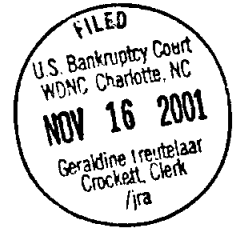


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NORTH CAROLINA



In re )  
 )  
PROCEDURES IN AID OF ) **ADMINISTRATIVE ORDER**  
THE ADMINISTRATION OF ) **ESTABLISHING PROCEDURE FOR**  
CHAPTER 13 CASES ) **THE RETENTION OF DEBTOR**  
 ) **PAYMENTS FOR UNCONFIRMED**  
 ) **PLANS**

**JUDGMENT ENTERED ON NOV 16 2001**

The Court has considered this matter and it appears that in order to comply with the provisions of 11 U.S.C. Section 1326(a)(2) and to minimize the expenses of certain tax withholding and payment requirements, the standing Chapter 13 trustees maintain non-interest bearing bank accounts for the escrow of debtor plan payments pending confirmation of their proposed Chapter 13 plans, or the dismissal or conversion of their cases prior to confirmation,

And it further appearing that due to the high rate of confirmation of proposed Chapter 13 plans in this District, the substantial majority of the plan payments held in such accounts will ultimately be transferred to interest-bearing trusteeship accounts for distribution to creditors as provided for by the terms of the confirmed plans,

And it further appearing that the interest earned on the cash balances in such accounts is substantial and is used to defray the reasonable and necessary costs of the trusteeship operations, to the benefit of all Chapter 13 debtors and creditors,

And it further appearing that by the analysis of historical case administration data, the trustees can accurately estimate the approximate amounts of payments held for unconfirmed plans that will ultimately be refunded to debtors due to the pre-confirmation dismissal or conversion of their cases,

And the Court concluding that the efficient operation of the trusteeship offices would be best served if only that portion of the escrowed plan payments that are likely to be returned to the debtors in cases dismissed or converted prior to confirmation are held in the non-interest bearing accounts, with the balance of the escrowed payments to be transferred to the trusteeship interest-bearing accounts; provided, however, that the trustees maintain sufficiently detailed financial records and procedures to identify all such funds being held in cases with unconfirmed plans, and are able to transfer such additional funds to the non-interest bearing accounts in the event that the number of cases dismissed or converted prior to confirmation exceeds that as estimated by the trustees,

Based upon the foregoing, **IT IS HEREBY ORDERED** as follows:

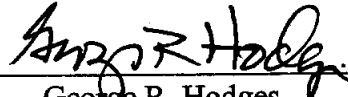
1. The trustees shall hold in their non-interest bearing bank accounts only that portion of debtor plan payments escrowed for cases with unconfirmed plans that are likely to be returned to

debtors pursuant to Section 1326(a)(2), based upon the trustees' analysis of historic case administration data.

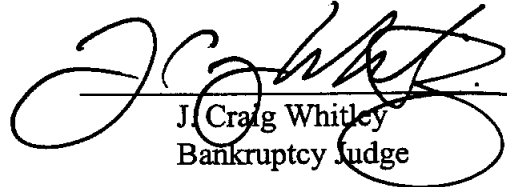
2. The trustees shall periodically adjust the balances held in such non-interest bearing accounts to account for any changes that may occur from time to time in the percentage of cases that are actually dismissed or converted prior to confirmation.

3. The trustees shall transfer the remainder of the debtor plan payments held prior to confirmation to their interest-bearing trusteeship accounts for the purpose of maximizing the interest income earned on the balances in such accounts and thereby defraying the costs of the trusteeship operations.

4. The trustees shall include in their proposed annual operating budgets an expense contingency sufficient to supplement their non-interest bearing account balances in the event that the actual number of cases dismissed or converted prior to confirmation exceeds that as estimated and provided for by the trustees.



George R. Hodges  
Bankruptcy Judge



J. Craig Whitley  
Bankruptcy Judge



Marvin R. Wooten  
Bankruptcy Judge