copies of all documents it has sent, and sends, to the debtor post-petition, including correspondence, statements,

payment coupons, escrow notices, default notices, and any other documents, which disclose changes in (A) the name or identity of the Mortgage Creditor, (B) the monthly payment amount, (C) the interest rate or escrow requirements, or (D) the address to which mortgage payments are to be sent.

**(f) Jurisdiction.**

This Court retains jurisdiction over all orders entered pursuant to this Rule.

**Vt. LBR 3015-7. CONFIRMATION HEARINGS IN CHAPTERS 12 AND 13.**

**(a) Filings Considered.**

The Court will not consider any document filed after 10:00 am on the last business day preceding the date of the confirmation hearing.

**(b) Required Attendance.**

Absent exigent circumstances and a prior Court order, the debtor and the debtor's attorney (if any), shall attend the confirmation hearing. The debtor must be in the courtroom promptly at the commencement of the confirmation hearing calendar. A debtor's failure to attend a confirmation hearing may result in dismissal of the case without further notice or hearing.

**(c) Requests to Postpone the Initial Confirmation Hearing.**

A motion or stipulation to postpone an initial confirmation hearing, along with all necessary consents, must be filed at least seven days prior to the initial confirmation hearing date and served on all creditors. The initial confirmation hearing will proceed unless the Court enters an order granting the continuance and canceling the initial confirmation hearing.

**(d) Requests to Postpone a Continued Confirmation Hearing.**

Any motion or stipulation to postpone a continued confirmation hearing, along with any necessary consents, must be filed by 10:00 am on the last business day preceding the continued confirmation hearing date, and set forth good cause for the continuance. See Vt. LBR 9011-4(e) & (f); see also Vt. LBR 9013-1(f), (j).

**Vt. LBR 3015-8. MOTIONS TO MODIFY CONFIRMED CHAPTER 12 AND 13 PLANS.**

**(a) Modification of a Confirmed Chapter 12 or 13 Plan.**

A debtor, trustee, or holder of an allowed unsecured claim may file a motion to modify a confirmed plan any time before the completion of payments under the plan.

**(b) Contents of a Motion to Modify Plan.**

A motion to modify plan must clearly set forth (1) the date of plan confirmation, (2) the specific provisions of the plan (identified by part or paragraph) being modified, (3) the differing treatment of the affected parties under the proposed modified plan, (4) the circumstances that created the need to modify the confirmed plan, (5) the facts that demonstrate the modified plan is feasible, and (6) the factors that demonstrate the proposed modified plan meets the remaining confirmation requirements of the Bankruptcy Code. Movants are encouraged to attach spreadsheets or other documents to the motion to modify to supplement the narrative in the motion, especially if that documentation would support the motion to modify generally or demonstrate the feasibility of the modified plan.

**(c) Additional Filing Requirements for a Motion to Modify Plan.**

- (1) A party who files a motion to modify a chapter 12 or 13 plan must clearly specify in the motion the changes the debtor proposes in their modified plan.
- (2) A party who files a motion to modify a chapter 13 plan must file:
  - (A) a proposed modified plan using Official Form 113 and specify at the top of that form (next to the box checked to identify it as an amended plan): (i) which part of the plan is being modified, (ii) the name of each creditor whose claim is affected,

- and (iii) the nature and extent of the proposed changes to each affected claim (i.e., each such creditor's treatment under the original plan and as modified); and
- (B) a proposed order using Vt. LB Form F-13.
- (3) A party who files a motion to modify a chapter 12 plan must file a:
  - (A) a clean copy of the proposed modified plan;
  - (B) a redlined copy of the proposed modified plan that conspicuously indicates which part of the plan is being modified, with any deletions struck through and any modifications or additions in red and underlined; and
  - (C) a proposed order using Vt. LB Form F-12.

**VT. LBR 3016-1. AMENDED DISCLOSURE STATEMENTS AND PLANS IN CHAPTER 11.**

Whenever a party files an amended disclosure statement or plan, that party must file both a clean copy and a redlined version of the amended document, clearly designating all additions and deletions. See Vt. LBR 3015-8(c)(3).

**VT. LBR 3017-1. APPROVAL OF DISCLOSURE STATEMENT IN CHAPTER 11.**

A proposed order for approval of a disclosure statement must be presented on Vt. LB Form P or substantially conform to Form P.

**VT. LBR 3018-1. BALLOTS IN ALL CHAPTER 11 CASES.**

On each blank ballot it issues to a creditor, the chapter 11 plan proponent must: (a) affix the corresponding master mailing list label or otherwise include the creditor's typewritten name and address identical to that specified on the master mailing list; or (b) include the creditor's typewritten name above a section for the creditor to provide their current mailing address. The plan must inform creditors of their obligation to send completed ballots to the plan proponent or its designee, and not to the Clerk.

**VT. LBR 3018-2. PRE-FILING SOLICITATION, ACCEPTANCE, AND REJECTION OF CHAPTER 11 PLAN IN ALL CHAPTER 11 CASES.**

A summary of all plan acceptances and rejections solicited before the commencement of a case must be filed with the Clerk contemporaneously with the petition and accompanied by copies of all materials used in soliciting acceptances or rejections. On request of a party in interest or the United States trustee, the Court will hold a hearing to determine if the solicitation process complied with § 1126(b).

**VT. LBR 3018-3. CERTIFICATION OF ACCEPTANCE AND REJECTION OF PLAN IN CHAPTER 11.**

Not fewer than three business days before the confirmation hearing, a plan proponent must file with the Clerk a summary report of all voted ballots. The summary must certify the amount and number of allowed claims of each class accepting or rejecting the plan and the amount of allowed interests of each class accepting or rejecting the plan (hereinafter, "Summary Ballot Report and Certification"). See Vt. LB Form G. The Court, debtor-in-possession, chapter 11 trustee (if any), the United States trustee, and the attorney for any committee may request copies of the voted ballots the plan proponent received and, upon request, the plan proponent must promptly provide the requesting party with copies of the ballots. The Court may rely on the Summary Ballot Report and Certification to determine if the plan has been accepted or rejected. Unless the Court waives this requirement, the confirmation hearing will not commence unless the plan proponent has timely filed the Summary Ballot Report and Certification.

## **VT. LBR 3020-1. CONFIRMATION OF CHAPTER 11 PLANS.**

### **(a) Confirmation Requirements.**

The plan proponent has the burden of proof at the confirmation hearing. At least three business days before the confirmation hearing, the plan proponent must file the following with the Clerk:

- (1) a Summary Ballot Report and Certification;
- (2) a motion for confirmation of the plan describing the proof that the plan proponent will offer for each of the applicable elements of § 1129(a); and
- (3) any other document the plan proponent asserts is necessary to achieve plan confirmation.

### **(b) “Cram Down” under §§ 1129(b) or 1191.**

A motion for a “cram down” under §§ 1129(b) or 1191 will be heard at the confirmation hearing only if a request for hearing is filed and served at least 14 days before the scheduled confirmation hearing. The movant must serve that motion on the attorney for all members of the non-accepting class (or the members of that class if they are not represented by counsel), the attorney for any committee (or the committee members if the committee is not represented by counsel), and the United States trustee.

### **(c) Order Confirming a Chapter 11 Plan.**

The proposed findings of fact and order confirming the plan must be in substantially the same form as Vt. LB Form H.

### **(d) Conspicuous Identification of the Plan the Court Confirmed.**

After the confirmation hearing at which the Court confirms a chapter 11 plan, the plan proponent must file a copy of the final version of the plan (with whatever revisions the Court articulated or directed at the confirmation hearing) as an attachment to the proposed confirmation order. However, the plan proponent is not required to serve a copy of the final version of confirmed chapter 11 plan with the confirmation order; a reference in the confirmation order to the docket number of the final version of the plan is sufficient.

## **VT. LBR 3022-1. FINAL REPORT AND DECREE IN CHAPTER 11.**

### **(a) Report of Substantial Consummation.**

The plan proponent, or the disbursing agent defined in the plan, must file a report of substantial consummation showing the plan proponent has satisfied the criteria of § 1101(2).

- (1) The plan proponent must file a motion for final decree with the report of substantial consummation and serve that motion on all creditors and parties in interest.
- (2) Unless the Court orders otherwise, the motion for final decree shall include a request that the Court terminate jurisdiction over the case and direct the Clerk’s Office to close the case. The motion must include the following exhibits: (A) the final report form in substantial compliance with paragraph (d) of this Rule, (B) copies of the front of each cancelled check, and (C) copies of the corresponding bank statements (with account number(s) properly redacted) which refer to those cancelled checks.
- (3) The plan proponent is not required to serve all items set forth in subparagraph (a)(2) with the motion for final decree on any party except the United States trustee.

### **(b) Time for Filing Report of Substantial Consummation.**

The Court may require the plan proponent to file the report of substantial consummation as soon as all checks issued for the first distribution under the plan have cleared, in non-individual chapter 11 cases. In all cases, the plan proponent must file the report of substantial consummation within 180 days after entry of a final order confirming a plan unless, within the original 180-day period and for good cause shown, the Court enlarges the time.

**(c) Affidavit of Post-Confirmation Disbursements.**

- (1) The plan proponent or the disbursing agent defined in the plan must file with the Clerk, and serve on the United States trustee, post-confirmation operating reports as required by United States Trustee Guidelines, showing all cash disbursements for each month after confirmation of the plan.
- (2) The operating reports are due on the 20th day of the month after the month reported. The duty to file the monthly operating reports will cease upon the filing of an affidavit of substantial consummation, unless the Court orders otherwise.
- (3) The monthly operating report must disclose all disbursements by stating:
  - (A) the total amount of payments made in that month pursuant to the plan, with a subtotal of payments for each class defined in the plan, whether the total amount paid to each class is in compliance with the terms of the plan, whether the amount paid is less than the amount required by the plan, and whether there is a good faith dispute about the amount owed;
  - (B) the administrative expenses paid; and
  - (C) the total amount of cash disbursements made in the ordinary course of the debtor's ongoing operations (if any).

**(d) Final Report.**

The final report must be in the form of an affidavit and must include, but is not limited to, the following information:

	Allowed	Paid
(1) Administrative Expenses:		
trustee's compensation (if any)	\$ _____	\$ _____
trustee's attorney's compensation (if any)	\$ _____	\$ _____
debtor's attorney's compensation	\$ _____	\$ _____
other professionals' compensation	\$ _____	\$ _____
all other administrative expenses [specify]	\$ _____	\$ _____
<b>Total Administrative Expenses</b>	\$ _____	\$ _____
(2) Percentage and amount of claims paid (per defined class)		
percentage of claims paid to class [X]	_____ %	_____ %
amount paid to class [X]	\$ _____	\$ _____
<b>Total Plan Payments</b>	\$ _____	\$ _____

**Vt. LBR 3070-1. PLAN PAYMENTS IN CHAPTER 13.**

**(a) Payments to the Chapter 13 Trustee.**

- (1) Chapter 13 debtors are required to: (A) make plan payments through direct wage deductions, TFS e-wage deductions (TFS), automated clearing house (ACH) payments, electronic funds transfer (EFT), or a similar payment method that results in an electronic credit to the chapter 13 trustee's account, unless the debtor obtains a Court order waiving the requirement for cause based on exigent circumstances; and (B) specify the form of payment in Part 2.2 of the plan and Vt. LB Form 8.
- (2) Unless the Court waives the above requirement, a debtor must obtain an order implementing direct wage deductions or TFS, ACH, EFT, or similar payment method to be eligible for plan confirmation.

- (3) Until a payment order is in effect, the debtor must make all plan payments in the form of a cashier's check, certified check, bank draft, or money order payable to the "Chapter 13 Trustee," and mail the payments directly to the chapter 13 trustee at the address that the trustee designates.
- (4) The face of the payment instrument, as well as any electronic payment, must include the debtor's name and bankruptcy case number.

**(b) Minimum Plan Payment Amount.**

Every chapter 13 plan must require the debtor to make a payment of at least \$50 each month the case is pending, unless the Court waives this requirement.

**(c) Payment of Trustee Commission on Dismissal or Conversion.**

When a chapter 13 case is dismissed or converted to another chapter prior to confirmation of the debtor's plan, the chapter 13 trustee shall collect as compensation the percentage fee pursuant to 28 U.S.C. § 586(e) from any plan payments the debtor has made.

**VT. LBR 3071-1. SECURED CREDITORS' AND LESSORS' OBLIGATION TO PROVIDE ACCOUNT INFORMATION AND STATEMENTS TO DEBTORS POST-PETITION.**

**(a) Purpose; Protection Assured to Secured Creditors and Lessors.**

Secured creditors and lessors of assumed leases are required to provide loan statements to debtors post-petition with respect to any loans in the bankruptcy case under which the debtor (1) retains possession of the collateral or leased property and (2) is required to make contract installment payments directly to the creditor. The creditor must also provide specific contact information to the debtor so the debtor may obtain accurate, up-to-date information on the status of the loan as needed.

**(b) Applicability of Rule.**

- (1) This Rule applies: (A) in cases filed under chapters 7, 11, 12, and 13; (B) to consumer loan relationships; and (C) as long as the debtor is protected by the automatic stay.
- (2) This Rule does not apply: (A) to debts secured by non-consensual liens (e.g., tax liens, judgment liens, restitution liens); (B) when the collateral is vacant land or has been abandoned; or (C) when a mortgage was granted in conjunction with a commercial or business loan, notwithstanding whether the lien is on residential real property.

**(c) Monthly Statements for Debts Secured by a Mortgage on Real Property.**

Secured creditors whose claims are secured by a mortgage on real property must provide monthly statements to each chapter 11, 12, or 13 debtor whose plan indicates an intent to retain the creditor's collateral or whose statement of intent indicates an intent to pay the creditor. The creditor must also provide monthly statements to each chapter 7 debtor who has expressed an intent in their statement of intent (served on the creditor) to retain the creditor's collateral. The monthly statements must contain at least the following information concerning the post-petition mortgage payments the debtor will make directly to the creditor:

- (1) the date of the statement and the date the next payment is due;
- (2) the amount of the current monthly payment and the amount of the next payment due;
- (3) the amount of the payment attributable to escrow (if any);
- (4) the amount due for any post-petition arrears and from what date;
- (5) the amount of any outstanding post-petition charges;
- (6) any other amount(s) due (e.g., for payment of taxes, insurance, attorney's fees, and/or other expenses), together with an explanation of the "other amount due" and, if the mortgage creditor has already made a payment that is the basis for this "other amount due," the date of such payment;



- (7) the amount, date of receipt, and application of all payments received since the date of the last statement;
- (8) the name and telephone number and other contact information the debtor or the debtor's attorney may use to obtain reasonably prompt information regarding the secured loan and recent transactions; and
- (9) the address to which the next payment is to be sent and, if the address has changed since the last statement, a conspicuous statement notifying the debtor of the new address.

**(d) Additional Monthly Statement Information Required upon Request.**

Upon reasonable written request of the debtor or case trustee, secured creditors whose claims are secured by a mortgage on real property must provide the following additional information:

- (1) the principal balance of the secured loan;
- (2) the original maturity date;
- (3) the current interest rate;
- (4) the current escrow balance (if any);
- (5) the interest paid year-to-date; and
- (6) the property taxes paid year-to-date (if any).

**(e) Monthly Statements for Other Secured Debts and Assumed Leases.**

Secured creditors other than those whose claims are secured by a mortgage on real property, as well as lessors of assumed leases, must provide monthly statements or other forms of invoicing (e.g., a coupon book) to each chapter 11, 12, and 13 debtor who has expressed an intent in their plan to retain the creditor's collateral or assume the lease, and who has expressed an intent to pay the creditor directly. The creditor must provide monthly statements or other forms of invoicing (e.g., a coupon book) to each chapter 7 debtor who has expressed an intent, in their statement of intent (served on the creditor), to retain the creditor's collateral or assume the lease. The monthly statements or other forms of invoicing must contain the same, or substantially similar, information as that provided pre-petition.

**(f) Forms of Communication Generally.**

A creditor will have complied with this Rule if it has transmitted the requisite monthly statements, other forms of invoicing, or additional requested information to the debtor in the manner normally used by the creditor. However, the creditor and debtor may agree to a form of communication not routinely used by the creditor (e.g., e-mail rather than first-class mail) to transmit documents to the debtor. It is the debtor's duty to provide the creditor with the debtor's current address and such contact information as is necessary to facilitate receipt of documents the creditor transmits to the debtor pursuant to this Rule.

**(g) Waiver of Strict Compliance.**

If a creditor uses a billing system that provides monthly statements or other forms of invoicing that substantially comply with this Rule but do not fully conform to all of its requirements, the creditor may request that the debtor accept such monthly statements or other forms of invoicing. If the debtor declines to accept non-conforming monthly statements or invoices, the creditor may file a motion, on notice to the debtor and the debtor's attorney (if any), requesting permission to issue non-conforming monthly statements or invoices, for either a limited or unlimited time period, in full satisfaction of the creditor's obligation under this Rule. The creditor will only be eligible for a waiver if the proposed monthly statements or invoices substantially comply with this Rule and the creditor demonstrates it would be an undue hardship to strictly comply with this Rule.

**(h) Motion to Compel Compliance.**

A debtor may file a motion to compel a creditor's compliance with this Rule if the debtor has evidence that a creditor has not complied with this Rule for at least 30 days. However, the debtor must first make a good faith effort to contact the creditor to determine the cause for non-compliance, including inquiring about the status of the creditor's efforts to provide statements in compliance with this Rule, before filing a motion to compel compliance. The debtor's motion to compel must include a description of (1) the debtor's pre-motion good faith effort(s), (2) any response by the creditor, and (3) any harm the debtor has suffered as a result of the creditor's non-compliance.

**PART IV– THE DEBTOR'S DUTIES AND BENEFITS**

**Vt. LBR 4001-1. AUTOMATIC STAY – RELIEF FROM AUTOMATIC STAY.**

**(a) Debtor's Motion Through a Chapter 13 Plan.**

A debtor may request the stay be lifted in favor of a secured creditor as an embedded motion in Part 3.5 of Official Form 113. The debtor must serve that motion according to the Bankruptcy Rules, and separately file a proposed order for that relief.

**(b) Contents of a Creditor's Motion for Relief from Stay, Generally.**

A creditor's motion for relief from stay must comply with Vt. LBR 9013-1(a)–(d) and must include the following information to the extent applicable:

- (1) a description of the property (e.g., the VIN, make, and model of a vehicle, the serial number for a mobile home or equipment, the name and docket number of a pending court action, the street address of real property, the volume/page number where title to and liens against real property are recorded);
- (2) the names and purported interests of all parties known, or discovered after reasonable investigation, who claim to have an interest in the property;
- (3) the amount of the outstanding indebtedness on each lien, the fair market value of the property, and the basis for the valuation;
- (4) legible and complete copies of all relevant liens and security agreements or, if voluminous, the initial page and signature pages of those documents;
- (5) evidence of perfection of the movant's lien or interest; and
- (6) copies of any prior orders of the Court upon which the motion relies.

**(c) Additional Requirements for Motions Seeking Relief from Stay Based on Post-Petition Payment Default and Objections Thereto.**

- (1) Requirement of Pre-Motion Default Notification. If a secured creditor alleges the debtor has defaulted on any post-petition payment obligation, the secured creditor must (A) send the debtor and the debtor's attorney (if any) a notice of default setting forth with specificity the dates and amounts of missed post-petition payments, and (B) refrain from filing a motion for relief from stay until at least seven days has passed since sending that notice.
- (2) Motions. When a secured creditor moves for relief from stay based on allegations of a post-petition payment default, in addition to including the information itemized in paragraph (b) above, the secured creditor's motion must include the following:
  - (A) in all cases, (i) a statement that the motion is based upon the debtor's default, and (ii) an affidavit specifically identifying by date and amount, the payment(s) alleged to be in default, or a printout of payments made on the trustee's website, if applicable;

- (B) in a chapter 7 case, a statement that the secured creditor has responded promptly and thoroughly to the case trustee or debtor's reasonable request for account information; and
  - (C) in a chapter 13 case, a statement that the secured creditor has provided the debtor with the required account information and monthly statements in a timely fashion. See Vt. LBR 3071-1(e).
- (3) Objections. A debtor objecting to the secured creditor's motion must:
- (A) state with specificity those allegations of the secured creditor that the debtor disputes;
  - (B) state the debtor's legal and factual basis for asserting the secured creditor is not entitled to relief from stay; and
  - (C) append to the objection an affidavit of the debtor that states (i) the amount of each payment the debtor made, (ii) the date of each payment, (iii) the form of each payment (e.g., check, money order), (iv) the means by which each payment was transmitted (e.g., regular, first-class mail, private courier service), and (v) the address to which the debtor sent each payment. The debtor's affidavit must also include copies of records showing proof of payment(s) on the obligation or include an explanation as to why those records are not included and when they will be filed. The debtor's failure to meet these requirements may result in the Court treating the motion as unopposed.
- (4) Secured Creditor's Additional Obligations When a Chapter 13 Debtor Objects; Consequence of Failure to Meet Additional Obligations. When a chapter 13 debtor contests the payment default or alleges the secured creditor misapplied their payment(s), and complies with the procedure in subparagraph (3) above, the secured creditor must transmit to the debtor's counsel (or to a *pro se* debtor directly) the debtor's payment history and a detailed accounting of how the secured creditor applied the debtor's payment(s) to the outstanding obligation, within three business days after the debtor files their objection. The secured creditor must transmit this information in a manner that ensures the debtor will have a reasonable opportunity to review the information before the hearing on the relief from stay motion. If the secured creditor has not provided debtor's counsel (or *pro se* debtor) with the required account information in a timely and complete fashion, the Court may deny the relief from stay motion, deny the secured creditor's request for recovery of its attorney's fees and/or costs in connection with the motion, or grant such other relief it deems appropriate. The Court may also order the secured creditor to pay the debtor's reasonable attorney's fees (if any), for responding to the motion.

**(d) Service of Motion.**

A creditor seeking relief from stay must file a motion with a certificate of service showing service of the motion on the debtor, the debtor's attorney (if any), the case trustee (if any), any parties affected by the motion or having an interest in the property that is the subject of the motion, all parties in interest who have requested notice, and the United States trustee. See Vt. LBR 9013-6; see also Vt. LBR 9013-1(h).

**(e) Stipulation for Relief from Stay.**

- (1) A stipulation for relief from stay must (A) describe the property or interest involved, (B) state the property's fair market value, (C) state the basis for the valuation, and (D) list all encumbrances against the property with the name of each lien holder and the amount of each lien. A stipulation for relief from stay must also include the statements, but need

not include the supporting documents, required by paragraph (b) above. No affidavit is required if there are no facts in dispute.

