

TABLE OF CONTENTS

Chapter 1: Introduction	1
A. Purpose of this Handbook	1
B. Overview of Retention and Payment	3
Chapter 2: Retention	5
A. The Engagement Letter	5
B. The Retainer	6
C. Retention Applications for Attorneys Retained under §327(a)	8
1. Overview of Rules and Code Sections and Application Thereof	9
a. Threshold Requirements for the Retention Application	9
i. No Interest Adverse to the Estate	10
ii. Disinterestedness	11
b. Retention Application	14
c. Disclosure Requirements for the Verified Statement	15
i. Rule 2014(a)	15
ii. Section 504(a) and Rule 2016(a)	16
d. Verified Statement	17
e. Requirements Relating to Entry of the Retention Order	20
f. Proposed Retention Order	21
2. Retention Approval Process	21
a. U.S. Trustee	21
b. Objections	22
c. Retention Application Hearing	23
Chapter 3: Payment	25
A. Considerations Resulting from the Nature of Bankruptcy Cases	25
B. Requirements of the Rules and Code	27

1. Timekeeping Requirements.....	28
2. Fee Applications for Attorneys Retained under §327(a).....	29
a. Interim vs. Final Application	30
b. Form of Fee Application	31
C. Fee Approval Process	32

Chapter 4: Retaining and Paying Special Counsel

and Ordinary-course Professionals	35
A. Special Counsel.....	36
1. Section 327(e)	36
2. Differences Between Bankruptcy Counsel and Special Counsel.....	37
B. Ordinary-course Professionals	37
1. Section 363(c)(1).....	37
2. Retaining and Paying Ordinary-course Professionals.....	38

Chapter 5: Conclusion 41

Appendix A: Sample Engagement Letter	43
Appendix B: Sample Retention Application.....	47
Appendix C: Sample Verified Statement	51
Appendix D: Sample Retention Order.....	57
Appendix E: Sample Time Entries.....	59
Appendix F: Sample Interim Fee Application	61
Appendix G: Sample Ordinary Course Retention Motion and Affidavit.....	67