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News

U.S. Bankruptcy Judge Steven Rhodes today appointed a fee examiner to monitor legal fees in Detroit's Chapter 9 bankruptcy.

Aug. 21, 2013

U.S. Bankruptcy Judge Steven Rhodes today appointed a fee examiner to monitor legal fees in Detroit's Chapter 9 bankruptcy.

Rhodes named attorney Robert M. Fishman of the Chicago-based firm Shaw Fishman Glantz and Towbin to ensure the city's legal fees and consulting bills don't become exorbitant. Fishman will also be charged with making sure the fees are public information.

The move was widely expected after the city agreed to pay for the fee examiner's costs. Attorneys and staff members at Fishman's firm will provide assistance. Fishman can also contract Fort Lauderdale, Fla.-based accounting firm Soneet R. Kapila and Kapila & Company to help monitor fees.

In a sign of how expensive bankruptcies are, even the person responsible for preventing excessive fees will be well paid. Fishman's typical hourly rate is \$675. He's discounting his hourly rate to \$600 for Detroit.

Rhodes capped the average rate of Fishman attorneys and staff who will work on Detroit's case at \$430 per hour. He capped the average rate of Kapila associates who will work on the Detroit case at \$300 per hour.

Fishman, 59, a native of Bloomington, Ill., has been in private practice since 1980. He previously served as a mediator in several cases, including the Chapter 11 bankruptcies of Lauth Investment Properties. A George Washington University law grad, he is a past chairman and president of the American Bankruptcy Institute.

Rhodes scheduled a Sept. 10 hearing on a proposed order requiring attorneys and

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does not expect to be paid, officials said. Hourly fees for Jones Day bankruptcy attorneys range from about \$425 to more than \$1,000, according to the firm's contract with the city.

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