- (2) Notice required under Vt. LBR 9013-2(c) is waived for a stipulated motion for relief from stay provided (A) all parties entitled to notice have been served with the motion, and (B) all parties in interest have filed their consent. See Vt. LBR 9011-4(e) & (f). Additionally, notice of a stipulation need not be served if the motion for relief from stay was previously noticed for hearing and no party objected or the Court overruled any objection that was filed.

**(f) Final Hearing.**

The Court will hold a hearing on a motion for relief from stay within 30 days of its filing except in those instances where a stipulation is filed pursuant to paragraph (e) above, or the motion is filed under the default procedure. See Vt. LBR 9013-4(b)(3). If a movant schedules a hearing on a motion for relief from stay for a date that is more than 30 days after the date the motion was filed, the movant must include an affirmative waiver of the termination of the stay after 30 days that is imposed per § 362(e). With such waiver, the stay will continue pending through the conclusion of a final hearing and determination on the motion under § 362(d). Likewise, if the parties agree to postpone the hearing, an equal extension of time will be deemed added to that 30-day period.

**(g) Evidentiary Hearing.**

The final hearing on a motion for relief from stay will be an evidentiary hearing unless the parties agree otherwise. Parties planning to present evidence must contact the courtroom deputy to ensure there is sufficient time for the presentation of evidence and must file and serve a Bankruptcy Rule 9014(e) notice of evidentiary hearing at least seven days prior to the hearing, unless the Court approves a shorter time. See Vt. LBR 9014-1(b)(2); see also Vt. LB Form V.

**(h) Order Granting Relief from Stay.**

- (1) Required Language in Orders Authorizing Sale of Collateral. If the order granting relief from stay authorizes the sale of collateral, the order must state that if there are surplus monies from the sale, the secured creditor must deliver those funds to the case trustee and serve the case trustee with an accounting of the sale, promptly after the sale is completed. The order must also clearly identify the collateral that is the subject of the relief from stay order and, if the collateral is real property, the description must be sufficiently detailed for filing in the land records.

- (2) Required Language Regarding Subordinate Lien Holders. Where other parties have subordinate liens on the subject property, the proposed order granting relief from stay shall include the following language, with identification of the subordinate lien holders:

*This order also grants relief from the stay to any holder of a subordinate lien against the same property, allowing such lien holder to pursue its rights, to bid at a sale, to redeem, and/or to enforce its lien in connection with any action taken by the movant against the subject property pursuant to this order. However, this Court makes no determination as to the validity, priority, or amount of the subordinate liens.*

- (3) Separate Order Required. Whenever relief from stay is sought, the movant must file a separate proposed order granting that relief, except as otherwise set forth in these Rules. See Vt. LBR 9013-1(f). Relief from stay (whether absolute or conditional) is not available through an ordering paragraph in a plan confirmation order or any order which grants other relief.

**(i) Conditional Relief from Stay.**

If an order granting conditional relief from stay, or a stipulation for conditional relief from stay, does not state how much time a debtor has to rebut the factual assertions in an affidavit of default filed in furtherance of the order, then the debtor will have seven days to rebut an affidavit of default. If the order (or stipulation) provides for a different time period, then the order (or stipulation) will control.

**VT. LBR 4001-2. AUTOMATIC STAY – DEBTOR’S ASSERTION OF EXCEPTION FOR LEASE OF RESIDENTIAL PROPERTY UNDER § 362(L).**

**(a) Filing of the Initial Certification, Official Form 101A, and Delivery of Payment of One Month’s Rent.**

- (1) If a state court judgment of eviction has been entered against a debtor pre-petition, the debtor resides in that property as of the petition date, and the debtor wishes to remain in that leased property post-petition, the debtor must include with their bankruptcy petition:
  - (A) an Official Form 101A (“Initial Statement About an Eviction Judgment Against You”) with the “Certification About Applicable Law and Deposit of Rent” section of the form completed;
  - (B) a copy of the pre-petition judgment of eviction;
  - (C) a copy of the lease or rental agreement, or an affidavit from the debtor specifying the monthly rent amount; and
  - (D) a sum equal to the monthly rent due under the applicable rental agreement, payable to the debtor’s lessor (i.e., the landlord), in the form of a bank check, attorney trust account check, or money order.
- (2) When a debtor’s case is filed electronically, the rent payment must be delivered to the Clerk by hand delivery, first-class mail, or private courier service within three business days after filing the petition. If the Clerk receives the rent payment within that three-day period, the Clerk will treat the rent payment as if received with the petition (provided Official Form 101A and a copy of the judgment of eviction were filed with the petition).
- (3) If a debtor timely delivers the rent payment to the Clerk, but the filing is deficient due to the debtor’s
  - (A) failure to file a copy of the judgment of eviction,
  - (B) failure to file Official Form 101A,
  - (C) delivery of a rent payment that is less than the amount due, or
  - (D) delivery of a rent payment that is not valid tender (e.g., a check that is unsigned or not payable to the lessor),then the Clerk will note the deficiency on the docket and immediately return the rent payment to the debtor with a deficiency notice informing the debtor that the Clerk will not accept or process the rent payment unless the debtor cures the filing deficiency, by filing the required documents and/or delivering the proper payment, within seven days of the petition date.

**(b) Clerk’s Notification upon Receipt of Official Form 101A and Payment of One Month’s Rent.**

If the debtor delivers to the Clerk Official Form 101A together with the required copy of the judgment of eviction and the proper rent payment, the Clerk will

- (1) issue a notice to the lessor, stating the Clerk has received (A) the debtor’s Official Form 101A, (B) a copy of the judgment of eviction, and (C) rent payment, and enclose copies of each with the notice;

- (2) set a deadline of seven days after service of notice to the lessor within which time the lessor may either (A) consent to the inapplicability of the stay exception under § 362(b)(22), or (B) object to the accuracy of one of the debtor's statements in Official Form 101A or the sufficiency of the debtor's payment, and request the entry of an order stating that the § 362(b)(22) exception does apply; and
- (3) notify the lessor that if the lessor files its consent, the Clerk will promptly transmit the rent payment to the lessor, and if the lessor objects, the Clerk will promptly set a hearing.

**(c) Lessor's Consent, Objection, or Non-Response to Official Form 101A.**

- (1) Consent. If a lessor files its consent to a debtor's certification in Official Form 101A, the consent must include a verification of the amount due for the one-month rental period and specify the address to which the lessor requests the Clerk send the rent payment. Upon receipt of the lessor's consent, the Clerk will promptly transmit the rent payment to the lessor at the address the lessor provided.
- (2) Objection. If the lessor objects to any statement in the debtor's certification (Official Form 101A), the Clerk will set a hearing on the objection, to be held as soon as possible and no later than 10 days after the lessor filed the objection. The lessor's objection must identify which statement(s) in the debtor's certification the lessor disputes and whether the lessor objects to the sufficiency of the debtor's payment. If the Court overrules the lessor's objection(s), the Court will enter an order finding the debtor is entitled to the stay and the Clerk will promptly transmit the rent payment to the lessor.
- (3) Non-Response. If the lessor fails to file either a consent or an objection within the seven-day period set by the Court, unless the Court finds otherwise, the lessor will be treated as if it waived the opportunity to object. Promptly thereafter, the Clerk will transmit the rent payment to the lessor.

**(d) Filing the Second Certification, Official Form 101B.**

- (1) Within 30 days of filing the petition, the debtor must file with the Clerk, and serve on the lessor, Official Form 101B ("Statement About Payment of an Eviction Judgment Against You") indicating the debtor has cured, under applicable non-bankruptcy law, the entire monetary default that was the basis of the issuance of the judgment of eviction. The debtor must file Official Form 101B regardless of whether the lessor objected to Official Form 101A.
- (2) However, if the lessor is a public housing entity, the debtor does not need to file Official Form 101B or pay the pre-petition arrears that were the basis for the eviction judgment.

**(e) Lessor's Objection to Official Form 101B.**

If the lessor files an objection to any of the debtor's statements in Official Form 101B, the Clerk will set a hearing on the objection, to be held as soon as possible and no later than 10 days after the lessor filed the objection. The lessor's objection must identify which statement(s) in the debtor's certification the lessor disputes.

**(f) Debtor's Failure to Timely Deliver Payment of One Month's Rent or Timely File Official Form 101A or 101B.**

If a debtor fails to timely deliver the proper rent payment, or to timely file Official Form 101A along with all required and completed documents, as specified in paragraph (a) above, or fails to timely file Official Form 101B as specified in paragraph (d) above, then the Clerk will note that filing deficiency on the docket. Thereafter, the Clerk will promptly serve upon the debtor and the lessor a certified copy of the docket entry indicating the debtor failed to comply with the applicable statute, and declaring the exception to the automatic stay

specified in § 362(b)(22) applies. See also 11 U.S.C. § 362(l)(4)(A). (No fee will be due for these certified copies.)

**VT. LBR 4001-3. AUTOMATIC STAY – CONTINUATION; IMPOSITION; VERIFICATION.**

**(a) Motion for Continuation of Automatic Stay.**

A party in interest seeking to continue the automatic stay under § 362(c)(3) must file a motion for that relief using Vt. LB Form A-1 within 14 days of the filing of the petition and contact the courtroom deputy to schedule an evidentiary hearing with seven days' notice. See Vt. LBR 9014-1(b)(2). The movant must serve the motion and notice of hearing on the debtor, the debtor's attorney (if any), the case trustee, the United States trustee, and all creditors. Any other party in interest who wishes to join or oppose the motion must file a Bankruptcy Rule 9014(e) notice of evidentiary hearing using Vt. LB Form V no later than three business days before the hearing.

**(b) Motion for Imposition of Automatic Stay.**

A party in interest seeking to impose the automatic stay under § 362(c)(4) must file a motion for that relief using Vt. LB Form A-2 as soon as possible after the filing of the petition and contact the courtroom deputy to schedule an evidentiary hearing with seven days' notice. See Vt. LBR 9014-1(b)(2). The movant must serve the motion and notice of hearing on the debtor, the debtor's attorney (if any), the case trustee, the United States trustee, and all creditors.) Any other party in interest who wishes to join or oppose the motion must file a Bankruptcy Rule 9014(e) notice of evidentiary hearing using Vt. LB Form V no later than three business days before the hearing.

**(c) Motion for Verification that Automatic Stay Is Not in Effect.**

A party in interest may file a motion and obtain an order under § 362(c)(4), verifying the automatic stay is not in effect. The movant must serve that motion on the debtor, the debtor's attorney (if any), the case trustee, the United States trustee, and all creditors, and may notice that motion under the default procedure. See Vt. LBR 9013-4(b)(5).

**VT. LBR 4001-4. CASH COLLATERAL.**

**(a) Contents of Motion for Use of Cash Collateral.**

A debtor's motion for use of cash collateral under § 363 must (1) describe the adequate protection the debtor is offering the secured creditor, (2) summarize all appraisals and projections on which the debtor is relying to compute the amount of adequate protection, (3) identify the amount and source of the cash collateral the debtor seeks to use, and (4) provide at least 14 days' notice of the hearing for a final order authorizing use of cash collateral.

**(b) Interim Hearing on Use of Cash Collateral.**

Before the required 14-day notice period expires, a debtor may request an interim hearing to obtain Court authorization to use the amount of cash collateral necessary to avoid immediate and irreparable harm to the estate, pending a final hearing. The debtor's motion for interim relief must set forth (1) facts demonstrating the debtor is at risk of immediate and irreparable harm, and (2) a detailed itemization of the amount of cash the debtor requests and how the debtor proposes to use it. In exigent circumstances, the Court may authorize the interim hearing be conducted remotely. See Vt. LBR 5007-1(c). The debtor must serve all secured creditors who have an interest in the collateral with notice of the interim hearing in the manner the Court directs. See also Vt. LBR 9075-1 (providing instructions for handling emergency matters).

**(c) Final Hearing on Use of Cash Collateral.**

A final hearing on a motion to use cash collateral may not be held fewer than 14 days after service of the motion. Moreover, the final hearing may be cancelled if the Court approved the

debtor's request for use of cash collateral following an interim hearing on the motion at which all parties in interest were present and the debtor does not seek authorization to use additional cash collateral. In addition to the noticing requirements under the Bankruptcy Code and the Bankruptcy Rules, the debtor must serve notice of the final hearing on all parties on the master mailing list and any other party who has an interest in the cash collateral.

**(d) Stipulation for Use of Cash Collateral.**

A stipulation for use of cash collateral must include the information required under paragraphs (a) and (b) above. Notice required under Vt. LBR 9013-2 is waived for stipulated motions for use of cash collateral when (1) all parties entitled to notice have been served with the motion, and (2) all parties in interest stipulate to the relief. See Vt. LBR 9011-4(e), (f).

**VT. LBR 4001-5. OBTAINING CREDIT.**

**(a) Generally.**

A debtor seeking to obtain credit must follow the procedure set forth in Vt. LBR 4001-4 except as set forth below .

**(b) Chapter 12 or 13 Trustee Approval Process.**

- (1) Once their plan is confirmed, a chapter 12 or 13 debtor may obtain credit with trustee approval if the debtor seeks to:
  - (A) borrow no more than \$18,000 to purchase, or spend no more than \$300 per month to lease, a motor vehicle;
  - (B) borrow or spend no more than \$7,000 for an extraordinary expense that is (i) reasonable and (ii) necessary to maintain the health and general welfare of the debtor and/or the debtor's dependents; or
  - (C) borrow no more than \$20,000 to purchase farm equipment in a chapter 12 case.
- (2) The debtor shall seek trustee approval using the trustee's loan approval request form (see Vt. LB Form Y-3) signed by the debtor and the debtor's attorney (if any). If a chapter 12 debtor seeks trustee approval under this Rule to purchase farm equipment, the loan approval request form must also be signed by all secured creditors whose interests will be affected by the borrowing.
- (3) If the trustee determines the request will not require a material modification of the debtor's budget and is in the best interest of the debtor and the bankruptcy estate, the debtor may obtain the credit upon the trustee's filing of an approved request form that comports with the signature requirements set forth in subparagraph (b)(2) above.
- (4) The debtor is not required to serve notice of the request on any other parties or obtain an order of the Court if using this process and seeking to borrow or spend no more than authorized under this Rule.

**(c) Court Approval Process.**

- (1) Once their plan is confirmed, a chapter 12 or 13 debtor may obtain credit with Court approval if the debtor seeks to:
  - (A) borrow more than \$18,000 to purchase, or spend more than \$300 per month to lease, a motor vehicle;
  - (B) borrow or spend more than \$7,000 for an extraordinary expense that is (i) reasonable and (ii) necessary to maintain the health and general welfare of the debtor and/or the debtor's dependents;
  - (C) borrow more than \$20,000 to purchase farm equipment in a chapter 12 case; or



- (D) any circumstance described in subparagraph (b)(1) above, including when the debtor previously sought trustee approval and the trustee denied the debtor's request.
  - (2) The debtor shall seek Court approval by filing a motion that sets forth the amount requested and the nature of the expenditure, and a budget showing the debtor can afford the monthly payments on the loan, as well as:
    - (A) for a motion to borrow or spend funds for a motor vehicle:
      - (i) a description of the motor vehicle, including the make, model, year, and VIN;
      - (ii) the motor vehicle's purchase/lease price and the name of the seller/lessor;
      - (iii) the proposed lender of the funds and the financing terms; and
      - (iv) a description of how the debtor proposes to make any down payment on the purchase/lease of the motor vehicle;
    - (B) for a motion to borrow or spend funds for an extraordinary expense, an explanation of why the debtor believes the expenditure is both reasonable and necessary for the health and general welfare of the debtor and/or the debtor's dependents; and
    - (C) for a motion where the debtor previously sought trustee approval but the trustee denied the debtor's request, a copy of the trustee's denial.
  - (3) The debtor shall serve notice of the motion on the trustee and all creditors.
- Vt. LBR 4001-6. Use, Sale or Lease of Estate Property. See Vt. LBR 6004-1.

**Vt. LBR 4001-7. MORTGAGE MEDIATION PROGRAM.**

**(a) Availability of Mediation in Bankruptcy Cases.**

- (1) At any time prior to discharge, an individual debtor or a creditor holding a claim secured by real property owned by an individual debtor, may file a motion for mortgage mediation/loss mitigation (hereinafter "motion for mediation"), pursuant to this Rule, in any bankruptcy case filed in this District. See Vt. LB MM Form #1. A party may seek mediation with respect to any mortgage on the debtor's primary residence provided (A) the property has four units or less, and (B) mediation would be available in a case pending in state court.
- (2) The motion for mediation must state why mediation would be useful to the parties and how it would benefit the estate. If the United States holds the mortgage, the movant must also specify the federal statute and/or regulation authorizing mediation. The movant must serve the motion, notice of motion, and a proposed order using Vt. LB MM Form #3 on all creditors who could claim an interest in the property, the case trustee, and the mediator, if known.
- (3) Any objection to the motion for mediation must state either why mediation is not likely to be useful to the parties or of benefit to the estate, or why such mediation would not be available in state court.
- (4) Unless the creditor consents, mediation will not be permitted if:
  - (A) mediation of the subject mortgage has already been completed or was begun and abandoned by the debtor in the instant bankruptcy case or a pending state foreclosure action;
  - (B) modification of the mortgage is essential to the confirmation of a plan and the debtor failed to file a motion for mediation prior to the confirmation hearing;
  - (C) the parties have filed a stipulation in the bankruptcy case with respect to the debtor's obligations under the subject mortgage;

- (D) the United States holds the mortgage and the mediation is not authorized under the federal statutes or regulations governing servicing of the loan; or
- (E) the creditor obtained relief from stay on the subject property.

**(b) Mediation Guidelines.**

- (1) Mediators shall have broad discretion over mediations conducted pursuant to this Rule and shall be responsible for completing mediations as expeditiously as practicable based on the circumstances of each case.
- (2) The parties engaged in mediation under this Rule shall cooperate in good faith, under the direction of the mediator, and produce all documents and information required by this Rule in a timely manner.
- (3) The creditor must consider all available foreclosure prevention tools and loss mitigation options, including but not limited to reinstatement, loan modification, forbearance, short sale, and surrender.
- (4) If the creditor claims a pooling and servicing or other similar agreement does not authorize loan modification, the creditor must provide the debtor and mediator with a copy of that agreement. All such agreements are confidential and shall not be filed in the case or included in the mediator's report.
- (5) The following persons must participate in any mediation conducted under this Rule:
  - (A) the debtor and the attorney for the debtor (if any);
  - (B) the attorney for the creditor (if any); and
  - (C) the creditor, or a person designated by the creditor or its servicer who
    - (i) has authority to agree to a proposed settlement, loan modification, or relief from stay, and
    - (ii) has real-time access during the mediation to the creditor's account information and to the records relating to consideration of the options available.
- (6) Subject to the mediator's approval, the case trustee and any party that holds a lien on the subject property may also participate.
- (7) Mediations conducted under this Rule will take place in a mutually convenient location, by telephone or video conferencing, as determined by the mediator.

**(c) Eligibility to Serve as a Mediator in Bankruptcy Court Mediations.**

To serve on the panel of Court-appointed mediators, an attorney must meet the minimum certification requirements of the Vermont state court mediation program and have significant bankruptcy experience.

**(d) Time Frame for the Mediation Process.**

- (1) The parties and mediator shall comply with the following pre-mediation timeline:
  - (A) the parties shall stipulate to the selection of a mediator within seven days of the creditor-mortgagee's participation in the case as evidenced by the earlier of the creditor-mortgagee's filing of (i) a proof of claim or (ii) notice of appearance in the case (either by counsel or *pro se*), except the parties may instead file a stipulation stating they prefer to attempt to negotiate a loan modification directly without a mediator and reserving the option to seek appointment of a mediator at a later date;
  - (B) if the parties are unable to stipulate to the selection of a mediator, or deferment of a mediator's appointment, within seven days of the events specified in subparagraph (d)(1)(A) above, the debtor shall file an application requesting that the Court designate a mediator; and

- (C) the mediator's appointment shall be effective as of the date the mediator is designated on the docket; and
  - (D) upon the mediator's appointment, the moving party shall forward to the mediator a copy of (i) the motion for mediation, (ii) all documents filed in support of that motion, and (iii) the promissory note and mortgage that are the subject of the mediation.
- (2) The mediator shall make initial contact with the parties to formulate a preliminary schedule for the mediation process within seven days of the mediator's appointment.
  - (3) The mediation shall be completed within 120 days of the mediator's appointment and the mediator shall file a final report of mediation within seven days of completing the mediation. See Vt. LB MM Form #12.
  - (A) If the mediation results in a successful loan modification, the parties shall promptly file a motion for approval of a loan modification. See Vt. LB Form W-3 Motion for Approval of Mortgage Modification.
  - (B) If, during the course of mediation, the creditor decides not to modify the loan, the creditor must provide a written explanation at the time of denial that includes the input figures it used in calculating eligibility for a modification. If the debtor believes the creditor denied the modification in bad faith or reached a conclusion based on erroneous facts or calculations, the debtor may file a motion to compel the creditor to participate in further mediation within 14 days' notice of the creditor's denial.
  - (4) If the mediation will not be completed within 120 days of the mediator's appointment, the mediator shall file an interim report of mediation no later than seven days after the expiration of that 120-day period. See Vt. LB MM Form #12. The interim report shall describe the status of the mediation, explain why mediation is not yet completed, and state the date by which the mediator expects the mediation will be completed.
  - (5) If the mediator fails to file a final or interim report of mediation within the time periods specified in subparagraphs (c)(3) and (c)(4) above, the mediator and the parties shall appear at a status hearing to explain why mediation has not been completed and when they expect to complete it.
  - (6) The entry of the debtor's discharge shall not be delayed due to an open mediation in their case, unless the Court orders otherwise after a motion and hearing (or stipulation of the parties).
  - (7) The mediator shall serve a copy of the final report of mediation on the Vermont Attorney General.
- (e) Required Documents.**  
 Unless the debtor obtains an order stating otherwise, the debtor must produce all documents the creditor reasonably requests and provide copies of those documents to the mediator.
- (f) The Mediation Fee.**
- (1) The mediator is entitled to a fee per mediation up to the amount set forth in Vt. LB Appendix XI. This fee covers all services of the mediator including, but not limited to, holding pre-mediation telephone conference(s), communicating with the parties, filing interim and final reports, and conducting the mediation session(s).
  - (2) The fee for the mediator shall be allocated equally among the parties to the mediation except that the case trustee shall not be required to pay any portion of the mediator's fee.

- (3) If the mediator or a party to the mediation seeks to change the amount or allocation of the fee for the mediation, that person shall file a motion showing cause for such relief on 14 days' notice to all parties to the mediation and the case trustee.

**(g) Post-Final Report Requirements and Obligations.**

- (1) Within 14 days of the filing of the final report of mediation, the party who filed the motion for mediation must file (A) a motion to declare mediation closed with a proposed order attached (Vt. LB MM Form #11), or (B) a stipulation requesting that mediation not be closed until a particular date or the occurrence of a particular event (e.g., the approval of a temporary payment plan or execution of a final modification agreement).
- (2) If the party who filed the motion for mediation fails to timely file a motion to close mediation, or if at any time during the mediation process the party who initiated the mediation is not complying with this Rule, the mediator or any party to the mediation may file a motion to close mediation. See Vt. LB MM Form #11.

