

UNITED STATES BANKRUPTCY COURT
For the Southern District of Iowa

In the Matter of :
 :
MIDWEST POWER CONCEPTS LTD., : Case No. 92-01874-CH
INC., : Chapter 7
Debtor. :
 :

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**ORDER--ALLOWANCE OF ADMINISTRATIVE
EXPENSE FOR DEBTOR'S ATTORNEY**

This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Hearing was held on March 18, 1993 on Debtor's Attorney's motion and the objection thereto. Anita L. Shodeen, attorney for Debtor, and John Waters, attorney on behalf of the U.S. Trustee's Office, appeared. The court, upon review of the pleadings, billing statements and arguments of counsel, now enters findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052.

FINDINGS OF FACT

1. Debtor filed its petition under Chapter 7 on June 12, 1992. A first meeting of the creditors was held on July 10, 1992.

2. Anita L. Shodeen, attorney for the debtor, filed a Motion for Allowance of Attorney Fees and Expenses as Administrative Priority on January 19, 1993. The incorporated itemization of services disclosed a total of \$2,827.50 in

performance of professional services and \$336.89 for expenses. Debtor's Attorney requests allowed compensation totalling \$3,164.39 less the retainer paid for a balance due of \$1,044.39, as an administrative priority under 11 U.S.C. Sections 503(b), 507(a) and 726(b).

3. The U.S. Trustee filed an Objection to Allowance of Attorney Fees and Expenses. The U.S. Trustee specifically objects to \$125.00 billed for photocopying costs at the rate of 20 cents per page and to the allowance of \$197.50 billed for services related to the filing of a claim on behalf of Job Service Iowa. The Chapter 7 Trustee filed a response in support of the Debtor's Attorney's motion. The Trustee argues that 20 cents per page is a reasonable allowance for copy costs.

DISCUSSION

11 U.S.C. § 330 provides that a debtor's attorney is entitled to reasonable compensation for actual and necessary services. The actual costs of photocopying may be reimbursed. In re Pothoven, 84 B.R. 579, 586 (Bankr. S.D. Iowa 1988). Courts may rely on their own knowledge and experience concerning reasonable and proper fees. Id. at 583. The Debtor's Attorney has requested 20 cents per page for photocopying costs for a total of \$125.00. The U.S. Trustee argues that photocopying charges should not be allowed at this

rate unless the Debtor's Attorney provides sufficient documentation to support such charges. In support of this rate, evidence has been provided as to the prevailing market rates charged by numerous bankruptcy practitioners and trustees in the state of Iowa.

After serious consideration of the evidence provided and the arguments advanced by both the U.S. Trustee and the Debtor's Attorney, the court finds that the reasonable photocopying rate is 15 cents per copy. In making this determination, the court recognizes the argument that a law firm must copy documents as incident to the practice of rendering legal services. A law firm is not, solely, in the business of making copies and cannot charge the low rate that copying companies charge due to high volume. However, based on evidence of prevailing market rates and on the court's experience regarding reasonable costs, the court cannot allow Debtor's Attorney's request for 20 cents per page. Therefore, the court finds that \$31.25 of the photocopying costs shall be disallowed.

Benefit to the estate, while not the sole criterion, is a relevant factor in determining reasonable compensation. Matter of Urban American Development Co., 564 F.2d 808, 810 (8th Cir. 1977). Courts have disallowed or reduced fees where the attorney services were of reduced or of no benefit to the estate. See, e.g., In re Holden, 101 B.R. 573, (Bankr. N.D.

Iowa 1989) (Disallowed attorney fees incurred representing the Debtor in Rule 2004 examination absent showing that such services benefitted the estate). In this case, the Debtor's Attorney requests \$197.50 billed for services related to the filing of a claim on behalf of Job Service Iowa. The U.S. Trustee argues that the estate does not benefit from the filing of a claim on behalf of Job Service Iowa. The Debtor's Attorney contends that such services do benefit the estate because they helped to preserve assets, determine priority, and determine the nonexistence of personal liability on the part of corporate officers and directors which led to the sale of estate assets. The court finds that such services did indeed benefit the estate and, therefore, the \$197.50 requested will be allowed.

ORDER

IT IS THEREFORE ORDERED that fees and expenses shall be reduced in accordance with the above discussion so that fees and expenses totalling \$31.25 shall be DENIED and fees and expenses totalling \$1013.14 shall be ALLOWED.

Dated this 30th day of June, 1993.

RUSSELL J. HILL
U.S. Bankruptcy Judge