

UNITED STATES BANKRUPTCY COURT  
For the Southern District of Iowa

In the Matter of :  
 :  
 WILLIAM L. CAMPBELL and : Case No. 89-2339-C H  
 MARY L. CAMPBELL, :  
 Engaged in farming and d/b/a :  
 Mary's Antique Shop, :  
 :  
 Debtors. : Chapter 12  
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**ORDER--MOTION AND JOINDER THERETO**  
**FOR DETERMINATION OF AMOUNT OF SECURED CLAIM**

On April 1, 1991, a hearing was held on the motion for determination of amount of secured claim and the joinder thereto. Dallas J. Janssen appeared on behalf of the Debtors and Thomas Burke for the secured creditor, Farm Credit Bank of Omaha. At the conclusion of the hearing, the Court took the matter under advisement and the Court now considers the matter fully submitted.

This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The Court upon review of the pleadings, arguments of counsel, evidence, and briefs submitted now enters its findings and conclusions pursuant to Fed. R. Bankr. P. 7052.

**FINDINGS OF FACT**

1. Debtors' Chapter 12 case was filed on October 23, 1989. An order confirming the Debtors' Amended Plan of

reorganization was entered July 25, 1990.

2. The Farm Credit Bank (FCB) is a secured creditor provided for in the plan. Paragraph 5 of Article VII of the Amendment to Plan of Reorganization provides that "FCB's claim shall include reasonable attorney fees until the date of confirmation of the Plan. The amount of reasonable attorney fees shall either be agreed to by FCB and Debtors, or determined by the Court."

3. FCB claims attorney fees until the date of confirmation are \$2,892.52. Debtors contend that this amount is unreasonable. The parties have asked the Court to determine the amount of FCB's secured claims, specifically reasonable attorney's fees.

4. FCB's attorney has complied with Debtors' request that he submit an itemization of fees.

#### **DISCUSSION**

The Debtors object that the attorney's fees claimed by FCB are excessive because Debtors informed FCB that the Debtors considered FCB's claim to be fully secured and would be unimpaired by the Plan. Furthermore, Debtors argue, FCB's claim is in fact unimpaired by the Plan and oversecured by between three and four times the amount of FCB's claim. Thus, the time FCB's attorney spent protecting FCB's claim was, argue the Debtors, excessive in these circumstances.

FCB answers that the amount of fees incurred are directly related to the inactivity and unresponsiveness of the Debtors' counsel to requests by FCB for action in this case.

This Court has used the guidelines in Matter of Pothoven, 84 B.R. 579 (Bankr. S.D. Iowa 1988), to determine the reasonableness of attorney's fees in fee applications and now finds that those guidelines are appropriate to determine the amount of FCB's claim in this case. It is appropriate for the Court to examine a detailed statement of services rendered, expenses incurred, time expended including the time for preparing the fee application, the hourly rate, and the amounts requested. Cf. Fed. R. Bankr. P. 2016. Only fees that are actual and necessary should be allowed. The Court will also examine an attorney's firm resume.

In this case the Court has examined the detailed statement of services, time spent, and amounts requested, which FCB's attorney has submitted. In addition, this Court has examined numerous letters related to the attorney's work on this case. It is clear from the statement of services, letters, and hearing that FCB was forced to spend time and provide services that would not have been necessary had Debtors and their attorney been more diligent in responding to requests by FCB's counsel to resolve matters or to cure FCB's objections to the Debtors' Plan. Because the additional fees are directly related to the failure of Debtors to respond to

reasonable requests for action in this case, the fees are reasonable and should be included in FCB's allowed secured claim.

In harmony with Pothoven, FCB's attorney's fees and costs for the preparation of FCB's joinder, evidentiary hearing, and time expended in support of this determination should be added as reasonable attorney's fees to FCB's allowed secured claim. See 84 B.R. at 586.

**ORDER**

IT IS ACCORDINGLY ORDERED that reasonable attorney's fees until the date of confirmation are \$2,892.52.

IT IS FURTHER ORDERED that fees for time spent on this determination should be added to the allowed secured claim of Farm Credit Bank of Omaha as provided for in the Debtors' Chapter 12 Plan.

Dated this 27th day of August, 1991.

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RUSSELL J. HILL  
U.S. BANKRUPTCY JUDGE