**(h) Mediator Prohibited from Testifying About the Mediation.**

Mediators may not be required to testify in any action relating to any mortgage or debt that was at issue in a mediation conducted pursuant to this Rule.

**(i) Retention of Jurisdiction.**

This Court retains jurisdiction to interpret and enforce any agreement or result obtained through mediation conducted pursuant to this Rule.

**(j) Service.**

Whenever a debtor is required to serve a creditor under this Rule, the debtor must serve the creditor at the address set forth on the creditor's proof of claim, if a proof of claim has been filed.

**Vt. LBR 4002-1. DEBTOR'S DUTIES – GENERALLY.**

**(a) Certificate from Approved Nonprofit Budget and Credit Counseling Agency.**

- (1) General Requirement. A debtor who is an individual must file with the petition a certificate from an approved nonprofit budget and credit counseling agency evidencing the debtor's completion of the mandatory credit counseling course and compliance with the requirements of § 109(h)(1). See also 11 U.S.C. § 111.
- (2) Temporary Waiver. In order to obtain a temporary waiver of § 109(h)(1), the debtor must attach a separate sheet to the petition explaining (a) the efforts the debtor made to timely obtain briefing about credit counseling, (b) why the debtor was unable to obtain the certificate before filing for bankruptcy, and (c) the exigent circumstances that forced the debtor to file for bankruptcy without the credit counseling certificate. The Court may hold an expedited hearing on three business days' notice to the debtor, debtor's attorney (if any), case trustee, United States trustee, and any other interested parties that filed a notice of appearance in the case. If the Court grants a debtor's request for temporary waiver, the debtor will have 30 days to obtain credit counseling and file a certificate evidencing compliance with the requirements of § 109(h)(1). The debtor may move for an additional 15-day extension upon a showing of cause. A debtor's failure to file a certificate from an approved nonprofit budget and credit counseling agency within the additional time allowed by the Court subjects the case to dismissal without further notice or hearing.
- (3) Permanent Waiver. If a debtor seeks a permanent waiver of § 109(h)(1), the debtor must file a motion that includes an affidavit setting forth facts in support of the request, and must serve the motion on the case trustee, all creditors, and the United States trustee. See Vt. LBR 9013-4(10).

**(b) Filing Payment Advice Cover Sheet.**

See Vt. LBR 1007-1(d).

**(c) Document Production Prior to the First Meeting of Creditors.**

See also Vt. LBR 2003-1(b).

- (1) If a debtor is unable to file the schedules, statements, and other required documents at least seven days before the date of the first meeting of creditors (see subparagraphs (c)(2)–(4) below), the debtor must notify all creditors of this fact. With the case trustee’s consent, the debtor may reschedule the meeting of creditors to the next available date. However, if the debtor is unable to obtain the trustee’s consent to reschedule the meeting, the debtor and the debtor’s attorney (if any), must appear at the originally scheduled meeting of creditors.
- (2) In all chapter 7 cases, to the extent applicable, the debtor must provide the case trustee with the following documents at least seven days before the first scheduled meeting of creditors:
  - (A) for each residence, condominium, cooperative apartment, mobile home, lot, real property or time-share the debtor owns or listed on the debtor’s schedules:
    - (i) a copy of the deed and all mortgage deeds showing recording information or stock certificates;
    - (ii) recent evidence of value (e.g., tax bill, grand list value) and copies of all appraisals performed within the last three years; and
    - (iii) current mortgage statements, including the pay-off figure as of the most recent mortgage statement;
  - (B) for each motor vehicle, snow machine, all-terrain vehicle, trailer, boat, airplane, piece of equipment or machinery, or other personal property that is titled or registered, which the debtor owns or listed on the bankruptcy schedules:
    - (i) a copy of the current title or, if none, a copy of the current registration;
    - (ii) if the asset is collateral for a secured debt, the most recent statement of balance due from the secured creditor; and
    - (iii) a copy of the most recent appraisal or valuation;
  - (C) for each bank account in which the debtor had an interest within three months of the bankruptcy filing, copies of the monthly bank statements for the three-month period prior to and through the date of filing;
  - (D) for any personal injury lawsuit or other lawsuit or cause of action in which the debtor has an interest or believes they may have an interest, as of the date of the bankruptcy filing, including all those set forth on Official Form 106 A/B or Official Form 206 A/B of the debtor’s schedules:
    - (i) the name and address of the attorney representing the debtor in the action; and
    - (ii) a copy of the complaint and any correspondence with respect to the status of the action, or a brief statement of the cause of action, and the anticipated parties if no lawsuit has yet been commenced;
  - (E) copies of completed federal and state income tax returns, including all schedules and attachments, for the two years prior to the year of the filing of the bankruptcy case, see also Vt. LBR 4002-2;
  - (F) for all asset transfers within one year prior to the bankruptcy filing, any documents evidencing those transfers, including copies of the bills of sale, closing statements, deeds, and divorce decrees;

- (G) for all retirement plans, annuities, or life insurance policies in which the debtor had an interest within one year prior to the bankruptcy filing:
    - (i) a statement of current value; and
    - (ii) statements showing all activities in each retirement plan, annuity, or insurance policy for the 12 months prior to bankruptcy the filing date;
  - (H) a copy of any decree of divorce entered within one year of the bankruptcy filing and any State of Vermont Form 813A “Financial Affidavit” or 813B “Financial Affidavit of Property and Assets” filed during the course of the divorce proceedings, or equivalent inventory documents; and
  - (I) copies of all child support orders currently in effect or pending before any court.
- (3) In chapter 13 cases, to the extent applicable, the debtor must provide the trustee, at least seven days before the first scheduled meeting of creditors: the documents set forth in subparagraph (2) above, as well as proof of insurance on all improved real estate, mobile homes, motor vehicles, boats, and business assets. If any of these assets are not insured, the debtor must also provide a written statement indicating which assets are not insured and explaining why.
  - (4) The debtor must also provide any additional documents (or copies thereof) as the case trustee reasonably requests and which the debtor has available.
  - (5) The debtor (or the debtor’s principal in entity cases) must also bring the following documents to the meeting of creditors: (A) a government-issued photo identification card, and (B) the debtor’s social security card. If the debtor does not have a social security card, then the debtor must bring one of the following documents, containing the debtor’s social security number, to the meeting of creditors: a medical insurance card, a recent payment advice, a current W-2 form, a current IRS Form 1099, or an original Social Security Administration report.
  - (6) Individual chapter 11 debtors must provide to the United States trustee, at least seven days before the date of the first scheduled meeting of creditors, the same documents that individual chapter 7 and 13 debtors must provide to the case trustee.

**(d) Chapter 11 Debtor’s Books and Records.**

Upon filing a bankruptcy petition, a chapter 11 debtor must close and preserve its present books of account, close all bank accounts, and open and maintain new books of account and bank accounts. If a chapter 11 debtor operates as a debtor-in-possession, it must document all income, expenditures, receipts, and disbursements, and other necessary financial information in the new books of account, and designate the account holder on all bank accounts and checks as a “debtor-in-possession.”

**(e) Chapter 11 Debtor’s Monthly Operating Reports.**

- (1) All chapter 11 debtors must file monthly operating reports as required by § 1106 on the forms designated by the United States trustee.
- (2) Small business chapter 11 debtors, and all *pro se* chapter 11 debtors, must send the original, signed monthly operating report, along with the corresponding bank statements and copies of cancelled checks (with account numbers redacted), to the United States trustee.
- (3) Non-small business chapter 11 debtors represented by counsel must comply with 28 C.F.R. Part 58, which requires debtor’s counsel to retain the original, signed monthly operating reports.

- (4) If the Court has directed the appointment of a chapter 11 operating trustee under § 1104, such operating trustee shall comply with all applicable monthly operating report requirements.

**(f) United States Trustee Operating Guidelines.**

A chapter 11 debtor must comply with all operating guidelines issued by the United States trustee, unless the Court, for good cause shown and after proper notice, modifies or waives the debtor's obligation to do so.

**VT. LBR 4002-2. DEBTOR'S DUTIES – FURTHER REQUIREMENTS REGARDING TAX RETURNS.**

**(a) Creditor's Request for Tax Return.**

A creditor may request a copy of a debtor's federal income tax return for the most recent tax year ending immediately before the commencement of the debtor's case. The request must

- (1) comply with § 521(e)(2)(A)(ii),
- (2) be made in writing and either be on, or substantially conform with Vt. LB Form L-1 ("§ 521(e)(2) Request for Copy of Debtor's Tax Returns"),
- (3) be filed and served no fewer than 14 days before the meeting of creditors, and
- (4) contain a certificate of service affirming when and how the creditors served the request on the debtor, the debtor's attorney (if any), the joint tax filer (if any), the case trustee, and the United States trustee.

**(b) Debtor's Response to Request for Tax Return.**

- (1) Compliance. It is the debtor's responsibility to redact all personally identifiable information in a tax return prior to delivering it to the requesting creditor. See Vt. LBR 5001-3(b). After complying with the creditor's request for a tax return, the debtor must file a certification of compliance that substantially conforms to Vt. LB Form L-1 "§ 521(e)(2) Request for Debtor's Tax Returns."
- (2) Objection. If a debtor disputes the requesting party is a creditor in the debtor's case, or disputes the requesting creditor's right to see the debtor's tax return, the debtor may file an objection to the request, provided they do so at least seven days prior to the meeting of creditors.
- (3) Consequences of Failure to Respond; Motion to Compel. If a debtor neither complies with nor objects to a creditor's request for a copy of a tax return, the requesting creditor may file a motion to compel the debtor to supply the requested tax return. If the Court deems a hearing is necessary, it will hold an expedited hearing on three business days' notice to the parties. A motion to compel must include:
  - (A) the date of the creditor's request;
  - (B) an affirmation made pursuant to 28 U.S.C. § 1746 that (i) the creditor's request was timely and procedurally sufficient, and (ii) the creditor has not received a copy of the tax return it requested;
  - (C) a description of the creditor's status in the case;
  - (D) a description of the specific tax information sought;
  - (E) a statement that the creditor cannot obtain the information from any other source; and
  - (F) a statement explaining why the creditor needs the tax return.

**(c) Request that a Debtor File Copies of Tax Returns with Court.**

If, under § 521(f), a party in interest or the United States trustee seeks to compel an individual debtor to file copies of their tax returns with the Court, that party or trustee must

file a motion on notice to the debtor, the debtor's attorney (if any), the case trustee, and the United States trustee.

**(d) Request for Access to Tax Returns Filed with Court.**

If a debtor stipulates to a party in interest having access to the debtor's tax returns, no hearing is required. In the absence of the debtor's consent, the movant must serve the motion on the debtor, the debtor's attorney (if any), the case trustee, and the United States trustee, pursuant to the conventional noticing procedure. See Vt. LBR 9013-3. A motion requesting access to tax returns must

- (1) describe the movant's status in the case,
- (2) specify the tax return sought,
- (3) contain a statement that the movant cannot obtain the information from any other source, and
- (4) contain a statement explaining the movant's need for the tax return.

**Vt. LBR 4002-3. CURRENT CONTACT INFORMATION.**

**(a) Debtors.**

Throughout a bankruptcy case, the debtor has a continuing duty to keep the Clerk's Office informed of the debtor's current mailing address. If a debtor's address changes during the course of the bankruptcy case, the debtor must promptly file a statement of address change with the Clerk. See Vt. LB Form M.

**(b) Pro Se Parties.**

A debtor or creditor who appears in a bankruptcy case without an attorney (*i.e.*, a *pro se* party) must comply with paragraph (a) above, and also provide the Clerk's Office with a current telephone number (if any), and a current e-mail address (if any). If the mailing address, telephone number, or e-mail address changes during the course of the debtor's bankruptcy case, the *pro se* party must promptly file a statement of change with the Clerk. See Vt. LB Form M.

**Vt. LBR 4003-1. EXEMPTIONS.**

Property claimed as exempt in Official Form B106C ("Schedule C: The Property You Claim as Exempt (Individuals)") of a bankruptcy petition must be specific; general descriptions, such as "automobile," "various," or "common stock" are not sufficient. The debtor must also set forth on Official Form B106C the statutory citations including the relevant subsections authorizing an exemption together with the value claimed as exempt. In a joint case, the debtors must separately identify the exemptions claimed by each debtor. See Vt. LBR 1015-1(a)(1).

**Vt. LBR 4003-2. AVOIDING JUDICIAL LIENS THAT IMPAIR AN EXEMPTION.**

**(a) Motion to Avoid a Judicial Lien under § 522(f) in a Chapter 7 or 12 Case.**

In a chapter 7 case, a motion to avoid a judicial lien that impairs an exemption must be filed before the case is closed. In a chapter 12 case, this type of motion must be filed in time to be heard at or before the date of the confirmation hearing. In both instances, the debtor must attach to the motion a copy of the judgment order with proof of perfection and include in the motion:

- (1) a clear description of the property subject to the lien in question,
- (2) the value of the property,
- (3) the basis for the property valuation,
- (4) the name and address of each entity that holds a lien of record against the property and the recording reference for each lien (including town, book, page and date of recording),



- (5) the amount due on each lien,
- (6) the amount of the claimed exemption, and
- (7) the basis for alleging the lien to be avoided is a judicial lien.

**(b) Identification of Judicial Liens Subject to Avoidance in a Chapter 12 Plan.**

In a chapter 12 case, the debtor must (1) identify in the chapter 12 plan any judicial lien they seek to avoid under § 522(f), (2) include in their list of unsecured debt the amount of the claim underlying that lien, and (3) include that claim in their projection of the minimum dividend for general unsecured creditors. The debtor must specify the treatment of the lien and underlying debt in both the chapter 12 plan and the confirmation order.

**(c) Motion to Avoid a Judicial Lien under § 522(f) in a Chapter 13 Case.**

A motion under § 522(f) in a chapter 13 case must be made in Part 3.4 (and noted on Part 1.1) of the debtor's plan. See Vt. LBR 3015-1; see also Official Form 113.

**(d) Contents of the Motion to Avoid a Judicial Lien in a Chapter 13 Case.**

In addition to the information required by Part 3.4 of Official Form 113, the debtor must attach to the motion:

- (1) a copy of the judgment order with proof of perfection,
- (2) a certificate of service,
- (3) a proposed order, and
- (4) a notice of motion setting the hearing for a date prior to the plan confirmation date if possible.

**(e) Orders Granting Motions to Avoid Judicial Liens in Chapter 12 and 13 Cases.**

Unless the Court approves different terms after notice to the lien holder and the case trustee, every proposed order avoiding a judicial lien under § 522(f) must

- (1) specify that the lien is avoided only if the case is not dismissed,
- (2) state that if the case is dismissed, the order granting the motion to avoid the lien is void,
- (3) state that the order is conditional and of no effect unless it contains a certification by the case trustee that the debtor satisfied all of their obligations in the case and the case was not dismissed, and
- (4) include the following trustee certification language if the case is pending under chapters 12 or 13 as of the date the proposed order is filed:

*Certification of Chapter 12/13 Trustee*

*I, [name], the Chapter 12/13 Standing Trustee for the District of Vermont, hereby certify under penalty of perjury under the laws of the United States of America that the Debtor has completed his/her Chapter 12/13 Plan.*

*Dated:* \_\_\_\_\_

\_\_\_\_\_  
[signature]  
Chapter 12/13 Trustee

**VT. LBR 4004-2. DISCHARGES.**

See also Vt. LBR 7041-1.

**(a) Official Form 423 and Motion for Entry of Discharge in Individual Chapter 7, 11, and 13 Cases.**

Before entry of the discharge order, every individual chapter 7, 11, and 13 debtor must file Official Form 423 ("Certification About a Financial Management Course") to evidence completion of the post-petition financial management course, unless the agency which administered the course has already filed the required certificate.

- (1) Deadline for Filing Official Form 423. In a chapter 7 case, each individual debtor must file Official Form 423 within 60 days after the first date set for the meeting of creditors.

In chapter 11 or 13 cases, each individual debtor must file Official Form 423 either by the date the last payment is due under the debtor's confirmed plan or the date the debtor files a motion for entry of a discharge order, whichever is earlier. If an individual debtor fails to timely file the Official Form 423, the debtor's case may be closed without entry of a discharge order.

- (2) Motion to Enlarge Filing Deadline. If, prior to the closing of a case, an individual debtor who has failed to timely file Official Form 423 seeks to file Official Form 423, that debtor must first file a motion to enlarge the time. The motion must demonstrate cause to enlarge the time and be accompanied by the debtor's affidavit or certification, made under penalty of perjury, explaining the reason for the failure to timely file Official Form 423.

**(b) Certification of Compliance and Motion for Entry of Discharge Order in Chapter 13.**

In order to obtain a discharge under § 1328(a), a chapter 13 debtor must file a certification of compliance with 28 U.S.C. § 1746 and a motion requesting the entry of a discharge order.

- (1) Contents of Motion. In the motion, the debtor must affirm they
  - (A) have made all payments required under the confirmed chapter 13 plan;
  - (B) have fully complied with the terms of the confirmed plan;
  - (C) have completed a post-petition instructional course concerning personal financial management as described in § 111 and filed a copy of Official Form 423, (see paragraph (a) above), either prior to or with the certification and motion;
  - (D) either
    - (i) were not required by any judicial or administrative order or law to pay a domestic support obligation during the pendency of the chapter 13 case,
    - (ii) were required to pay a domestic support obligation during the chapter 13 case and have made all required payments on said obligation due through the date of the motion;
  - (E) have not received a discharge in a chapter 7, 11, or 12 bankruptcy case during the four-year period preceding the date that the debtor filed the present chapter 13 case, and have not received a discharge in any prior chapter 13 case during the two-year period before the debtor filed the present case; and
  - (F) either have not claimed a homestead exemption in excess of the cap described in § 522(q)(1) or have no reason to believe there is any pending investigation or proceeding in which the debtor may be found guilty of
    - (i) a felony involving the abuse of bankruptcy law,
    - (ii) a violation of federal or state securities law,
    - (iii) fraud, deceit or manipulation in a fiduciary capacity involving the purchase or sale of any securities,
    - (iv) a civil offense under 18 U.S.C. § 1964,
    - (v) or a criminal act, any intentional harm to another, or willful or reckless misconduct that caused serious physical injury or death to another individual in the preceding 5 years.
- (2) Service of the Debtor's Certification and Motion. The debtor must serve the certification and motion on any party to whom a debtor owes a domestic support obligation(s), the chapter 13 trustee, the United States trustee, and any parties who have appeared in the case. See also Vt. LBR 9013-4(b)(13).

- (3) Consequences of Failure to File the Certification and Motion. If the debtor fails to timely file the certification and motion, the debtor will not be eligible for a bankruptcy discharge in the case.
- (4) Debtor Attorney's Certification. If an individual chapter 13 debtor was represented by an attorney in the case, the debtor's attorney must (A) certify that they have explained the requirements for a discharge to the debtor, (B) certify that to the best of their knowledge the debtor qualifies for a discharge under §§ 521, 1308, and 1328(a), (g)(1), and (h), and (C) file their certification with the debtor's certification and motion. See Vt. LB Form O-2.

**(c) Certification of Compliance and Motion for Entry of Discharge Order in Individual Chapter 12 Cases.**

In order to obtain a discharge under § 1228(a), every individual chapter 12 debtor must file a certification of compliance with 28 U.S.C. § 1746 and a motion for entry of a discharge order.

- (1) Contents of Motion. In the motion, the individual chapter 12 debtor must affirm they
  - (A) have made all payments required under the confirmed chapter 12 plan;
  - (B) have fully complied with the terms of the plan;
  - (C) either,
    - (i) were not required by any judicial or administrative order or law to pay a domestic support obligation during the pendency of the chapter 12 case, or
    - (ii) were required to pay a domestic support obligation during the chapter 12 case and made all required payments on the obligation due through the date of the motion, and
  - (D) either have not claimed a homestead exemption in excess of the cap described in § 522(q)(1), or if so, have no reason to believe there is any pending investigation or proceeding in which the debtor may be found guilty of
    - (i) a felony involving the abuse of bankruptcy law,
    - (ii) any violation of federal or state securities law,
    - (iii) fraud, deceit or manipulation in a fiduciary capacity involving the purchase or sale of any securities,
    - (iv) any civil offense under 18 U.S.C. § 1964, or
    - (v) a criminal act, intentional harm to another or willful or reckless misconduct that caused serious physical injury or death to another individual in the preceding 5 years.
- (2) Service of the Debtor's Certification and Motion. The debtor must serve the certification and motion on any party to whom the debtor owes a domestic support obligation, the chapter 12 trustee, and any parties who have appeared in the case. See also Vt. LBR 9013-4(b)(12).
- (3) Consequences of Failure to File the Certification and Motion. If the debtor fails to timely file the certification and motion, the debtor will not be eligible for a bankruptcy discharge in the case.
- (4) Debtor's Attorney's Certification. If an individual chapter 12 debtor was represented by an attorney in the case, the debtor's attorney must (A) certify that they explained the requirements for a discharge to the debtor, (B) certify that to the best of their knowledge the debtor qualifies for a discharge under §§ 521 and 1228(a) and (f), and (C) file their certification with the debtor's certification and motion. See Vt. LB Form O-1.

**(d) Motion for Entry of Hardship Discharge in Chapter 12 and 13 Cases.**

If a chapter 12 or chapter 13 debtor is unable to make all of the payments required by their confirmed plan and wishes to obtain a discharge, they may file a motion for a hardship discharge under § 1228(b) or § 1328(b) as applicable. See Vt. LBR 9013-4(b)(12) & (13).

**VT. LBR 4008-1. REAFFIRMATIONS.**

**(a) General Requirements.**

Reaffirmation agreements must comply with § 524(k), be filed on Official Form 2400A (“Reaffirmation Documents”) and include a completed Official Form 427 (“Cover Sheet for Reaffirmation Agreement”). See also Vt. LB Appendix III (“Reaffirmation Agreement Flow Chart”); Vt. LB Appendix IV (“Reaffirmation Agreement Checklist”). The party seeking approval of a reaffirmation agreement must file and serve both Official Form 2400A and Official Form 427 on the debtor, the debtor’s attorney (if any), and the United States trustee.

**(b) Additional Requirement When Debtor Identifies a Third Party as Additional Source of Funds.**

If a debtor seeking to overcome a presumption of undue hardship files a written statement that identifies a third party as an additional source of funds for making the payments under the reaffirmation agreement, that third party must either appear and present testimony affirming their ability and commitment to provide such additional funding or file an affidavit or certification made under penalty of perjury indicating:

- (1) their relationship to the debtor;
- (2) their ability and willingness to assist the debtor;
- (3) their commitment is voluntary, and is not a guarantee or promise of payment in favor of the creditor; and
- (4) their assistance may be a basis for the Court’s approval of the reaffirmation agreement.

**(c) When a Motion and Order are Not Required.**

No motion for approval of a reaffirmation agreement is necessary to reaffirm a debt

- (1) secured by real property, or (2) held by a credit union (as “credit union” is defined in § 19(b)(1)(A)(iv) of the Federal Reserve Act, codified at 12 U.S.C. § 461(b)(1)(A)(iv)).

**VT. LBR 4070-1. INSURANCE.**

Unless waived by the Court, a debtor in a chapter 11, 12, or 13 case must (a) have insurance on all property of the estate and continue to maintain that insurance throughout the duration of the case, (b) within seven days of a request, present proof of insurance to a creditor whose claim is secured by a lien on the subject property, and (c) present proof of insurance to the case trustee or United States trustee before or at the first meeting of creditors. See also Vt. LBR 4002-1(c).

**VT. LBR 4071-1. VIOLATION OF THE AUTOMATIC STAY OR DISCHARGE INJUNCTION.**

A party that asks the Court to impose sanctions to punish a party who violated the automatic stay or the discharge injunction must (a) serve the party against whom sanctions are sought a notice of intent to seek sanctions at least seven days before they file the motion for sanctions, (b) file and contemporaneously serve notice of the motion for sanctions, and (c) present sufficient evidence to warrant imposition of sanctions against that party. Ordinarily this relief will not be granted without an evidentiary hearing, however, if the Court determines, in its discretion, that the record contains sufficient information to warrant relief, the Court may grant the motion for sanctions without a hearing.

## **PART V– COURTS AND CLERK**

### **VT. LBR 5001-2. CLERK – OFFICE HOURS; LOCATION; WEBSITE.**

#### **(a) Hours and Place for On-Site Filing and Access to Records.**

Petitions and all other documents may be filed or reviewed on-site in the Bankruptcy Clerk's Office located at 11 Elmwood Avenue, Burlington, Vermont. Petitions and all other documents may also be reviewed in the U.S. District Court Clerk's Office at 151 West Street, Rutland, Vermont. Office hours in both locations are Monday through Friday, 8:30 a.m. to 5:00 p.m., except on federal holidays.

#### **(b) Mailing Address, Physical Location, and Telephone Number.**

The mailing address for the Clerk's Office is P.O. Box 1663, Burlington, VT 05402-1663. The physical location of the Clerk's Office is 11 Elmwood Avenue, Room 240, Burlington, VT 05401. The telephone number for the Clerk's Office is (802) 657-6400.

#### **(c) Website.**

The Court's website provides information about the Clerk's Office, these Rules, general information about bankruptcy, issued decisions of this Court, instructions for how to schedule a hearing, and instructions about how to file cases electronically and use CM/ECF. All information provided on the Court's website may be viewed online in the Clerk's Office during normal business hours. See paragraph (a) above.

### **VT. LBR 5001-3. CLERK – PUBLIC ACCESS TO RECORDS.**

#### **(a) Hours of Electronic Filing and Public Access to Court Electronic Records.**

The Clerk accepts electronically filed documents and provides access to these documents on the Court's website via Public Access to Court Electronic Records ("PACER"), 24 hours per day, seven days per week. At any time, PACER subscribers may read, download, store, and print the full content of all filed documents remotely, except for documents to which the Court has restricted access pursuant to a Court order (sometimes referred to as "documents under seal"). See Vt. LBR 9018-1. Court records regarding closed and pending cases are also available through CM/ECF. Federal law prohibits use of the information posted on CM/ECF or otherwise made available by the Clerk's Office in any way that violates any person's privacy.

#### **(b) Personally Identifiable Information.**

(1) Requirement to Redact. In compliance with the policy of the Judicial Conference of the United States and the E-Government Act of 2002, and in order to promote electronic access to case files while also protecting personal privacy and other legitimate interests, parties must refrain from including, or must partially redact where inclusion is necessary, the following personal identifiers from all evidence presented at hearings and from all documents filed with the Clerk, including exhibits, whether filed electronically or non-electronically, unless otherwise ordered by the Court:

- (A) Names of Minor Children. If the existence of a minor child is required to be disclosed in a court filing or at a court hearing, the child must be identified only by their initials.
- (B) Dates of Birth. If an individual's date of birth is required to be disclosed in a court filing, only the year of birth should be disclosed.
- (C) Social Security Numbers. If an individual's social security number is required to be included in a court filing, only the last four digits of that number should be used. The only exception is Official Form 121, which the debtor must submit rather than file. See Vt. LBR 5001-3(b).

- (D) Taxpayer Identification Numbers. The taxpayer identification number of any non-debtor identified in a debtor's filings must be redacted to reflect only the last four digits.
- (E) Financial Account Numbers. If financial account numbers are required to be disclosed in a court filing or at a court hearing, only the last four digits of each account number should be disclosed, unless the Court orders otherwise.
- (2) Filer Responsible for Redacting. In all instances, the responsibility for redacting personally identifiable information rests with the party who files the document or introduces the testimony that includes that information. As a corollary, the responsibility for protecting personal information of the debtor and preventing dissemination of personal information relating to individuals and others affiliated with the debtor, rests with the party who files the document or presents the testimony that contains information about those individuals.
  - (A) The Clerk will not review each document filed to verify redaction of personally identifiable information. However, to the extent the Clerk observes that a filed document contains personally identifiable information, the Clerk will restrict access to that document.
  - (B) When the Clerk restricts access to a document due to the inclusion of personally identifiable information, the Court will issue an order directing the party who filed the document to
    - (i) file a motion to redact, accompanied by a \$25 fee, and a copy of the document in redacted form by a date certain, and
    - (ii) appear at a hearing to show cause why sanctions should not be imposed for the party's inclusion of personally identifiable information in the document (the "Redaction Order"). Potential sanctions include monetary penalties and the striking of the document from the Court record.
  - (C) If an individual or entity asserts harm based upon the publication of personally identifiable information in a bankruptcy case or proceeding, or by a party's failure to redact a document in response to a Clerk's notice, the complaining party may bring a motion for sanctions in the case or proceeding.
  - (D) If the document with personal identifier information may be filed by one of multiple parties (e.g., a proof of claim may be filed by the creditor, debtor, or trustee), any one of those parties may file a motion for redaction in response to the Redaction Order. If the movant is not the party who filed the document, the movant may ask the Court to waive the fee as authorized by the Miscellaneous Fee Schedule. See generally 28 U.S.C. 1930.
- (3) Request for Redacted Information. If a party determines they need redacted information, the party may contact the debtor's attorney (or *pro se* debtor) to request it. If the debtor or debtor's attorney does not grant the request, the party may then file a motion requesting the Court compel the debtor to provide the requested information to the party. The motion must set forth why the party needs the redacted information, whether it is available to them from other sources, and what efforts they made to obtain it from the debtor and when.

#### **VT. LBR 5003-1. CLERK – DUTY TO MAINTAIN RECORDS.**

##### **(a) General Duty to Maintain All Records.**

The Clerk will maintain all official records of the Court. All documents filed after April 1, 2002 are maintained as electronic records. If a party presents a document for filing either in

paper format or via e-mail, the Clerk will scan it into the electronic records, maintain it in electronic form, and dispose of the paper or e-mail version.

**(b) Official Form 121, Statement About Your Social Security Numbers.**

The Clerk retains every Official Form 121 that parties submit for a minimum of five years. The Official Form 121 is not to be filed, and therefore will not become part of any bankruptcy case record. See also Vt. LBR 9011-2(b).

**VT. LBR 5003-2. CLAIMS REGISTER.**

The claims register is maintained and accessible electronically. A creditor may file a claim using CM/ECF without retaining counsel if the creditor registers for limited participation in CM/ECF. Instructions on limited participant CM/ECF registration are available on the Court's website.

**VT. LBR 5003-3. DEPOSIT AND INVESTMENT OF REGISTRY FUNDS.**

**(a) Receipt of Funds.**

- (1) A party must obtain a Court order prior to delivering funds to the Clerk if they wish to deposit those funds in the Court's registry.
- (2) The party making the deposit or transferring funds to the Court's registry must serve the order permitting the deposit or transfer on the Clerk and any affected parties.
- (3) Unless this Rule provides otherwise, all monies ordered to be paid to the Court in any pending or adjudicated case must be deposited with the Treasurer of the United States in the name and to the credit of this Court pursuant to 28 U.S.C. § 2041 through depositories designated by the Treasury to accept such deposit on this Court's behalf.

**(b) Investment of Registry Funds.**

- (1) When, by order of the Court, funds on deposit with this Court are to be placed in an interest-bearing account, the Court Registry Investment System ("CRIS"), administered by the Administrative Office of the United States Courts under 28 U.S.C. § 2045, will be the only investment mechanism authorized.
- (2) The Director of Administrative Office of the United States Courts is designated as the custodian for CRIS. The director or the director's designee will perform the duties of the custodian. Funds held in CRIS remain subject to the control and jurisdiction of this Court.
- (3) Money from each case deposited in CRIS will be pooled together with other funds on deposit with the Treasury to the credit of other courts in CRIS and used to purchase Government Account Series securities through the Bureau of Public Debt. These funds will be held at the Treasury, in an account in the name and to the credit of the Director of Administrative Office of the United States Courts. The pooled funds will be invested in accordance with the principles of the CRIS Investment Policy, as approved by the Registry Monitoring Group.
- (4) An account for each case will be established in CRIS titled in the name of the case giving rise to the investment in the fund. Income generated from fund investments will be distributed to each case based on the ratio each account's principal and earnings has to the aggregate principal and income total in the fund. Reports showing the interest earned and the principal amounts contributed in each case will be prepared and distributed to each court participating in CRIS and made available to litigants and/or their counsel.

**(c) Deduction of Fees.**

- (1) The custodian must deduct the investment services fee for the management of investments in CRIS, and the registry fee for maintaining accounts deposited with this Court.
- (2) The investment services fee is assessed from interest earnings to the pool according to the Bankruptcy Court Miscellaneous Fee Schedule and is to be assessed before a pro rata distribution of earnings to court cases. See generally 28 U.S.C. §1930.
- (3) The registry fee is assessed by the custodian from each case's pro rata distribution of the earnings and is to be determined on the basis of the rates published by the Director of the Administrative Office of the United States Courts as approved by the Judicial Conference of the United States.

**Vt. LBR 5005-1. FILING DOCUMENTS – FORMAT REQUIREMENTS.**

Documents and attachments filed in this Court, whether filed electronically or non-electronically, should comply with the following presentation criteria.

**(a) Size and Format.**

Filings and attachments must conform to these specifications:

- (1) be on an 8½" x 11" page;
- (2) be plainly legible, whether typed, handwritten, or duplicated;
- (3) have margins of no less than ¾", exclusive of page numbers;
- (4) be consecutively paginated, with page numbers centered on the bottom of the page;
- (5) use 1.5 or 2.0 line spacing for text, 1.0 or 1.15 for quoted material and footnotes;
- (6) use footnotes sparingly;
- (7) except for master mailing lists and petitions, all paper filings that contain multiple pages must be stapled or otherwise attached, but not permanently bound, see Vt. LBR 1002-1(c) (specific petition requirements), 1007-3(c) (specific master mailing list requirements); and
- (8) all electronically filed documents must be filed in portable document format (PDF) and, whenever possible, in a searchable format, see Vt. LBR 1007-3(d) (master mailing list must be in ASCII format as a text file (\*.txt)).

**(b) Identification of Attorney and Party Being Represented.**

The attorney's name, current office address, e-mail address, telephone number, and the name of the party the attorney is representing, must appear below the signature line of all filings. Where the Official Form asks for the attorney's bar number, the attorney should use their state bar number.

**(c) Identification of Filings.**

All filings must contain:

- (1) the caption of the case, including the debtor's full name as stated on the petition and the chapter under which the case is currently pending, but excluding the debtor's social security number. See Vt. LBR 1005-1 (petition caption);
- (2) the case number, except for documents filed with or before the petition, when no case number has yet been assigned;
- (3) a title describing the filing's contents and/or the relief sought;
- (4) the name of the party on whose behalf it is filed;
- (5) signatures that comply with the current requirement regarding original, e-mail, and electronic filing; and



(6) the title, role, or function in the case of all persons named in the filed document.

**(d) Affidavits.**

An affidavit must identify the filing to which it relates by indicating that document's title and date of filing. An affidavit must be filed in support of any motion or other document seeking a factual determination by the Court.

**(e) Documents in Removed Actions and Records Transmitted from Another Court.**

This Rule does not apply to documents filed in actions removed to this Court or to records another court has transmitted to this Court.

**(f) Parties Must File Official Forms Without Deletion or Modification.**

Parties may not delete or modify the text of an Official Form to reduce the scope of information provided without prior Court approval. However, no Court approval is necessary to supplement or provide additional information beyond what is required on the Official Forms.

**Vt. LBR 5005-2. FILING DOCUMENTS – GENERALLY.**

**(a) CM/ECF.**

Attorneys are strongly encouraged to file all petitions, pleadings, and other documents by electronic means directly into CM/ECF. Instructions and procedures for electronic filing via CM/ECF are posted on the Court's website and are available from the Clerk's Office on request. All documents filed electronically must be filed, signed, and verified in accordance with these Rules. See also Vt. LBR 1002-1(a); Vt. LBR 9011-2(c); Vt. LBR 9011-4.

**(b) Consequences of Electronic Filing.**

Electronic transmission of a document to the Clerk through CM/ECF, combined with the transmission of a notice of electronic filing (hereinafter "NEF"), constitutes the filing of the document for all purposes of the Bankruptcy Rules and these Rules, and constitutes entry of the document on the docket kept by the Clerk pursuant to Bankruptcy Rule 5003(a).

**(c) Official Record and Deemed Filing Date.**

- (1) Electronic Filings. A document filed electronically shall be maintained by the Clerk as the official record and the filing party is bound by the document as filed. A document filed electronically is deemed filed at the date and time entered into CM/ECF. See also Vt. LBR 1002-1(a).
- (2) E-Mail Filings. A document transmitted for filing via e-mail is deemed filed as of the date and time the Clerk enters it into CM/ECF, not the time the filer sent, or the Clerk received, the e-mail. The party is bound by the document as e-mailed. See also Vt. LBR 1002-1(b).
- (3) Non-Electronic Filings. Paper filings transmitted by mail or delivered in person to the Clerk are deemed filed as of the date and time the Clerk enters them into CM/ECF, not the time the Clerk receives them. The party is bound by the document as transmitted. See also Vt. 1002-1(c).

See generally Vt. LBR 1002-1 (deemed filing date for petition); Vt. LBR 9075-1(b)(1) (filing requirements for emergency filings).

**(d) Relief Due to Technical Failures.**

A party whose electronic filing is rendered untimely as a result of a technical failure may seek relief from the Court.

### **VT. LBR 5005-3. FILING DOCUMENTS VIA CM/ECF – REGISTRATION REQUIREMENTS.**

#### **(a) Registration and Passwords for Electronic Filings.**

Attorneys admitted to the bar of this Court (including those admitted *pro hac vice*) must register to use CM/ECF. United States trustees and their assistants, bankruptcy administrators and their assistants, private trustees, creditors, and others as the Court deems appropriate, may also register to use CM/ECF. See generally Vt. LBR 2090-1(b) (*pro hac vice* admission).

- (1) Attorneys. Attorneys must register using the form prescribed by the Clerk, which requires the registrant's name, address, telephone number, e-mail address, and both (A) a declaration that the attorney is admitted to the Bar of this Court, and (B) consent to service through CM/ECF. Further, prior to electronically filing documents in this Court, each attorney must enter a current e-mail address into their CM/ECF user profile. The maintenance and control of the "Email Information" section of a user's CM/ECF account (in the "Utilities" menu of CM/ECF) is the responsibility of the registered user. The information entered into this section will govern how a user will receive e-mail notifications and to which e-mail address(es) notifications will be sent.
- (2) Non-Attorneys. Non-attorneys may file electronically by means other than CM/ECF. See Vt. LBR 5005-4.
- (3) Limited Appearance Exception. Any party or attorney may file a notice of appearance, request for notice in a case, proof of claim, motion to redact a proof of claim, notice of transfer of claim, withdrawal of claim, or motion for relief from stay without registering to use CM/ECF. See also Vt. LBR 2090-1(b)(6).

#### **(b) Waiver of Service and Notice by Mail.**

Registration with the Clerk to file documents through CM/ECF constitutes consent to receive notices electronically and waiver of the right to receive notices via personal service or service by first-class mail, other than service of a summons and complaint under Bankruptcy Rule 7004. Waiver of service by mail applies to all documents filed in the case, including notice of entry of an order or a judgment under Bankruptcy Rule 9022. Pleadings and other documents filed electronically are deemed served upon all CM/ECF participants who are parties to the case or proceeding unless the NEF indicates otherwise. While non-registered attorneys may be served via e-mail, they will not receive automatic e-mail notification through CM/ECF.

#### **(c) Passwords and Their Security.**

Once a party completes the registration process, the registrant will receive a user log-in and password. Persons registered to use CM/ECF must protect the security of their passwords and immediately notify the Clerk if they learn their password has been compromised. CM/ECF access may be revoked and other sanctions imposed if a registered user fails to comply with this obligation.

### **VT. LBR 5005-4. FILING DOCUMENTS VIA OTHER ELECTRONIC MEANS.**

#### **(a) E-Mail Transmission of Documents for Filing.**

- (1) The Clerk accepts documents by e-mail for filing. The Court prefers attorneys file documents via CM/ECF, rather than e-mailing them to the Clerk for filing, and requires non-attorneys who wish to file documents electronically to transmit their documents to the Clerk via e-mail. The appropriate e-mail address to use for e-mail filings is [efiling@vtb.uscourts.gov](mailto:efiling@vtb.uscourts.gov). See also Vt. LBR 1002-1(b); Vt. LBR 9011-4(d).
- (2) If a *pro se* debtor files a petition, schedule, or statement by e-mail, the debtor must affix the required signature as specified in Vt. LBR 9011-4(c).

- (3) Documents e-mailed to the Clerk for filing must be in the form of PDF attachments to the transmittal e-mail and, whenever possible, be in a searchable format. Parties who transmit documents for filing via e-mail are required to simultaneously serve all parties in interest via e-mail and immediately thereafter e-mail a certificate of service (as a PDF attachment) to the Clerk. Exhibits to pleadings, motions, and other documents that are transmitted for filing via e-mail must be clearly marked as exhibits. If documents are e-mailed, the original of those documents should not be transmitted to the Clerk by any other means.
- (4) *Pro se* parties who transmit documents for filing via e-mail must call the Clerk's Office, either immediately before or immediately after the e-mail transmission, to notify the Clerk's Office of the e-mail filing. This is important because documents are not deemed filed until the Clerk's Office enters them on the docket. See also Vt. LBR 5005-2(c)(2).
- (5) Court fees that are due at the time of e-mail filing must be paid as set forth in paragraph (c) of this Rule.

**(b) Service of Documents on the United States Trustee.**

The United States trustee receives electronic notice of all electronically filed documents. The only documents which must be served on the United States by first-class mail or hand delivery are monthly operating reports. See Vt. LBR 4002-1(e) (directing that paper copies with original signatures be served on the United States trustee). The United States trustee will not accept service of any documents by fax or e-mail except as set forth in these Rules. See Vt. LBR 9018-1 (requiring motions to restrict access to Court records be served on the United States trustee via e-mail).

**(c) Form of Payment.**

Any fees due in connection with electronically filed documents must be paid through [www.pay.gov](http://www.pay.gov) or, if [www.pay.gov](http://www.pay.gov) is not available, then by credit card. See Vt. LBR 5081-1(b).

**VT. LBR 5007-1. RECORD OF PROCEEDINGS AND TRANSCRIPTS; ENSURING PRIVACY IN TRANSCRIPTS.**

**(a) Recording of Proceedings and Hearings.**

Except as provided in paragraph (b) of this Rule, all trials and court proceedings, other than emergency hearings, will be recorded by an electronic recording system.

**(b) Audio Record of Court Hearings and Applications to Restrict Access.**

- (1) Digital audio recordings are available on PACER for all hearings and trials conducted since November 1, 2011. The recording of each hearing appears on the docket as a PDF document with an embedded MP3 file. These recordings are available no later than the close of business the day following conclusion of the hearing. The official record of any Court hearing is the written transcript. See Vt. LBR 5007-1(d).
- (2) An attorney (or *pro se* party) involved in a hearing may request that public access to the digital audio recording of the hearing be restricted by filing an application that shows good cause for restriction, at least 24 hours prior to the commencement of the hearing. The motion must be served on notice to all attorneys and *pro se* parties involved in the hearing, as well as the case trustee and the United States trustee. The burden is on the applicant to demonstrate grounds, under § 107, which warrant restricting access to the audio recording of the hearing.

**(c) Remote and Emergency Hearings.**

Hearings may be held remotely, or in exigent circumstances on limited or no notice, with Court approval. See, e.g., Vt. LBR 5071-1(d); Vt. LBR 9075-1.

**(d) Official Written Transcript.**

Since this Court uses an electronic recording system to record all hearings, a party may request an official transcript from a transcription service of their choice. The Clerk will provide a recording of the hearing to the designated transcription service, on the transcription service's request. The party requesting the transcript will be responsible for paying all expenses for preparing the transcript

**(e) Procedures for Protecting Privacy.**

See also Vt. LBR 5001-3(b).

- (1) Temporary Restriction Period. Transcripts filed with the Clerk will, temporarily, be restricted to court users and case participants only. This temporary restriction period affords attorneys and any *pro se* parties involved in the hearing the opportunity to review the transcript to determine if redaction of personally identifiable information is necessary to protect the privacy of witnesses or parties. The temporary restriction period will expire 21 days after the date the transcript was filed, unless upon motion, and a finding of good cause, the Court orders the restriction period enlarged or reduced.
- (2) Information Subject to Redaction. The personally identifiable information a party may seek to redact include:
  - (A) names of minor children;
  - (B) dates of birth;
  - (C) home addresses of individuals other than the debtor;
  - (D) social security numbers;
  - (E) taxpayer identification numbers; and
  - (F) financial account numbers.
- (3) Filing a Request for Redaction. During the temporary restriction period, a party seeking a redaction must file a request for redaction with the Clerk and serve a copy on the transcriber. See Vt. LB Form R. On the request for redaction form, the party must identify the category or type of information to be redacted and provide the location of the information in the transcript. Parties should not recite the information they seek to have redacted since the request for redaction is a public filing.
- (4) Form of Redaction. The transcriber must redact personally identifiable information in the following manner:
  - (A) names of minor children must be limited to their initials;
  - (B) dates of birth must be limited to the year of birth;
  - (C) home addresses of non-debtor individuals must be limited to city and state;
  - (D) social security numbers must be limited to the last four digits;
  - (E) taxpayer identification numbers must be limited to the last four digits; and
  - (F) financial account numbers must be limited to the last four digits.
- (5) Applications to Redact Other Information. A party seeking to redact information other than that listed in subparagraph (4) above, must file a motion demonstrating good cause for that relief and serve their application on those attorneys and *pro se* parties who were present at the hearing from which the transcript was produced, as well as the case trustee and United States trustee. See Vt. LBR 9018-1 (articulating requirements for motions to restrict access to Court records).
- (6) Lifting of Temporary Restriction.
  - (A) No Application to Redact Filed. If no application to redact is filed within the temporary restriction period, the Court will conclude the parties to the hearing have

no objection to the transcript. In that event, when the temporary restriction period ends, the Court will lift the temporary restriction on the transcript and the transcript will then be available to the public, unless the Court determines *sua sponte* that part or all of the restriction should remain in place.

- (B) Application to Redact Filed. If an application to redact is filed, the temporary restriction on the transcript will not be lifted until the later of the completion of the redactions by the transcriber, the Court's ruling on the application to redact, or other order of the Court related to the transcript.

**(f) Parties' Responsibilities as to Personally Identifiable Information.**

- (1) Limiting Inclusion of Personally Identifiable in Hearings. Attorneys should make all reasonable efforts to avoid introducing personal identifier information into the record.
- (2) Other Responsibilities. It is the responsibility of the parties at a hearing to (A) monitor the docket of the case to be aware when the transcript is filed, and (B) file a timely objection to the inclusion of any personally identifiable information in the record.
- (3) Sanctions. A party who causes personally identifiable information to be included in the record may be required to pay the cost of any redactions and shall be subject to such other sanctions as the Court deems appropriate under the circumstances.

**Vt. LBR 5010-1. REOPENING CASES.**

**(a) Generally.**

A party who files a motion to reopen a case must serve notice of the motion in the same manner as any other contested matter, except when the motion seeks to reopen a case for the sole purpose of filing Official Form 423.

**(b) Motion to Reopen a Case to File Official Form 423.**

See Vt. LBR 4004-2(a); Vt. LBR 9013-4(b)(36).

**Vt. LBR 5070-1. COURT CALENDARS AND SCHEDULING HEARINGS.**

**(a) Who Schedules the Hearings.**

The courtroom deputy will schedule pre-trial conferences, hearings on motions to dismiss adversary proceedings, oral argument on motions for summary judgment, evidentiary hearings, trials, hearings on the adequacy of a disclosure statement or confirmation of a plan in chapter 11 cases, and all emergency motions. Attorneys must schedule all other hearings through CM/ECF.

**(b) Where the Hearing Should be Set.**

When setting a hearing, the movant must select the location where the meeting of creditors is scheduled (Rutland or Burlington), unless the interested parties agree otherwise, or the Court determines exigent circumstances warrant a different location.

**(c) Use of Technology at a Hearing.**

Counsel must make arrangements through the courtroom deputy if they wish to use the courtroom technology or other audio-visual aid, and must make the request sufficiently in advance of the hearing to allow for set-up of the requested equipment during hours when the Court is not in session.

**(d) Procedure for, and Limitations on, Remote Participation in Court Hearings and Conferences.**

In order to participate remotely in a Court hearing or conference, a party must obtain Court approval through the courtroom deputy at least one full business day prior to the hearing or conference, and must meet the criteria set forth in Appendix IX to these Rules. See also Vt. LBR 5007-1(c); Vt. LBR 7016-1(c).

#### **VT. LBR 5071-1. CONTINUANCES.**

No continuance, postponement, or rescheduling will be granted except upon a motion or stipulation showing good cause and on such terms and conditions as the Court may impose. Agreement of counsel alone does not constitute good cause. A request for a continuance based on a conflicting engagement must be accompanied by proof that the other matter was scheduled first and must be filed timely with the Clerk. A motion to continue a trial must contain a certification that the moving party has notified opposing counsel of the request for a continuance. See generally Vt. LBR 9013-2(f).

#### **VT. LBR 5072-1. COURTROOM DECORUM.**

**(a) In order to maintain the decorum of the courtroom and dignity of the proceedings, attorneys (and parties representing themselves) must:**

- (1) treat all persons in the courtroom with dignity and respect;
- (2) address all persons by their surname during all court hearings;
- (3) refrain from any oral confrontation or direct dialogue between opposing attorneys or among parties;
- (4) stand whenever addressing the Court unless appearing remotely;
- (5) make all objections to questions posed by opposing counsel with specificity prior to offering any argument or explanation of same;
- (6) obtain Court approval before approaching the witness box, bench, or court reporter during the testimony of a witness;
- (7) be seated in the courtroom before their case is called and prepared to proceed when their case is called;
- (8) refrain from talking while court is in session;
- (9) dress professionally, advise their clients to dress appropriately for court hearings, and remove overcoats before taking a seat in the courtroom; and
- (10) be attentive to the court hearings and refrain from reading newspapers or books while court is in session.

See also Vt. LBR 5073-1 (restriction of electronic devices).

#### **VT. LBR 5073-1. DEVICES PROHIBITED IN COURTHOUSE; BROADCASTING BY THE COURT.**

**(a) Prohibition against Certain Devices.**

The use of electronic devices is expressly prohibited in any court facility, except with the Court's permission. Failure to follow this Rule will be grounds for refusal of admission to court facilities and may subject the offender to (1) detention, arrest, and prosecution as provided by law, or (2) sanctions imposed by the Court.

**(b) Limited Permission for Attorneys.**

Attorneys may bring electronic devices into the courtroom, if necessary for effective participation in a hearing, but must obtain Court approval to bring such devices into the courtroom for any other purpose. An attorney may use an electronic device for work purposes while in the courtroom if the device is silent and does not interfere with the attorney being ready to proceed when their matter is called. However, if use of the device disrupts or delays court proceedings, the Court may impose such sanctions, as it deems appropriate. Further, if the permitted device has the capability of functioning as a prohibited device (e.g., one that can take photographs), the attorney must disclose this capability to a court security officer and refrain from using it in the courthouse unless the Court grants the attorney specific permission to do so.

**(c) Recording and Broadcasting by the Court.**

Upon motion and for good cause, the Court may permit electronic or photographic preservation of evidence and perpetuation of the record. The Court may also permit broadcasting, televising, or photographing of investiture, naturalization, or ceremonial proceedings, however, the broadcasting or televising of legal proceedings is prohibited.

**VT. LBR 5081-1. FEES – FORM OF PAYMENT.**

**(a) Payments from Debtors.**

A debtor must pay the bankruptcy petition filing fee with cash, certified check, bank draft, or money order. For fees due other than for the filing of a bankruptcy petition, the Clerk may accept payments from debtors in the form of personal checks, credit cards, debit cards, or Pay.gov, but the Clerk has both the discretion and authority to reject any of these forms of payment from debtors. See Vt. LBR 1006-1(a).

**(b) Acceptable Forms of Payment.**

Except as provided by paragraph (a) above, any of the following are acceptable forms of payment from any party: cash, check, money order, debit card, credit card, or Pay.gov.

**(c) Payment by Credit Card.**

To pay court fees by credit card, one may (1) physically present a credit card to the Clerk, (2) provide a written statement authorizing the Clerk to charge a fee to that party's credit card and request the Clerk to phone the party to obtain the credit number and other relevant information, or (3) process the credit card online through Pay.gov. Credit card information provided in accordance with this Rule will remain confidential; authorization is required for each transaction.

**(d) Request for Refund of Overpayment by Credit Card.**

If a filing party pays the incorrect fee, the party may seek a refund upon application to the Court setting forth the amount of the overpayment and the basis for the request.

**(e) Effect of Non-Payment.**

Except where the Court orders otherwise, the Clerk will not be required to render service for which a fee is prescribed by statute or rule unless the fee is paid in advance.

**(f) Payment of Filing Fee in Installments; Waiver of Filing Fee; Waiver of Other Fees.**

Applications for permission to pay the filing fee through installment payments must comply with Bankruptcy Rule 1006(b). See Vt. LBR 1006-1(b). Applications for a waiver of the filing fee must comply with Bankruptcy Rule 1006(c). See Vt. LBR 1006-1(c). If the Court grants an individual chapter 7 debtor a fee waiver and other bankruptcy court fees subsequently become due, the debtor may seek a waiver of those fees by demonstrating continued eligibility for a waiver of court fees. See 28 U.S.C. § 1930(f).

**VT. LBR 5091-1. JUDGE'S SIGNATURE.**

Any order the Judge signs and files electronically has the same force and effect as if the Judge had affixed an original signature to a paper version of the order and the Clerk had entered it on the docket in a non-electronic manner.

**PART VI – COLLECTION AND LIQUIDATION OF THE ESTATE**

**VT. LBR 6003-1. FIRST DAY MOTIONS.**

**(a) Notice of Preliminary Hearing on First Day Motions.**

A chapter 11 debtor seeking relief at the outset of the case must provide notice of the preliminary hearing on first day motions to the United States trustee, the subchapter V trustee (if any), the committee of unsecured creditors (if any, and if there is no committee, then to

the 20 largest unsecured creditors), as well as to any other parties directly affected by the motions. If the debtor seeks to have these hearings held on shortened notice, or as remote hearings, the debtor must label the motion as an emergency motion, must promptly contact the courtroom deputy to set a hearing date and verify the hearings may be held remotely, and may serve notice by electronic mail, hand delivery, or such other means as the Court approves. See also Vt. LB Appendix IX.

**(b) Notice of Final Hearing on First Day Motions.**

The debtor must serve notice of the final hearing on first day motions on all creditors, unless the Court orders otherwise.

**VT. LBR 6004-1. SALE OF ESTATE PROPERTY.**

**(a) Sales Free and Clear of Liens.**

A party seeking to sell property free and clear of liens under § 363(f) must file a motion and obtain a Court order approving the sale.

- (1) Contents of Motion. The motion must include:
  - (A) a detailed description of all property to be sold;
  - (B) an itemized valuation of all property to be sold together with the basis for each valuation;
  - (C) a list of the holders and amounts of all secured claims against each property to be sold such that the Court may determine whether the proposed sale price for each property is sufficient to pay the loans secured by each such property;
  - (D) the terms of the bidding, including acceptable methods of bidding (e.g., whether and how parties may bid remotely during the auction);
  - (E) the date, time, and location of the hearing to approve the sale procedure, if applicable;
  - (F) the date, time, and location of the proposed sale;
  - (G) the date, time, and location of the hearing to approve the results of the sale, if applicable;
  - (H) a list of all methods used to advertise the sale;
  - (I) a description of the due diligence undertaken to identify and provide notice to (i) all parties with an interest in the property being sold, and (ii) all potential bidders; and
  - (J) an affirmation that the proposed sale complies with § 363(f), with a detailed explanation of how it complies.
- (2) Notice. The notice of sale must set forth the information outlined in subparagraph (1) above and may do so in summary form. The notice of sale must also make clear the sale is subject to Court approval and that even if the case trustee deems a bid to be the highest and best bid, the Court may still deny approval of the bid if the Court finds the bid is not in the best interest of the estate or finds it is not in compliance with the Bankruptcy Code or the Bankruptcy Rules. The notice of sale and notice of motion must be served on all secured creditors, the United States trustee, all parties who have (or are identified on public record as claiming to have) an interest in the property being sold, all other parties listed on the master mailing list, and all parties that the movant, through due diligence, determines to be potential bidders.
- (3) Hearing to Approve Proposed Sale Procedure. If a movant seeks Court approval of a proposed sale procedure (e.g., proposed bidding procedure for an auction to be conducted at a subsequent hearing), a hearing to approve the proposed sale procedure must be set at least seven days before the proposed sale, unless the Court approves a



shorter time. The movant must set a hearing to approve the sale within seven days of completion of the sale, unless the Court approves a longer time.

- (4) Potential Consequence of Noncompliance. Failure to comply with the requirements of this Rule may result in the sale being denied or postponed, and any costs incurred by other parties due to the movant's noncompliance being assessed against the movant or movant's counsel.

**(b) Other Sales Outside the Ordinary Course of Business.**

The debtor-in-possession or case trustee may seek approval of a sale outside the ordinary course of business through a notice of intent to sell, if the movant is not seeking to sell property free and clear of liens, and the aggregate value of the estate's property being sold is less than \$2,500. A motion to sell, or notice of intent to sell, outside the ordinary course of business must include:

- (1) the type of sale and a list of all known prospective purchasers;
- (2) the terms of sale, including but not limited to (A) the location and condition of the items to be sold, (B) bidding procedures, (C) the minimum bid, if any, and whether the sale is subject to higher and better offers, (D) the funds required to be paid at the time the sale is approved, (E) the form of funds required at the time of approval and time of closing of the sale, and (F) a proposed date for both the approval and closing of the sale;
- (3) identification of the property (e.g., the VIN, make, model, and serial number of a vehicle; volume/page number and town where ownership of real property is recorded; street address of real property), as applicable;
- (4) the names and purported interests of all parties known, or discoverable after reasonable investigation, to claim an interest in the property;
- (5) the fair market value of the property, the basis for that valuation, and the amount and holder of any outstanding indebtedness secured by the property;
- (6) a copy of the contract; and
- (7) any other information that provides due process to all parties in interest and is likely to maximize the sale price.

**(c) Form of Orders Approving Sales.**

All proposed orders approving sales must state the name and address of the buyer, identify the property sold, specify the amount paid, and disclose the net proceeds to the estate. If the terms of sale do not match exactly the terms set forth on the notice of sale, the proposed order must identify and explain the differences.

**(d) Orders Based on Notice of Intent to Sell.**

The Court will enter an order approving the case trustee's sale of estate property when the trustee files a proposed order in conjunction with a notice of intent to sell, as referenced in paragraph (b) above, only if the proposed order:

- (1) contains all the information set forth in the notice;
- (2) indicates no objections were filed within the time required under the applicable Bankruptcy Rules; and
- (3) contains sufficient specificity to enable the Court to determine whether all statutory requirements of § 363(b)(1) have been met.

**(e) Sale or Refinance of Property in Chapter 12 and 13 Cases.**

- (1) Approval Procedures. No sale or refinance of the debtor's principal residence or other real property may take place while a chapter 12 or 13 case is pending unless:
  - (A) the Court approves the sale or refinance after notice to all parties in interest, see Fed. R. Bankr. P. 2002(a)(2); or

- (B) the debtor obtains the chapter 12 or 13 trustee's approval using the procedure described in subparagraph (2) below.
- (2) Chapter 12 or 13 Trustee's Approval.
- (A) If the debtor wishes to use the proceeds of a sale or refinance of real or personal property to fund a chapter 12 or 13 plan, the debtor may request a "Certificate of Approval" from the chapter 12 or 13 trustee on seven days' notice to all parties in interest only if at least one of the following conditions is met:
- (i) to the extent there are net proceeds, all net proceeds will be dedicated to fund the chapter 12 or 13 plan;
  - (ii) the confirmed chapter 12 or 13 plan provides a dividend of no less than 15% to all unsecured creditors holding allowed claims; or
  - (iii) to the extent the confirmed chapter 12 or 13 plan does not provide at least a 15% dividend to all unsecured creditors holding allowed claims, the net proceeds of the sale or refinance are used to create such a dividend, and any net proceeds the debtor seeks to retain may be claimed exempt under applicable law.
- (B) The debtor's request for a Certificate of Approval must (i) indicate which of the three conditions will be met if the sale or refinance is approved, (ii) list all debts secured by the property to be sold, and (iii) itemize how the debtor proposes to distribute the proceeds. If no objection is timely filed, then after the expiration of the notice period, the chapter 12 or 13 trustee may issue a Certificate of Approval authorizing the debtor to use the net proceeds of the sale or refinance of the property to fund the chapter 12 or 13 plan in accordance with the debtor's request. If a timely objection is filed, the Clerk's Office will set a hearing on the debtor's request.
- (3) Sale Plans. Even if the chapter 12 or 13 plan sets forth the contents of the sale motion (as required by paragraph (a) or (b) above), the chapter 12 or 13 plan is confirmed, and the confirmation order includes reference to the sale, the debtor must still file a separate motion to approve the sale, and obtain an order granting that motion, prior to consummating the sale.
- (4) Broker's Commissions; Closing Costs. When a chapter 12 or 13 plan calls for the sale of real or personal property and a broker's commission is payable as part of the sale, the broker may collect a commission of up to 6% (or up to 10% for vacant land or commercial property) of the sale price without a Court order, absent unusual circumstances. If there are unusual circumstances, the debtor must disclose them to the Court and the trustee prior to the sale, if known, and in any event prior to disbursement of the commission. Customary closing costs do not need prior Court approval for disbursement, provided they have been disclosed in the plan or proposed order authorizing the sale.
- (5) Payment of Secured Claims. If there is a mortgage or other claim secured by the property being sold, and the order approving sale directs the debtor to pay that secured claim from the sale proceeds, then the chapter 12 or 13 trustee shall pay any pre-petition arrearage owed to that secured creditor, and the debtor shall pay the balance due that secured creditor directly, unless the Court authorizes a different treatment of the secured claim.

**(f) Mortgage Modification in Chapter 12 and 13 Cases.**

- (1) Approval Procedures. No mortgage, whether secured by the debtor's principal residence or other real property, may be modified by agreement of the parties while a chapter 12 or 13 case is pending unless:
  - (A) the parties to the mortgage file a modification agreement, signed by both the debtor(s) and the lender;
  - (B) the mortgage modification agreement includes a provision that it is not effective without Court approval; and
  - (C) either:
    - (i) the Court grants a motion approving the mortgage modification agreement, after notice to the debtor(s), lender, and the case trustee,
    - (ii) the Court approves a stipulation modifying the mortgage, which has a copy of the fully executed mortgage modification agreement attached, or
    - (iii) the Court approves the mortgage modification agreement as part of the plan confirmation process.
- (2) Debtor's Retention of Funds Available as a Result of the Modification. If a debtor files a motion to approve a mortgage modification and seeks to retain the difference between the prior monthly payment and the current, lower monthly payment due on the mortgage, rather than apply the difference to fund a higher dividend to unsecured creditors, the debtor must set forth in the motion facts to support the request, and must file with the motion an amended Schedule J showing the new payment and current monthly expenses. See Official Form B6J.

**(g) Additional Requirements in Chapter 11 Cases.**

If a chapter 11 debtor-in-possession or trustee seeks authority to sell all or substantially all of the assets of the estate under § 363(b), prior to the entry of a confirmation order, the motion to sell must contain the following:

- (1) a clear and conspicuous statement to that effect;
- (2) the terms of sale, including but not limited to: the location and condition of the items to be sold, the bidding procedures and minimum requirements for bidding, whether the sale is subject to higher and better offers, the funds required to be paid at the time the sale is approved, the form of funds required at the approval and closing of the sale, and a proposed date for both the approval and closing of the sale;
- (3) the information required under Bankruptcy Rule 2002(c);
- (4) the extent to which the proceeds of sale will be used to benefit each class of creditors,
- (5) the extent of the debtor's liabilities;
- (6) the net value of the debtor's remaining assets, if any, not subject to the proposed sale; and
- (7) the business justification for disposing of estate assets before a disclosure statement has been approved or a plan confirmed.

**VT. LBR 6005-1. APPRAISERS AND AUCTIONEERS.**

**(a) Purchase Prohibited.**

Neither an auctioneer nor any officer, director, stockholder, insider, relative, agent, or employee of an auctioneer may directly or indirectly purchase, or have a financial interest in the purchase of, any property of a bankruptcy estate.

**(b) Bond.**

- (1) General Requirement. An auctioneer may not render any services in a bankruptcy case until after the Court has entered an order approving the auctioneer's employment and the auctioneer has furnished (at their expense) a surety bond in favor of the United States of America in each estate. Surety bonds must be approved, and in such sum as may be set, by the Court. Approval of a surety bond is conditioned upon:
  - (A) the faithful and prompt accounting of all monies and property which may come into the possession of the auctioneer;
  - (B) compliance with all rules, orders, and decrees of the Court; and
  - (C) the faithful performance of duties in all respects.
- (2) Blanket Bond. In lieu of a bond in each case, an auctioneer may file a blanket bond covering all cases in which the auctioneer may act. A blanket bond must be in an amount sufficient to cover the aggregate appraised value of all property to be sold.

**(c) Disposition of Proceeds of Sale.**

Unless the Court orders otherwise, no later than 21 days after the date of sale, the auctioneer must turn over to the trustee, or deposit in a separate interest-bearing account, a sum equal to the proceeds of sale minus the auctioneer's reimbursable expenses. The trustee may not disburse any commission or reimbursement to the auctioneer until the Court enters an order approving the auctioneer's payment, as provided in paragraph (e) below. The Court retains jurisdiction to review the auctioneer's reimbursable expenses for validity and reasonableness. In the event the Court determines that a portion of the expenses deducted from the proceeds of sale is inappropriate or unreasonable, the auctioneer will be required to deliver such funds to the trustee immediately.

**(d) Report of Sale.**

The auctioneer must file a report with the Clerk and serve a copy of the report on the United States trustee and the case trustee (if any), within 90 days after the conclusion of the sale.

The report of sale must set forth:

- (1) the time, date, place, and format of sale;
- (2) a statement of the manner and extent of advertising for the sale and the availability of the items for inspection prior to the sale;
- (3) the terms and conditions of sale that were read to the audience immediately prior to the commencement of the sale;
- (4) the sign-in sheet that lists the people who were present, either in person or remotely, at the sale;
- (5) the names of all purchasers and the items purchased by each of them;
- (6) the gross amount realized from the sale;
- (7) the amount of sales tax collected;
- (8) an itemized statement of commissions sought, and disbursements made, under this Rule, including the name of the payee and the original receipts or canceled checks, or copies thereof, substantiating the disbursements; if the canceled checks are not available at the time the report is filed, then the report must so state, and the canceled checks must be filed as soon as they become available; where labor charges are included, the report must specify the names of the persons employed, the hourly wage for each employee, and the number of hours worked by each employee;
- (9) if the auctioneer has a blanket bond covering all sales conducted, the auctioneer must also include an explanation of how the bond expenses charged to the estate were allocated;

(10) the disposition of any items for which there was no bid; and

(11) such other information as the Court or the United States trustee may reasonably request.

**(e) Application for Commissions and Expenses.**

- (1) Notice of Application; Inclusion of Report. An auctioneer must apply to the Court for approval of commissions and expenses on not fewer than 21 days' notice and must have filed the report referred to in paragraph (d) above prior to filing the application for commissions and expenses.
- (2) Calculation of Commission. The maximum allowable commissions on the gross proceeds of each sale are as follows:
  - (A) 10% on first \$100,000 or less;
  - (B) 5% on any amount in excess of \$100,000 up to \$200,000; and
  - (C) 2.5% on any amount in excess of \$200,000.
- (3) Reimbursement of Expenses. The auctioneer will be reimbursed for reasonable and necessary expenses directly related to the sale (including the bond premium or allocable portion of the blanket bond premium) and costs attributable to the sale (including labor, printing, advertising, and insurance, but excluding worker's compensation, social security, unemployment insurance, or other payroll taxes). Unless the Court orders otherwise, an auctioneer will be reimbursed for a blanket bond at a rate of \$100 per case or 10% of the gross proceeds from an auction, whichever is less, minus any amounts previously reimbursed for the bond. If the case trustee hires the auctioneer to transport goods, the auctioneer will also be reimbursed for reasonable costs associated with that transport.

**VT. LBR 6006-1. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

The Court will not approve a debtor's motion to assume a lease in a chapter 7 case unless the case trustee has either consented to the lease assumption or filed a Final Report in the case.

**VT. LBR 6007-1. ABANDONMENT.**

Notice of Proposed Abandonment; Order Granting Abandonment. Upon request, the Court will enter an order of abandonment filed by the case trustee in conjunction with a notice of intent to abandon, under Bankruptcy Rule 6007(a), provided the notice (a) clearly identifies the subject property, (b) provides satisfactory proof of the value of the property and of any liens or encumbrances against the property, and (c) contains all the information that would be required in a motion to abandon and, in sum, the case trustee has established the criteria necessary to demonstrate the property is burdensome or of inconsequential value or benefit to the estate. The proposed order of abandonment must identify the property in the same terms as set forth in the notice of intent to abandon, indicate service has been properly effectuated, and affirm no objections were filed within the time period set forth in the applicable Bankruptcy Rule.

**VT. LBR 6008-1. REDEMPTION.**

**(a) Motion Generally.**

A motion for approval of a redemption agreement may be filed using the default procedure. See Vt. LBR 9013-4(b)(35).

**(b) Joint Motion.**

The signature of the debtor on a redemption agreement will be deemed authorization for the creditor to file a joint motion for approval of the redemption agreement. A motion to approve a redemption agreement must include:

- (1) a copy of the redemption agreement;

- (2) a copy of the instruments creating and perfecting the security interest; and
- (3) a complete description of the property, the present location and condition of the property, the date of purchase, the original purchase price, the amount paid to date, the outstanding balance still due, and any other information necessary for the Court to determine the appropriateness of the redemption agreement.

## **PART VII– ADVERSARY PROCEEDINGS**

### **Vt. LBR 7004-2. SUMMONS.**

#### **(a) Obtaining a Summons.**

The Clerk issues any summons required in an adversary proceeding filed in this Court. An attorney may obtain a summons electronically through PACER and then serve it. On request, the Clerk will mail a summons to any *pro se* plaintiff. The summons will contain the electronic signature of the Clerk and will have the same force and effect as if it had been executed in a non-electronic manner.

#### **(b) Serving a Summons.**

- (1) Method of Service. Unless the Bankruptcy Rules provide otherwise, a summons must be served in the conventional manner, *i.e.*, a summons must be served in compliance with Bankruptcy Rule 7004 and may not be served electronically.
- (2) Order on Pre-Trial Deadlines. A plaintiff shall serve an order on pre-trial deadlines with the summons and complaint. See Vt. LBR 7016-1(a).

### **Vt. LBR 7005-1. CERTIFICATE OF SERVICE.**

See Vt. LBR 9013-6(c).

### **Vt. LBR 7007-1. AMENDMENTS TO PLEADINGS OR MOTIONS IN ADVERSARY PROCEEDINGS.**

A party who seeks to amend a pleading or motion filed in an adversary proceeding must attach both a clean copy and a redlined version of the proposed amended document to the filing, clearly designating all additions and deletions. Any amendment, whether filed as a matter of course or based on a motion to amend, must reproduce the entire pleading or motion as amended and may not merely incorporate prior filing by reference, except with leave of the Court.

### **Vt. LBR 7008-1. CORE/NON-CORE DESIGNATION (COMPLAINT).**

#### **(a) Statement Regarding Consent to Entry of Orders or Judgment in Core Proceeding.**

In all adversary proceedings, in addition to statements required by Bankruptcy Rule 7008(a), if the complaint, counterclaim, cross-claim, or third-party complaint contains a statement that the proceeding or any part of it is core, that document must specify whether the party consents to entry of final orders or judgment by the Bankruptcy Court if it is determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgment consistent with Article III of the United States Constitution. See generally 28 U.S.C. § 157 (procedure for core proceedings and definition).

#### **(b) Non-Core Proceedings.**

- (1) The Bankruptcy Court may hear all non-core proceedings related to a case filed under the Bankruptcy Code.
- (2) In all adversary proceedings, each cause of action within the complaint must specify whether the party considers that cause of action to be core or non-core; and if non-core, whether the party consents to the Bankruptcy Court's entry of a final order or judgment regarding that cause of action.

- (3) If parties do not consent to the Bankruptcy Court's entry of a final order regarding a non-core cause of action, the Bankruptcy Court may, in addition to filing proposed findings of fact and conclusions of law, file recommendations concerning whether a review of the matter should be expedited and whether other matters in the bankruptcy case should be stayed pending the District Court's adjudication of the non-core matter. The Clerk will serve copies of the Bankruptcy Court's proposed findings of fact and conclusions of law, and recommendations (if any), on all parties.

**VT. LBR 7012-1. CORE/NON-CORE DESIGNATION (RESPONSIVE PLEADING).**

A party who files a responsive pleading in an adversary proceeding must specify whether they consider the cause of action to be core or non-core and, if non-core, whether they consent to entry of a final judgment by the Bankruptcy Court. In addition to statements required by Bankruptcy Rule 7012(b), if a responsive pleading states that a cause of action is core, it must specify whether the party consents to entry of final orders or judgment by the Bankruptcy Court if it is determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgment consistent with Article III of the United States Constitution.

**VT. LBR 7016-1. PRE-TRIAL PROCEDURES.**

**(a) Scheduling Conference.**

The Clerk will provide the plaintiff with an order on pre-trial deadlines upon the filing of the complaint. The plaintiff is responsible for serving that order, along with the summons and complaint, on each defendant. The courtroom deputy will set and notify all counsel and *pro se* parties of the Bankruptcy Rule 7026(f) scheduling conference shortly after the expiration of the time period for filing timely responses.

**(b) Notice; Appearance.**

All counsel and *pro se* parties are required to appear at the scheduling conference unless (1) the parties file a joint proposed scheduling order within the time frame set in the order on pre-trial deadlines, (2) the Court enters a scheduling order prior to the date set for the scheduling conference, and (3) the Court cancels the scheduling conference. All counsel and *pro se* parties are required to attend all pre-trial conferences. If an attorney or a *pro se* party fails to appear at a pre-trial conference, or otherwise fails to abide by the requirements of this Rule or the scheduling order, the Court will take such action as it deems appropriate which may include the imposition of sanctions or dismissal of the adversary proceeding.

**(c) Remote Participation in Pre-Trial and Status Conferences.**

Counsel and *pro se* parties may participate in pre-trial and status conferences remotely if the Court approves their remote appearance, they have notified the other parties of their intent to appear remotely, and they have arranged for a remote appearance, through the courtroom deputy, at least one business day in advance. See also Vt. LBR 5070-1(d); Vt. LB Appendix IX.

**(d) Pre-Trial Statements.**

Parties must file a joint pre-trial statement at least seven days before a trial is scheduled to begin. If the parties are not able to agree on the terms of a joint pre-trial statement, then each party must file and serve a separate pre-trial statement that identifies the terms in dispute, with an affirmation the party has made a diligent, good faith effort to produce a joint pre-trial statement but was unable to do so. All pre-trial statements must comport with Vt. LB Appendix VI.

**(e) Motion to Modify Scheduling Order.**

A motion to modify a scheduling order must include a proposed order with the following provisions:

- (1) Based on a stipulation of the parties, the due dates set forth in the scheduling order dated [date] are modified as follows: [list of all requirements that have new due dates, with the new dates listed].
- (2) The following dates for future performances remain unchanged and in effect as set forth in that scheduling order: [list of all requirements whose due dates are not changing, with the original due dates listed].

#### **VT. LBR 7024-2. CLAIM OF UNCONSTITUTIONALITY.**

At any time prior to the trial of an adversary proceeding in which (a) neither (1) the United States, (2) an individual state, nor (3) an agency, officer, or employee of either the state or federal government is a party, and (b) the constitutionality of an Act of Congress or a state statute affecting the public interest is drawn into question, the questioning party must notify the Court in writing of the constitutional question, specifically identifying the Act or statute they challenge and the basis for their claim of unconstitutionality. The Court will rely on this information to determine whether to invoke the requirements of 28 U.S.C. § 2403(a) and (b).

#### **VT. LBR 7026-1. DISCOVERY.**

##### **(a) Initial Disclosure.**

Pursuant to Bankruptcy Rule 7026, the provisions of Rule 26 of the Federal Rules of Civil Procedure apply to all adversary proceedings pending in this District, unless the Court orders otherwise.

##### **(b) Limits on Interrogatories.**

No party may serve any other party, at any one time or cumulatively, more than 25 written interrogatories, including all discrete sub-parts. Exceptions to this Rule may be granted by the Court upon written motion showing good cause. The parties should not file interrogatories with the Clerk.

##### **(c) Limits on Depositions.**

No party may take more than 10 depositions, whether on oral examination under Bankruptcy Rule 7030 or on written questions under Bankruptcy Rule 7031. Exceptions to this Rule may be granted by the Court on written motion showing good cause. Transcripts of depositions should not be filed with the Clerk.

##### **(d) Requirement of a Writing.**

All objections to interrogatories, depositions, requests, and applications under Bankruptcy Rule 7037, and all motions and responses concerning discovery matters, must be in writing and recite with specificity the objectionable interrogatory, deposition, request, or application. If time does not permit the filing of a written objection or motion, the Court may, in its discretion, waive this requirement.

##### **(e) Objections to Discovery Process.**

A Bankruptcy Rule 7037 objection to any interrogatory, deposition, request, or application must be filed within 28 days after service of the objectionable interrogatory, deposition, request, or application, unless the Court orders otherwise. The filing of an objection will not enlarge the time within which the objecting party must answer or respond to any discovery matter not specifically included in the objection.

##### **(f) Mandatory Consultation among Counsel.**

In addition to the mandatory Bankruptcy Rule 7026(f) conference, counsel and unrepresented parties are encouraged to participate in non-court, pre-trial discovery conferences to avoid the filing of unnecessary discovery motions. Counsel should not file a motion concerning a discovery dispute until they have explored all possibilities for resolving the matter(s) in



controversy. Motions raising any type of discovery dispute must be accompanied by a statement of counsel affirming they have made a good faith effort to resolve the discovery matter(s) at issue.

**(g) Motion to Compel.**

If a party timely objects to, or fails to timely comply with, a discovery request and the parties are not able to resolve the issue through good faith efforts, it is the responsibility of the party initiating discovery to bring the matter before the Court in a timely manner. To compel an answer, production, designation, or inspection, a party may file a motion under Bankruptcy Rule 7037, unless the Court has already granted a motion to quash. A party who was properly noticed of a deposition must appear and participate in the deposition.

**(h) Other Discovery Motions.**

Motions for protective orders under Bankruptcy Rule 7026(c), and motions to compel physical or mental examination under Bankruptcy Rule 7035, must comply with paragraph (f) above. See also Vt. LBR 9013-1; Vt. LBR 9013-2.

**(i) Responses to Discovery.**

All responses to discovery motions must be filed within 14 days after service of such motions, unless the Court orders otherwise.

**(j) Compliance with Discovery Orders.**

After the Court has ruled on a discovery motion, the party must file the required response or answer, production, designation, inspection, or examination within 14 days, unless the order provides otherwise.

**(k) Failure to Comply with Order.**

If a party fails to comply with an order of the Court concerning a discovery motion, it is the responsibility of the objecting party to place the matter before the Court for supplementary relief. See, e.g., Vt. LBR 2003-2(a).

**(l) Unnecessary Discovery Motions or Objections.**

A party who presents the Court with unnecessary discovery motions or requests, or unwarranted opposition to proper discovery motions or requests, may be subject to sanctions including the imposition of costs and attorney's fees.

**Vt. LBR 7041-1. CONDITION FOR VOLUNTARY DISMISSAL OF A § 727 COMPLAINT.**

If a party to an adversary proceeding based on a complaint objecting to a debtor's discharge seeks to voluntarily dismiss that proceeding, that party must file a motion and affidavits from both the plaintiff(s) and the debtor(s) affirming the debtor has not given or been promised any consideration in exchange for the dismissal of the suit or, if some consideration has been promised or given, then they must describe the nature, terms, and amount of that consideration. All motions for voluntary dismissal of a § 727 complaint must be set for hearing, with notice to all creditors using the conventional noticing procedure, unless the Court orders otherwise. See generally 11 U.S.C. § 727.

**Vt. LBR 7055-1. DEFAULT.**

**(a) Overview.**

Securing a default judgment is a two-step process. Parties seeking a default judgment must first obtain an entry of default from the Clerk, and then apply for a default judgment from either the Clerk or the Court.

**(b) Application for Entry of Default.**

To obtain the Clerk's entry of default, the applicant must file:

- (1) an application for entry of default; and

- (2) an affidavit in support of the application for entry of default which includes:
- (A) the date the summons was issued,
  - (B) a statement of whether the Court fixed a deadline for the filing of an answer or motion and, if not, which rule sets the deadline and what the deadline is,
  - (C) the date the complaint was served,
  - (D) the date the certificate of service was filed,
  - (E) a statement that no answer or motion was filed within the applicable time limit set by the Court or by Bankruptcy Rule 7012(a),
  - (F) a statement that the party against whom judgment is sought is neither an infant, an incompetent person, nor in the military service,
  - (G) a statement that the judgment amount sought is justly due and owing, and the defendant has not paid any part of that amount except as stated, and
  - (H) if applicable, a statement that any disbursement sought to be taxed as costs has been made in the action or will necessarily be made or incurred.

**(c) Entry of Default.**

Upon verification of the facts contained in the affidavit referred to in subparagraph (b)(2) above, the Clerk will execute and file the entry of default.

**(d) Application for Default Judgment by the Clerk.**

A party seeking default judgment by the Clerk must file the following:

- (1) an application for default judgment;
- (2) an affidavit of the amount due and of any costs or disbursements due;
- (3) a reference to the document number of the entry of default by the Clerk as listed on the docket; and
- (4) a proposed default judgment order.

**(e) Entry of Default Judgment by the Clerk.**

The Clerk may enter a default judgment when:

- (1) a party is entitled to judgment under a statute other than §§ 523 or 727;
- (2) the party seeks a judgment for a sum certain (or for a sum which, by computation, can be made certain); and
- (3) the opposing party has failed to appear.

If the party in default has appeared in the proceeding, the party seeking a default judgment must apply to the Court, not the Clerk, for entry of default judgment. See paragraph (f) below.

**(f) Application for Default Judgment by the Court.**

A party seeking default judgment by the Court must file the following:

- (1) a motion for default judgment;
- (2) an affidavit containing a statement of the damages being requested and the basis for them;
- (3) a reference to the document number of the entry of default by the Clerk as listed on the docket; and
- (4) a proposed default judgment order.

**(g) Hearing on Application for Default Judgment by the Court.**

If the party against whom entry of default judgment is sought has appeared in the action or the Court determines that evidence is necessary to fix the amount due, compute damages, or establish the truth of any alleged fact, the Court will set a hearing. If the underlying action (1) objects to discharge, (2) objects to the dischargeability of a debt, or (3) raises an

allegation of fraud, the Court will generally set a hearing. The Court may waive a hearing if it finds sufficient evidence in the record to enter a default judgment without a hearing.

#### **VT. LBR 7056-1. SUMMARY JUDGMENT – GENERALLY.**

##### **(a) Summary Judgment Motions.**

- (1) **Statement of Undisputed Facts.** A motion for summary judgment must satisfy the requirements of Vt. LBR 7056-2 and be accompanied by a separate, short, and concise statement of undisputed material facts. Failure to file this statement may result in denial of the motion.
- (2) **Opposition; Statement of Disputed Facts.** A party opposing a motion for summary judgment must file a response no more than 21 days after the motion is served, and must simultaneously file a separate, short, and concise statement of disputed material facts which identifies and controverts specific statements in the movant's statement of undisputed material facts.
- (3) **Facts Admitted.** The respondent is deemed to have admitted all facts in the movant's statement of undisputed material facts which the respondent does not controvert in their statement of disputed material facts.
- (4) **Time for Filing.** Summary judgment motions must be filed by the date specified in the scheduling order.

##### **(b) Tolling.**

Although Bankruptcy Rule 7056(b) allows a party to move for summary judgment at any time until 30 days after the close of all discovery, this does not toll the time within which to file an answer under Bankruptcy Rule 7012(a) or a motion under Bankruptcy Rule 7012(b).

##### **(c) Consideration and Ruling by the Court.**

Parties who want the Court to consider portions of the record in connection with a motion for summary judgment must make specific reference to those portions of the record. To expedite a decision or for other good cause, and on notice to all parties, the Court may rule on a motion for summary judgment before the expiration of the 21-day period ordinarily permitted for the filing of opposition papers.

##### **(d) Special Notice Required to *Pro Se* Litigants.**

If a party names and serves a motion for summary judgment on a *pro se* litigant, that party must also simultaneously serve the *pro se* litigant with (1) a special notice designed to inform that litigant of the potential consequences of not responding to the movant's motion, and (2) a copy of Rule 56 of the Federal Rules of Civil Procedure. See Vt. LB Form T (Notice to *Pro Se* Litigant to be Served with Motion for Summary Judgment).

#### **VT. LBR 7056-2. SUMMARY JUDGMENT – MEMORANDUM OF LAW REQUIREMENTS.**

##### **(a) Memorandum of Law; Response; Reply.**

A party who files a summary judgment motion must file a memorandum of law with it. Failure to timely file a memorandum of law may be deemed sufficient cause to deny the motion. Unless otherwise ordered by the Court, whenever a party files a response to a motion for summary judgment they must file a memorandum of law with the response. The movant may file a reply with a memorandum of law within seven days of the date the response is filed. The reply should assume the Court's familiarity with the movant's initial memorandum of law and the opposition's response. The reply should address only points raised in the response (and any evidentiary matter introduced by the opposing party) which were not addressed in the movant's initial memorandum of law. Memoranda of law must comply with the requirements and restrictions set forth in Vt. LBR 9013-5.

**(b) Oral Argument.**

The parties to a motion for summary judgment must specify in each pleading whether they request oral argument. After the final deadline for filing documents has passed, the Clerk will notify the parties whether the Court will require oral argument.

**PART VIII – BANKRUPTCY APPEALS**

**VT. LBR 8006-1. DESIGNATION OF RECORD ON APPEAL.**

Each party preparing a “Designation of Record on Appeal” must include a marked docket sheet indicating those documents to be contained in the record. The marked docket sheet will serve as an index for the record on appeal.

**VT. LBR 8007-1. COMPLETION OF RECORD ON APPEAL.**

Prior to the transmission of the record on appeal to the District Court, the Bankruptcy Court may review the record and verify the accuracy of the transcript of any order appealed.

**VT. LBR 8008-1. FILING PAPERS ON APPEAL.**

After the District Court Clerk has given all parties notice of the date on which the appeal was docketed, all subsequently filed documents related to the appeal must (A) bear the civil case number assigned by the District Court, in addition to the bankruptcy case number(s) (and adversary proceeding number(s), if pertinent), and (B) be filed in the District Court.

**PART IX – GENERAL PROVISIONS**

**VT. LBR 9003-1. *EX PARTE* CONTACT.**

**(a) Prohibited *Ex Parte* Contact.**

No party in interest, including attorneys, estate accountants, debtors, creditors, trustees, or any of their employees, may engage in any meetings or communications with the Bankruptcy Judge, chambers staff, the Clerk, or the Clerk’s Office staff concerning any disputed issue of fact or law in a case, contested matter, or adversary proceeding pending in this Court, without advance notice to all parties.

**(b) Permitted *Ex Parte* Contact.**

This Rule does not limit or prohibit the filing of *ex parte* emergency motions or *ex parte* applications contemplated by the Bankruptcy Code, the Bankruptcy Rules, or these Rules, nor conversations or meetings regarding administrative or general procedural matters.

**VT. LBR 9004-1. PAPERS – REQUIREMENTS OF FORM.**

See generally Vt. LBR 5005-1.

**VT. LBR 9004-2. CAPTION – PAPERS, GENERALLY.**

See generally Vt. LBR 1005-1.

**VT. LBR 9006-1. TIME PERIODS.**

Unless otherwise specified in these Rules, the term “days” means calendar days.

**VT. LBR 9010-2. POWERS OF ATTORNEY.**

Any party who is participating in a case or adversary proceeding pursuant to the authority granted by a power of attorney may exercise only such authority as the power of attorney specifically grants and must file a copy of the power of attorney upon which they are relying. See 14 V.S.A. § 3501 *et seq.*

## **VT. LBR 9011-1. ATTORNEYS – DUTIES AND RETENTION OF DOCUMENTS.**

### **(a) Acceptance of Employment.**

An attorney who represents a debtor in connection with the filing of a bankruptcy case has the duty to render complete and competent services. See, e.g., Vt. LBR 2016-1(h).

### **(b) Attorney’s Duty to Retain Certain Originals of Electronically Filed Documents.**

The debtor’s attorney must retain paper originals of all signed and electronically filed documents for five years from the date of filing. If the document was signed via a digital signature software product (see Vt. LBR 9011-4(c)), the “paper originals” the attorney must retain include (1) a paper copy of the filing and (2) proof the client executed the digital signature (e.g., DocuSign certificate of completion). The filer may be required to provide the paper originals to the Court upon the Court’s request, and to other parties upon appropriate orders or subpoena.

## **VT. LBR 9011-2. PRO SE PARTIES – REQUIREMENTS, RETENTION OF DOCUMENTS, USE OF CM/ECF.**

### **(a) Signature and Contact Information Required by *Pro Se* Parties.**

Unless the Court orders otherwise, parties not represented by an attorney, i.e., *pro se* parties, must sign and include their mailing address, residence address, e-mail address, and telephone number on all documents presented for filing. See Vt. LBR 9011-4(c) (ink or digital signatures of non-attorneys); see also Vt. LBR 4002-3.

### **(b) *Pro Se* Party’s Duty to Retain Originals of Documents Transmitted by E-Mail for Filing.**

*Pro se* parties must retain for five years the originals of any documents they transmit, by e-mail, to the Clerk’s Office for filing. On request or order of this Court or any other court, the *pro se* filer must provide original, signed documents for review. However, *pro se* parties need not retain any Official Form 121 they submit. See Vt. LBR 5003-1(b) (Clerk’s duty to retain Official Form 121).

### **(c) *Pro Se* Parties’ Electronic Filing Options.**

See Vt. LBR 5005-3(a)(2) (non-attorneys may file electronically by means other than CM/ECF); see also Vt. LBR 5005-4(a) (requirements for filing documents by e-mail).

## **VT. LBR 9011-3. SANCTIONS.**

A party seeking an order imposing sanctions must demonstrate they have given proper notice to the party against whom they seek sanctions and present evidence to warrant imposition of sanctions against that party. Ordinarily, this will require presentation of evidence at an evidentiary hearing. However, if the Court determines the movant has effectuated proper notice and the parties have presented sufficient evidence, the Court may rule on the motion without a hearing.

## **VT. LBR 9011-4. SIGNATURES.**

### **(a) Signing of Documents Generally.**

All documents, motions, pleadings, and other papers that are transmitted for filing must be signed by an attorney of record in the attorney’s own name or, if there is no attorney, by the party. Debtors must sign all petitions, schedules, and statements they file.

### **(b) Electronic Signatures of Attorneys.**

When filing a document electronically, or transmitting documents via e-mail for filing, an attorney must either scan the document containing the attorney’s original signatures, or use “/s/ [attorney’s name].” This will constitute the signature of the attorney for purposes of Bankruptcy Rule 9011, all other Bankruptcy Rules, these Rules, and any other purpose for

which a signature is required in connection with matters before the Court. The attorney will be responsible for all consequences that flow from documents filed under their electronic signature as if they physically signed them, regardless of who actually filed them.

**(c) Ink or Digital Signatures of Non-Attorneys.**

All filed documents signed by a non-attorney must be signed in ink or via a digital signature software product that uses two-factor authentication. Either means of execution of the document shall constitute the “original signature” of the non-attorney. An electronic image of the non-attorney’s signature in ink is acceptable and shall be treated as the original signature for purposes of Bankruptcy Rule 9011, all other Federal Rules of Bankruptcy Procedure, these Rules, and for any other purpose for which a signature is required in connection with matters before the Court. See also Vt. LBR 9011-2(a) (contact information required with *pro se* party signatures).

**(d) E-Mailed Signatures.**

- (1) Requirements for Attorneys. Attorneys transmitting documents via e-mail for filing must comply with Vt. LBR 9011-4(b) regarding electronic signatures. See also Vt. LBR 1002-1(b).
- (2) Requirements for Non-Attorneys. Any non-attorney e-mailing a document for filing with the Court must ensure the document is in PDF format and comply with Vt. 9011-4(c) regarding ink or digital signatures. Documents transmitted for filing via e-mail must also set forth the filer’s name, mailing address, e-mail address, and telephone number. All other non-attorney signatories to the document must also comply with this Rule.

**(e) Signatures of Multiple Persons on a Single Document.**

- (1) When a document requires the signature of more than one party, the filer may effectuate the signatures using any combination of the following procedures:
  - (A) filing a scanned document containing a party’s signature in compliance with the requirements described in paragraphs (b) and (c) above;
  - (B) identifying in the document any party who has authorized the filer to affix their signature to the document, and affixing the other party’s signature in compliance with the requirements described in paragraphs (b) and (c) above;
  - (C) identifying in the document any party whose signature is still required, with a representation that the party will file a separate document evidencing consent within two business days thereafter;
  - (D) identifying in the document any party whose signatures is still required, with a representation that the parties will create a docket entry noting the party’s consent (known as “e-consent”) within two business days thereafter; or
  - (E) providing the required signatures in any other manner approved by the Court.
- (2) A party must file their consent on the record within two business days of the subject document being filed for their signature to be deemed effectuated under subparagraphs (e)(1)(C) or (D) above.

**(f) Unauthorized Use of Password (Electronic Signature) Prohibited.**

Only registered users of CM/ECF and their authorized agents may use CM/ECF. Registered and authorized users are prohibited from allowing others to use their password or electronic signature.

## **Vt. LBR 9013-1. MOTION PRACTICE.**

### **(a) Form of Motion; Content of Motion.**

Except when an oral motion is specifically permitted by the Court (e.g., during a trial or hearing), all requests for relief, objections to claim, and objections to exemption must be presented in writing. Motions must (1) state with particularity the relevant law (by title and section) and/or the relevant procedure (by rule) upon which the movant relies, (2) clearly describe all relief requested, and (3) include a brief summary of the facts and circumstances which support granting of the relief.

### **(b) Mandatory Consultation of Counsel Prior to Filing a Motion.**

A party filing a motion that is neither *ex parte* nor required to be filed by a statute or rule must, in the motion, either (1) certify they have contacted opposing counsel (or the opposing party if not represented by counsel) and made a good faith attempt to obtain a settlement, a stipulation to the relief sought, or some other resolution prior to filing the motion; or (2) acknowledge they have not contacted opposing counsel (or the opposing party if not represented by counsel), set forth good cause for a waiver of this requirement, and request a waiver.

### **(c) Affidavits.**

When a party files a motion which requires the Court to make a finding of fact or to resolve a factual dispute, that party must also file an affidavit in support of the motion. This requirement applies to all types of motions, including motions for relief from stay.

### **(d) Exhibits and Attachments Filed with Motions.**

A registered CM/ECF user must file the documents referenced as exhibits or attachments (including affidavits, see paragraph (c) above) in electronic form, unless the Court permits the documents to be filed in non-electronic form. A party who had lengthy exhibits or attachments in support of a motion should file only excerpts of the referenced documents which relate directly to the matter under consideration by the Court; excerpted material must be clearly and prominently identified. A party who files an excerpt of a document as an exhibit or attachment under this Rule does so without prejudice to their right to file additional excerpts or the complete document. Responding parties may file additional excerpts or the complete document that they believe are germane. This Rule applies to proofs of claims as well as other pleadings and documents. See Vt. LBR 5001-3(b) (regarding redaction of personally identifiable information).

### **(e) Motion to Convert a Chapter 7 Case to Chapter 13.**

A debtor seeking to convert their chapter 7 case to a chapter 13 case must do so by motion. The debtor must state in the motion that they are eligible for chapter 13 relief and they are filing the motion to convert in good faith. The debtor must serve notice of this motion on all creditors and parties in interest. See Vt. LBR 9013-4(b)(9); see also Vt. LB Appendix II.

### **(f) Stipulated Motions.**

- (1) Whenever a motion is stipulated, it must (A) include the word “stipulated” in the title of the motion and (B) include a statement of consent in the body of the motion.
- (2) Parties to a stipulated motion must (A) agree to the relief sought before the motion is filed and (B) affirmatively evidence their consent to the motion.
- (3) To obtain the relief described in the stipulated motion, either the motion must contain the signatures of all parties to the stipulation, or the parties to the stipulation must file their consent within two business days of the motion being filed. See Vt. LBR 9011-4(e) and (f).
- (4) If all required consents are not filed by the expiration of this time period, the Clerk’s Office will send a no action notice to the filing party and the stipulation will have no

force and effect; the movant will be required to re-file the motion in compliance with this Rule.

- (5) Generally, a stipulated motion may include a “SO ORDERED” provision at the end of the stipulation, i.e., an endorsement form of order, rather than a separate proposed order. See Vt. LBR 9072-1(c). However, an endorsement order is never mandatory.
- (6) A separate proposed order is required when (A) the stipulated motion seeks relief from stay to enforce rights against real estate, or (B) the stipulated motion contains an extensive factual recitation.

**(g) Motions Seeking Expedited Relief or Relief on Shortened Notice.**

Any motion seeking expedited relief, or relief on shortened notice, must clearly state why expedited relief is needed and why the movant did not seek relief earlier. Failure to include this information is grounds for denial of the motion. See Vt. LBR 9075-1 (regarding emergency matters).

**(h) Proposed Orders.**

Each motion filed and served (except for stipulated motions, see paragraph (f) above) must include a proposed order for the Court’s consideration, filed as an attachment to the motion. See Vt. LBR 9072-1(b).

**(i) Stipulated Proposed Order Eliminating the Need for a Hearing; Deadline for Filing.**

A scheduled hearing will proceed unless a stipulated proposed order that resolves the motion is filed, with all required consents, by 10:00 a.m. on the last business day before the hearing, unless the Court orders otherwise. This filing deadline applies to all documents related to a scheduled hearing including, but not limited to, proposed orders resolving the motion, motions or stipulations to continue the hearing, amended plans, withdrawals of motion, withdrawals of objection, and consents to relief. The court will not review, and the Clerk’s Office will not act on, any document filed after the 10:00 a.m. deadline and the scheduled hearing will proceed as if the late filed document had not been filed. A party may obtain an extension or waiver of this deadline only upon a showing of emergency or exigent circumstances over which the party did not have control.

**VT. LBR 9013-2. HEARINGS –GENERALLY.**

**(a) Scheduling a Hearing on a Motion.**

It is the responsibility of the moving party to schedule a hearing on any routine, non-evidentiary motion and to serve notice of that hearing. A party may use either the conventional noticing procedure or, if applicable, the default noticing procedure. See Vt. LBR 9013-3; Vt. LBR 9013-4. The courtroom deputy will set all other hearings, including evidentiary matters, pre-trial conferences, and scheduling conferences. See Vt. LBR 5070-1.

**(b) Routine, Non-Evidentiary Motions.**

The Court designates the following to be routine, non-evidentiary motions:

- (1) In a Bankruptcy Case. Unless otherwise directed by the Court or provided in these Rules, all motions in a bankruptcy case that do not require the presentation of evidence will be considered routine, non-evidentiary motions. Although motions for relief from stay are considered evidentiary, they are routine; therefore, a movant should treat a motion for relief from stay as routine and schedule the hearing, unless the movant intends to present evidence. See LBR 4001-1(g).
- (2) In an Adversary Proceeding. All motions in an adversary proceeding will be considered non-routine, except for (A) motions to compel, (B) motions to continue or to expedite, (C) motions to withdraw as counsel for the debtor, and (D) any motions which can be



scheduled using the default noticing procedure. See Vt. LBR 9013-4(b). The courtroom deputy will set the hearings for all other adversary proceeding motions.

**(c) Form of Hearing Notice.**

- (1) Generally. For all routine, non-evidentiary motions, the moving party must file and serve a hearing notice specifying (1) the relief sought, (2) the hearing date and time, (3) the location of the hearing, and (4) the response deadline. See Vt. LBR 9013-3 (requirements for noticing a hearing under the conventional procedure); Vt. LBR 9013-4 (requirements for noticing a hearing under the default procedure); see also Vt. LB Form U-1 (model notice of motion under conventional procedure); Vt. LB Form U-2 (model notice of motion under default procedures).
- (2) Hearing Dates/Times. The upcoming Court calendar dates and designated times for hearings are posted on the Court's website and may also be obtained by contacting the courtroom deputy at (802) 657-6404. The Court has specific days when it hears (A) chapter 7 and 11 matters, and (B) chapter 12 and 13 matters, all of which are set out on the Court's website. Unless a party obtains Court approval in advance and shows exigent circumstances, a party filing a motion should schedule a hearing on that motion according to the Court's designated hearing schedule.
- (3) Hearing Sites. Matters may be scheduled for hearing at the Rutland or Burlington location of the Bankruptcy Court. Movants must set hearings at the location where the first meeting of creditors was scheduled in the case unless the parties to the motion agree otherwise or the Court determines exigent circumstances warrant a different location. Even if the movant intends to request that the hearing be conducted remotely (if all criteria are met for that request), they must still schedule the hearing according to this Rule's location requirements.
- (4) Minimum Notice. Unless a longer period is required by the Bankruptcy Code or the Bankruptcy Rules, a movant must serve a notice of the motion at least 14 days before the hearing date. See, e.g., Fed. R. Bankr. P. 2002; see also Vt. LB Appendix VIII.

**(d) Multiple Motions.**

If a party files multiple motions at the same time (or close in time) in the same case, they should set the hearings on all of those motions for the same date, time, and location.

**(e) Attendance at Hearings.**

A party who initiates or opposes a motion and later decides not to actively pursue its position, must immediately notify all counsel of record, *pro se* parties, and the Clerk, so that the Court, counsel, and any *pro se* parties are not required to devote any further attention to the matter or to appear in court. Unless excused by the Court, the Court will treat a party's failure to attend a duly noticed hearing in support of their position as either (1) a waiver of the pleading, motion, objection, or other response, or (2) consent to the granting or sustaining of the relief sought by the attending party and a basis for imposing sanctions.

**(f) Rescheduling Hearings; Stipulated and Unstipulated Motions to Reschedule.**

If a party files a motion to reschedule a hearing without the consent of opposing counsel, they must also file a notice of hearing and set a hearing on that motion for a date and time before or at the time of the hearing on the underlying motion. Alternatively, a party may file a stipulated motion to reschedule and obtain relief without a hearing for good cause. This requires (1) proof that all parties entitled to notice of a hearing have been served, (2) a description of the facts which show the benefit of, or need for, a rescheduling of the hearing, and (3) evidence that all parties in interest stipulate to the motion or request for relief. No notice of hearing is necessary if the movant files a stipulated motion to reschedule.

### **VT. LBR 9013-3. HEARINGS –NOTICES UNDER CONVENTIONAL PROCEDURE.**

#### **(a) Meaning of Conventional Procedure.**

When a party seeks relief under the Bankruptcy Code or the Bankruptcy Rule and schedules a hearing on a motion pursuant to Vt. LBR 9013-2(a), and either the default procedure under Vt. LBR 9013-4 is not available or the party chooses not to use that default procedure, the Court will hold a hearing on the motion. This mechanism for obtaining relief that requires a hearing is referred to as the “conventional procedure.”

#### **(b) Form of Hearing Notice.**

In addition to the requirements set forth in Vt. LBR 9013-2(c), the following items must be in each notice of motion using the conventional procedure:

- (1) Title of Notice. The title of the hearing notice must be “Notice of Motion;”
- (2) Response Deadline. The deadline for filing responses to a motion scheduled under the conventional procedure may be no later than three business days before the hearing date, and this 3-day period may be included within the required notice period;
- (3) Mandatory Language. A notice of motion using the conventional procedure must substantially comply with Vt. LB Form U-1.

### **VT. LBR 9013-4. HEARINGS –NOTICES UNDER DEFAULT PROCEDURE.**

#### **(a) Meaning of Default Procedure.**

Certain requests for relief under the Bankruptcy Code or the Bankruptcy Rules may be determined without a hearing (at the option of the movant), provided parties entitled to notice of the motion are afforded an opportunity for a hearing. Under the default procedure, if a party files a timely response to the motion, the Court will hold a hearing on the date designated on the notice, unless the Court decides in its discretion, that no hearing is necessary and enters an order prior to the hearing date. If no response is timely filed, the Court may enter an order without a hearing. However, if an order has not been entered before the hearing date, the scheduled hearing will proceed, and the movant must appear. If the Court determines a hearing is necessary, it will hold a hearing even in the absence of a response to the motion. The default procedure is optional.

#### **(b) Relief Available Through Use of the Default Procedure.**

The default procedure may only be used for applications or motions seeking the following relief:

- (1) abandon property (11 U.S.C § 554(b));
- (2) allow administrative expenses (other than professional fees) (11 U.S.C. § 503(b));
- (3) automatic stay, relief from (11 U.S.C. § 362(d));
- (4) automatic stay, relief from co-debtor (11 U.S.C. § 1301);
- (5) automatic stay, declaration not in effect (11 U.S.C. § 362(c)(4));
- (6) claim, objection to (11 U.S.C. § 502(b));
- (7) compensation (11 U.S.C. §§ 326, 330, 331);
- (8) conduit mortgage payment case, post-petition payment of mortgage creditor charges (Vt. LBR 3015-6(a)(1));
- (9) conduit mortgage payment case, waive requirement (Vt. LBR 3015-6(a)(9) and (b)(2));
- (10) confirmation of proposed chapter 13 plan (after debtor has testified and with Court approval) (11 U.S.C. § 1323);
- (11) convert a case (11 U.S.C. §§ 706, 1112(b), 1208(a), 1307);
- (12) credit counseling requirement, permanent waiver of (11 U.S.C. § 109(h)(4));

- (13) discharge in a chapter 12 or 13 case (11 U.S.C. §§ 1228(f), 1328(h));
- (14) dismiss case for cause (11 U.S.C. §§ 707, 1112(b), 1208(c), 1307(c));
- (15) enlarge time to assume or reject a nonresidential lease (11 U.S.C. § 365(d)(4));
- (16) enlarge time to file chapter 11 plan or disclosure statement (11 U.S.C. §§ 1121(d), 1189);
- (17) enlarge time to file chapter 12 plan (11 U.S.C. § 1221);
- (18) enlarge time to file complaint objecting to discharge or dischargeability of a debt (11 U.S.C. §§ 523, 727; Fed. R. Bankr. P. 4004(b), 4007(c));
- (19) enlarge time to file motion to dismiss under § 707 (11 U.S.C. § 707);
- (20) enlarge time to pay filing fee (Fed. R. Bankr. P. 1006(b));
- (21) examine any person or entity (Fed. R. Bankr. P. 2004);
- (22) exemption, objection to (Fed. R. Bankr. P. 4003(b));
- (23) final decree in chapter 11 case (Fed. R. Bankr. P. 3022);
- (24) forward mail of a corporate debtor to the trustee (11 U.S.C. § 542(e));
- (25) hardship discharge (11 U.S.C. §§ 1228(b), 1328(b));
- (26) lease property (11 U.S.C. § 363(b)(1));
- (27) lease or executory contract, assume or reject (11 U.S.C. § 365);
- (28) lien, avoid as impairing exemption (11 U.S.C. § 522(f));
- (29) lien or mortgage, strip as wholly unsecured (11 U.S.C. § 506(a));
- (30) limit scope of employment and reduce scope of legal services (Vt. LBR 2016-1(h)(4));
- (31) mortgage mediation, declare closed (Vt. LBR 4001-7(f));
- (32) mortgage mediation, direct parties to attend (Vt. LBR 4001-7);
- (33) mortgage modification (Vt. LBR 6004-1(f));
- (34) modify chapter 11 subchapter V, 12 or 13 plan post-confirmation (11 U.S.C. §§ 1193, 1229, 1329);
- (35) obtain credit (11 U.S.C. § 364(b), (c), and (d));
- (36) redeem property (11 U.S.C. § 722);
- (37) reopen a case (Fed. R. Bankr. P. 5010);
- (38) sell property (11 U.S.C. §§ 363(b)(1) and (f), 1206);
- (39) settlement of an adversary proceeding or contested matter, approve (Fed. R. Bankr. P. 9019);
- (40) substitute counsel (Vt. LBR 2091-1(b) and (c));
- (41) tax returns, waive requirement to present or file (11 U.S.C. § 521(e)(2)(A)(i));
- (42) transfer adversary proceeding (28 U.S.C. § 1412);
- (43) trustee final report and account, approve report and compensation (11 U.S.C. §§ 704(a)(9), § 1183(b)(1), 1202(b)(1), 1302(b)(1));
- (44) turnover of property to the trustee (11 U.S.C. § 542);
- (45) vacate discharge to allow debtor to seek approval of a reaffirmation agreement (Vt. LBR 4008-1);
- (46) valuation of collateral and allowance of secured claim (11 U.S.C. § 506(a); Fed. R. Bankr. P. 3012); and
- (47) venue, change (28 U.S.C. § 1412).

**(c) Form of Hearing Notice.**

In addition to the requirements set forth in Vt. LBR 9013-2(c), the following items must be included in each notice of motion filed under the default procedure:

- (1) Title of Notice. The title of the notice must be “Notice of Motion under Default Procedure.”
- (2) Response Deadline. The deadline for filing responses to a motion scheduled for a hearing using the default procedure may be no later than seven days before the hearing date; this 7-day period is in addition to the requisite notice period
- (3) Mandatory Language. A notice of motion using the default procedure must substantially comply with Vt. LB Form U-2.

#### **VT. LBR 9013-5. MEMORANDA OF LAW.**

##### **(a) Memoranda of Law Generally Required.**

A memorandum of law is required when a motion raises a legal issue that has not yet been decided in this District or a novel issue of law. A motion and supporting memorandum of law may be filed as a single document provided the movant includes both items in the caption and docket entry.

##### **(b) Form of, and Filing Deadlines for, Memoranda of Law.**

Each memorandum of law filed in this Court must (1) be succinct, (2) not exceed 15 pages in length without prior leave of the Court, (3) include a concise statement in support of each argument with relevant citations, and (4) be either a part of, or an attachment to, a motion. A party filing a memorandum of law in opposition to a motion must file it within 14 days after service of the motion, unless a different response time is permitted by the Bankruptcy Rules, these Rules, or Court order. If time permits, the movant may file a reply memorandum of law provided it is filed within seven days after service of the memorandum of law opposing the motion, and at least three days before the date set for the hearing; a reply memorandum of law may not exceed five pages in length without prior leave of the Court. A sur-reply memorandum of law, if necessary, may be filed in response to the reply, provided it is filed no later than noon on the last business day prior to the date set for the hearing; a sur-reply memorandum of law may not exceed three pages in length without prior leave of the Court. If a memorandum of law contains a citation not generally available on Westlaw or Lexis, the citing party must provide a copy of the cited material to opposing parties and the Court. See also Vt. LBR 7056-2(a) (providing special requirements applicable when a memorandum of law is filed in support of a motion for summary judgment).

#### **VT. LBR 9013-6. SERVICE AND FILING OF CERTIFICATES OF SERVICE.**

##### **(a) Service Generally.**

A movant must file and serve a corresponding notice of motion either prior to or simultaneously with the motion, and then file a certificate of service affirming service of both documents. The movant must file a certificate of service that demonstrates they have served all parties entitled to notice under the Bankruptcy Rules, and states the means of service on each party (*i.e.*, by U.S. mail, through CM/ECF, or by some other means). The movant may file the certificate of service either as an attachment to the filed document or as a separate document, as further described in paragraphs (c) and (e) below.

##### **(b) Filing the Certificate of Service with the Motion.**

If a movant files the certificate of service at the same time as they file the motion, they shall include the certificate of service as an attachment to the motion.

##### **(c) Filing the Certificate of Service Separately.**

If the movant files the certificate of service subsequent to the filing the motion and therefore as a separate document, they must specify the document served and either attach a copy of the document served or link the certificate of service to that document in the docket, through their CM/ECF filing entry.

**(d) Service of Documents Filed Electronically.**

- (1) Notice of Electronic Filing (“NEF”). Whenever a document is entered on the docket, CM/ECF will automatically and immediately generate an NEF.
- (2) Service on Registered Users. If the recipient of an electronically filed document is also a registered user of CM/ECF, the automatic transmission of the NEF will be considered equivalent to service of the document by first-class mail. Within each case, the Clerk maintains a list of all parties and attorneys who will accept service by e-mail through CM/ECF and their e-mail addresses. This information is available through PACER and CM/ECF.
- (3) Service on Non-Registered Parties.
  - (A) Attorneys. Attorneys who are not registered CM/ECF users cannot be served through CM/ECF. However, they may be served via e-mail at the e-mail address provided in their notice of appearance, and they may also be served by any other means permitted by these Rules. See Vt. LBR 2090-1(a); see, e.g., subparagraph (B) below.
  - (B) Non-Attorneys. The movant must serve all other parties (i.e., those non-attorneys not registered for CM/ECF) with a paper copy of the electronically filed document in accordance with the Bankruptcy Rules and these Rules, unless a non-registered, non-attorney party consents to accept service and notification by e-mail. If a party gives that consent, transmission of an e-mail with the documents attached to the consenting non-registered, non-attorney party will be considered equivalent to service of a paper copy by first-class mail.

**(e) Certificate of Service: Requirement to File; Contents; Consequences of Non-Compliance.**

A movant filing a document with the Clerk must also file a certificate of service. Each certificate of service must specify:

- (1) the caption and date shown on the document served;
- (2) the name of each party or entity served;
- (3) the address at which each party or entity was served; and
- (4) the means of service (e.g., via CM/ECF, e-mail, fax, or first-class mail).

**(f) Service through CM/ECF.**

If a movant effectuates service of a document through CM/ECF, the movant need not restate the names and e-mail addresses of parties served via transmission of the NEF, provided the certificate of service includes the following language:

*I hereby certify that this document filed through CM/ECF will be sent electronically to the registered participants as identified on the Notice of Electronic Filing generated in connection with this document and [paper] copies will be sent to those indicated as non-registered participants on [date] at the following addresses [addresses].*

**(g) Consequences of Failing to File a Proper and Complete Certificate of Service.**

Failure to file a proper and complete certificate of service may be cause for a hearing to be held on the motion or for the motion to be denied, even if no party files a response to the motion.

**VT. LBR 9014-1. CONTESTED MATTERS.**

**(a) Core/Non-Core Designation for Objections to Claim.**

Responses to objections to claim and counterclaims filed in response to objections to claim are subject to the requirements of Vt. LBR 7008-1.

**(b) Attendance of Witnesses.**

- (1) Court Designated Evidentiary Hearing. The Court may schedule an evidentiary hearing in any matter. In such an instance, at least 14 days prior to the hearing or any shorter period as the Court may set or approve, each party to the evidentiary hearing must file with the Clerk, and serve upon the other interested parties, a list of witnesses each party intends to call to testify. See subparagraph (2) below; see also Vt. LB Form V.  
Unless so designated on the Court's calendar, hearings are not evidentiary hearings. See Vt. LBR 9013-2(b). There is one exception: final hearings on motions for relief from stay are evidentiary hearings per Vt. LBR 4001-1(g). While a chapter 12 or 13 confirmation hearing in which an objection is filed is treated as a contested matter under the Bankruptcy Rules, the Court will treat the initial confirmation hearing as a hearing either for legal argument only, or as a status conference. Any evidentiary hearing necessitated by an objection to confirmation will be set for a later date. In such an instance, the Court will direct whether the parties need to file a Bankruptcy Rule 9014(e) notice of evidentiary hearing.
- (2) How to Request an Evidentiary Hearing. A party must contact the courtroom deputy to schedule an evidentiary hearing. After scheduling a hearing with the courtroom deputy, the requesting party must file with the Clerk, and serve upon all parties in interest, a Bankruptcy Rule 9014(e) notice of evidentiary hearing. The Bankruptcy Rule 9014(e) notice must be filed at least seven days before the hearing, or such shorter time as the Court directs, and must include:
  - (A) the date and time of the scheduled hearing (set by the courtroom deputy);
  - (B) the matter or motion that is the subject of the hearing (with reference to the docket number);
  - (C) the amount of time they wish the Court to allocate for the hearing;
  - (D) whether the requesting party has coordinated the request for an evidentiary hearing with opposing counsel and any other parties in interest;
  - (E) the witness(es) the requesting party will call to testify;
  - (F) the response deadline to the notice (no later than three business days before the hearing);
  - (G) any other information the requesting party believes is relevant to the request for the evidentiary hearing; and
  - (H) whether the evidentiary hearing is being held in lieu of a previously scheduled hearing.See Vt. LB Form V.
- (3) Additional Time and/or Witness(es). If a party in interest seeks more time than is allocated in the notice of evidentiary hearing, or intends to call additional witnesses to testify at the evidentiary hearing, that party must contact the courtroom deputy at least seven days prior to the hearing to determine if or when additional time is available for the hearing, and file and serve a supplemental Bankruptcy Rule 9014(e) notice of evidentiary hearing at least three business days prior to date set for the evidentiary hearing.
- (4) Stipulation. Whenever possible, parties should file a stipulated Bankruptcy Rule 9014(e) notice of evidentiary hearing. Parties must coordinate the scheduling of an evidentiary hearing with the courtroom deputy, regardless of whether the hearing is requested by one party or by stipulation of multiple parties.

- (5) Court's Discretion. The scheduling, noticing, approval, and scope of a Bankruptcy Rule 9014(e) evidentiary hearing are within the discretion of the Court and may vary from the notice filed by the parties.

#### **Vt. LBR 9018-1. MOTIONS TO RESTRICT ACCESS TO COURT RECORDS.**

##### **(a) Order Required to Restrict Access to Court Records.**

All official records in possession of the Clerk are public documents available for inspection both at the Clerk's Office and electronically, unless the Court orders otherwise. See Vt. LBR 5001-3(a). By Court order, a case, proceeding, document, or *ex parte* motion may be made inaccessible to the public (sometimes referred to as "under seal") or otherwise have access restricted.

##### **(b) Case, Proceeding, or Document Other Than *Ex Parte* Motion or Highly Sensitive Document.**

- (1) Motion to Restrict Access Filed as Public Record. A party requesting that the Court restrict access to a case, proceeding, or document under §§ 107(b) or (c) and Bankruptcy Rule 9018 shall file the motion requesting such relief, and the motion shall become part of the public record.
- (2) Underlying Document Submitted. The movant must contact the Clerk's Office to arrange for submission of the document for the Court's *in camera* review. See Vt. LBR 1007-1(g) (definition of "submitted").
- (3) Service on United States Trustee. The movant must serve a copy of the motion to restrict access on the United States trustee via e-mail (to an e-mail address designated by the United States trustee) or must show cause why the movant should be excused from that requirement. See Vt. LBR 5005-4(b).
- (4) Order; Disposition of Submitted Document. On completion of the Court's *in camera* review of the submitted document, the Court will enter an order granting or denying the motion to restrict access, which the Clerk shall enter in the public record. If granted, the Clerk's Office will maintain the submitted document. See Vt. LBR 1007-1(g). If denied, the Clerk's Office will return the submitted document to the movant.

##### **(c) *Ex Parte* Motion.**

- (1) Motion to Restrict Access and Underlying *Ex Parte* Motion Submitted. A party seeking *ex parte* relief (*i.e.*, relief without notice to any other party) must contact the Clerk's Office to arrange for submission of both the *ex parte* motion and a separate motion seeking to restrict access to that *ex parte* motion, for the Court's *in camera* review. See Vt. LBR 1007-1(g) (definition of "submitted").
- (2) Service on United States Trustee. The movant must serve a copy of both the motion to restrict access, and the underlying *ex parte* motion to which access is to be restricted, on the United States trustee via e-mail (to an e-mail address designated by the United States trustee) or must show cause why the movant should be excused from that requirement. See Vt. LBR 5005-4(b).
- (3) Order; Disposition of Submitted Motions. On completion of the Court's *in camera* review of the submitted motions, the Court will make a final determination on the motion to restrict access and, if granted, on the underlying *ex parte* motion; the Clerk's Office will notify the movant directly of the Court's determination. If granted, the Clerk's Office will maintain the submitted motions. See Vt. LBR 1007-1(g). If denied, the Clerk's Office will return the submitted motions to the movant.

**(d) Highly Sensitive Document.**

A document may be deemed a highly sensitive document if (a) it contains classified information or information that could harm national security or (b) its disclosure could reasonably be expected to cause exceptionally grave damage or injury to any person, entity, or institution. A motion to treat a document as a highly sensitive document shall be treated as an *ex parte* motion in accordance with paragraph (c) above, except the document must be submitted to the Clerk's Office in a sealed envelope clearly marked as a "Highly Sensitive Document" (and should not be e-mailed).

**(e) Contents of Motion to Restrict Access.**

A motion to restrict access made pursuant to subparagraphs (b)(1) and (c)(1) above must:

- (1) specify the legal and factual basis for the request;
- (2) specify the date by – or circumstances under – which the requested access restriction may be removed and the case, proceeding, document, or *ex parte* motion may become part of the public record;
- (3) affirm the movant is seeking the narrowest and shortest-term restriction that will achieve the necessary protection; and
- (4) attach a proposed order.

**(f) Modification or Removal of Restricted Access.**

Upon expiration of the date and/or circumstances specified in subparagraph (e)(2) above, or at any earlier time for cause, the movant or another party in interest may file a motion, based on a change in circumstances, requesting that restricted access be (1) continued, (2) made permanent, (3) deemed moot and the restricted materials destroyed, (4) removed and the restricted materials made part of the public record, or (5) otherwise modified. The motion shall set forth the legal and factual basis for the request. The Court may also *sua sponte* set a status conference on whether modification or removal of restrictions is appropriate.

**VT. LBR 9019-1. ALTERNATIVE DISPUTE RESOLUTION.**

**(a) Generally.**

The Court encourages the use of Alternative Dispute Resolution ("ADR") when the parties believe the issues may be resolved through a non-adversarial process. The Court may direct the use of ADR and appoint a mediator in cases it determines are well-suited to non-judicial resolution. The courtroom deputy coordinates the use of ADR in bankruptcy matters.

**(b) The District Court's Early Neutral Evaluation Process and Goals.**

The provisions of the District Court Local Rules regarding Early Neutral Evaluation ("ENE") apply in Bankruptcy Court, subject to modifications necessary to ensure a specialized panel and requirements appropriate to bankruptcy issues. On consent of all parties, or entry of this Court's order, the parties to an adversary proceeding or contested matter will pursue ENE, and complete ENE by the deadline set in the scheduling order. The courtroom deputy coordinates use of ENE in bankruptcy matters.

**VT. LBR 9021-1. MEMORANDA OF DECISION, JUDGMENTS, AND ORDERS.**

Copies of all memoranda of decision, judgments, orders entered after evidentiary hearings, and all orders that set forth a detailed explanation of a ruling, are posted on the Court's website. These documents are available to the public and may be searched by cite, case number, date, or keyword. Parties may cite to the Court's memoranda of decision and orders found on the Court's website even if designated as "Not for Publication" and need not provide copies of any posted decisions or orders to opposing parties or the Court.



**VT. LBR 9022-1. NOTICE OF DECREES, JUDGMENTS, AND ORDERS.**

All decrees, judgments, and orders of the Court will be filed electronically, and in accordance with these Rules; electronic filing of the decrees, judgments, and orders, constitutes entry on the docket kept by the Clerk pursuant to Bankruptcy Rules 5003 and 9021.

**VT. LBR 9023-1/VT. LBR 9024-1. MOTIONS TO RECONSIDER.**

Any motion captioned as a “Motion to Reconsider” will be treated as a motion to alter or amend a judgment or for relief from a judgment or order under Bankruptcy Rule 9023(e) or 9024. Such a motion must set forth the grounds alleged to satisfy the criteria set forth in Bankruptcy Rule 9023 or 9024, including the time period for filing the motion. Responses to such a motion are not required. However, if a party wishes to respond, they must file their response within seven days of service of motion. The Court will set a hearing on the motion if it determines a hearing is necessary.

**VT. LBR 9027-1. REMOVAL/REMAND.****(a) Notice of Removal.**

A party filing a notice of removal must give written notice of removal to all adverse parties and must file a copy of the notice of removal with the clerk of the court from which the civil action or proceeding was removed. The filing of the notice of removal with the Clerk of this Court effectuates the removal and parties to that action may not proceed any further in the other court unless and until this Court remands the case or orders otherwise.

**(b) Procedure after Removal.**

The party filing the notice of removal must file with the Clerk of this Court certified copies of all records and proceedings in the court from which the case was removed. The removing party bears the expense of obtaining the certified copies and must obtain and file them within 14 days after filing the notice of removal.

**(c) Remand.**

If, at any time before final judgment, it appears that the civil action or proceeding was removed improvidently or that this Court lacks jurisdiction to adjudicate the matter, this Court will remand the case to the court from which it was removed and may order the payment of reasonable and justified costs. The Clerk of this Court will mail a certified copy of the “Order of Remand” to the clerk of the court from which the civil action or proceeding was removed, and thereafter that court may proceed with the case.

**(d) Consent in Core Proceeding.**

Each party who files a pleading in connection with a removed cause of action, including the notice of removal, shall include in their initial post-removal filing a statement pursuant to Bankruptcy Rule 9027(e)(3) asserting whether, with respect to each claim or counterclaim: (1) the proceeding is core or non-core; and (2) the party consents to the entry of a final order or judgment by the Bankruptcy Court, consistent with Article III of the United States Constitution. See Vt. LBR 7008-1; see also Vt. LBR 7012-1.

**VT. LBR 9029-1. LOCAL RULES.****(a) Making and Amending these Rules.**

These Rules may be made and amended by action of the Judges of the United States District Court for the District of Vermont, pursuant to Bankruptcy Rule 9029.

**(b) Matters Not Covered by These Rules.**

(1) **Consistent Practice.** In any matter not covered by these Rules, the Court may regulate practice in any manner that is not inconsistent with either the Bankruptcy Rules or the Federal Rules of Civil Procedure.

- (2) Suspension of Rules. The Court may, *sua sponte* or on the motion of any party, change or suspend any of these Rules in the interest of justice.
- (3) Good Cause. A party seeking a waiver of these Rules must file a motion showing good cause and specifying the scope of the waiver sought, on notice to all parties in interest in the case or proceeding who would be affected by such waiver.

**(c) Standing Orders.**

Standing orders may be issued by the Court to keep these Rules current and are available on the Court's website,. Standing Orders issued prior to the effective date of these Rules are superseded by these Rules, except as set forth in Appendix X to these Rules.

**VT. LBR 9033-1. PROPOSED FINDINGS AND CONCLUSIONS IN CERTAIN CORE PROCEEDINGS.**

**(a) Generally.**

If the Court determines it would not be consistent with Article III of the United States Constitution for it to enter a final order or judgment in a particular contested matter or adversary proceeding (1) that was referred to this Court and designated as core under 28 U.S.C. § 157(b), and (2) in which the Court heard evidence and arguments, the Court will enter proposed findings of fact and conclusions of law pursuant to Bankruptcy Rule 9033(a), (b), and (c), and treat the proceeding as if it were a non-core proceeding.

**(b) Objections.**

Any party to a contest matter or adversary proceeding who objects to the Court's proposed findings of fact and conclusions of law must file their objection as specified in Bankruptcy Rule 9033(b). The Clerk will transmit all relevant parts of the record, including the Court's proposed findings of fact and conclusions of law and any objection(s) thereto, to the District Court.

**VT. LBR 9070-1. EXHIBITS IN EVIDENTIARY HEARINGS – PRODUCTION, RETENTION, AND CUSTODY THEREOF.**

**(a) Marking of Exhibits.**

In an adversary proceeding or a contested matter, counsel (or *pro se* parties) must mark and file electronically all trial and hearing exhibits, other than rebuttal exhibits, no later than one full business day prior to the time set for commencement of the trial or hearing. If a party intends to introduce more than 10 exhibits, they must (1) file them as a single docket entry, (2) include as the main document an exhibit list with a descriptive title and number for each exhibit, and (3) include each labeled exhibit as a separate attachment to the main document. Unless impracticable and waived by the Court, all documentary exhibits must be prepared in a quantity sufficient to provide paper copies to the Court, each opposing counsel, the examining attorney, and the witness during the trial or hearing. Counsel (or *pro se* parties) may provide electronic copies of exhibits to opposing counsel or parties who consent to waive the obligation for paper copies.

**(b) Retention of Exhibits by Attorneys.**

The attorney or *pro se* party who files or introduces exhibits shall retain the physical original of all exhibits until the time for any appeal expires, except as set forth in paragraph (c) below.

**(c) Retrieval of Exhibits from the Clerk; Destruction of Abandoned Exhibits.**

To the extent the Court requires or permits a party to introduce in physical form an exhibit not filed on the docket, the party who introduces such exhibit will be responsible for retrieving it from the Clerk promptly after the time for any appeal expires. If that party fails to do so, the Clerk may destroy or dispose of the exhibit without further notice.

**(d) Appeal.**

If a party appeals an order or judgment, that party must file all exhibits necessary to perfect the appeal as a part of the record on appeal, in such format as the appellate court requires.

**(e) Photocopy Size and Format.**

All photocopies of original exhibits that are part of a document filed in the Clerk's Office, whether filed electronically or non-electronically, must be 8½" x 11" in size, be in PDF format, and (unless impracticable) be searchable.

**VT. LBR 9071-1. STIPULATIONS.**

See Vt. LBR 4001-1(e); Vt. LBR 4001-4(d); Vt. LBR 9013-1(f); Vt. LBR 9013-2(f); see also Vt. LBR 9011-4(e) and (f).

**VT. LBR 9072-1. ORDERS – PROPOSED.**

**(a) When Required.**

All requests for relief, including applications and motions, except pleadings initiating adversary proceedings and stipulated orders, must be accompanied by a proposed order. See Vt. LBR 9013-1(i).

**(b) Filing of Proposed Orders.**

A proposed order accompanying an application or a motion that is filed electronically must be (1) filed as an attachment to the application or motion, and (2) served with the application or motion.

**(c) Allowed Endorsement Orders.**

An endorsement form of order, represented by a "SO ORDERED" and signature block for the Court, may be filed in lieu of a separate order:

- (1) when the parties stipulate to enlarge or shorten a time period or to reschedule a hearing;
- (2) when a debtor moves to delay the entry of discharge; or
- (3) as otherwise set forth in these Rules. See Vt. LBR Rule 9013-1(f).

**(d) Format of Signature Line on Proposed Orders.**

The signature line on proposed orders may not be situated on a separate page. Rather, there must be a continuity of language from the previous page contained on the signature page.

**(e) Lift Stay Relief.**

See Vt. LBR 4001-1(h).

**VT. LBR 9075-1. EMERGENCY MATTERS.**

**(a) Defining an Emergency Matter.**

The Court will deem a matter an "emergency matter" only if the movant demonstrates that the need for immediate relief is necessitated by circumstances beyond the movant's control and that there is not sufficient time to give the notice required by the Bankruptcy Code and the Bankruptcy Rules. A movant's failure to address a matter in a timely manner does not warrant treatment as an "emergency matter" under these Rules.

**(b) Procedures for Seeking Relief in an Emergency Matter.**

- (1) Filing Requirements. Absent exigent circumstances, the movant must file documents for the Court's consideration stating the nature of relief sought, the legal basis for that relief, and the facts creating urgency. To alert the Clerk's Office of the urgent nature of the relief sought, the filer must include the word "Emergency" in the caption of the documents filed and must either e-file or e-mail the documents to the Clerk's Office.

- (2) Telephonic Notice to Clerk's Office. To ensure prompt attention, a party filing an emergency motion must also call the Clerk's Office to alert a staff member (preferably, the courtroom deputy) that they have just filed an emergency motion.
- (3) Notice Requirements. The movant must notify all affected parties, as well as the case trustee and the United States trustee of any emergency motion. In very time-sensitive instances, the Court may approve notification via telephone or e-mail. Absent exigent circumstances, the movant is required to file a notice of hearing and certificate of service indicating the parties they notified and the method of notification.
- (4) Hearing. If, after reviewing the papers, the Court determines an emergency hearing is necessary, the Court prefers that the parties appear in person for hearing, but will permit remote participation if the nature of the emergency and time constraints warrant it. If testimony will be necessary to support the relief sought, the movant must request an evidentiary hearing. Otherwise, the hearing will be limited to legal arguments by counsel. The movant must coordinate the hearing date, time, and location with the courtroom deputy. If the movant will need participation of parties who can only appear remotely, it is the movant's responsibility to obtain Court approval of those remote appearances as far in advance of the hearing as possible. See Vt. LBR 5007-1(c); see also Vt. LB Appendix IX.
- (5) Waiver of Filing Requirements and/or Hearing. If the Court determines there are exigent circumstances, in rare circumstances it may either (A) set a hearing to consider the emergency matter prior to the movant's filing or service of the motion documents, or (B) rule on the motion without a hearing. The Court will determine what documents the movant must file and by when, as well as the nature and timing of the hearing after the Court has considered the facts and circumstances of the emergency matter.

#### **VT. LBR 9076-1. STATUS CONFERENCES AND CASE MANAGEMENT CONFERENCES.**

##### **(a) In General.**

Subject to the notice provisions of subparagraph (b)(3) below, the Court on its own motion or on request of a party in interest may hold a status or case management conference at any time during a case or proceeding, for any purpose consistent with the Bankruptcy Code including:

- (1) to address the posture and efficient administration of the case or proceeding; and
- (2) to establish a case management or scheduling order.

##### **(b) Request for Conference.**

- (1) Generally. A request for a conference may either be made in writing or presented orally at a hearing. All requests must (A) specify the matters proposed to be addressed at the conference, (B) identify the parties who have a direct interest in those matters, and (C) include any other information which is likely to assist the Court with the conduct of the conference or in evaluating whether a conference should be held.
- (2) In a Chapter 11 Case. If a conference is requested for a date prior to the appointment of a creditors' committee and the retention of counsel, the requesting party must state why the conference should not be delayed until after the appointment and retention. If made in writing, the request must be served together with a copy of any documents on which the request relies, upon the following parties:
  - (A) in the case, to the debtor, the case trustee (if any), the United States trustee, each official committee appointed to serve in the case (or, if no official committee has been appointed, the holders of the 10 largest unsecured claims), the holders of the 5 largest secured claims, and each unofficial committee that previously has requested the opportunity to participate in conferences; or

- (B) in a related adversary proceeding, to the parties to the adversary proceeding and the United States trustee.
- (3) Notice of Conference. If the Court grants a party's request for a conference, the requesting party must provide notice of the date, time, location, and purpose of the conference to the parties required to be served under paragraph (b) above. When a conference is scheduled on the Court's own motion, it may direct a party to provide the required notice. If all necessary parties are present before the Court, the Court may direct that a conference be held immediately without advance notice.
- (c) Status Conferences in Chapter 11 Subchapter V Cases.**
- The Court shall set the date, time, and location of the status conference required under § 1188 and the Clerk will send notice thereof to all parties. The trustee, the debtor, and the debtor's attorney shall attend the § 1188 status conference; other interested parties may attend unless the Court directs otherwise.