

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

G.O.A. #87-8

IN RE:

Use Of Fiscal Year 1986
Excess Interest For Chapter
13 Audit Expenses

:
:
:
:
:
:
:
:
:
:
:
:

ORDER OF COURT

WHEREAS, the chapter 13 guidelines promulgated by the Judicial Conference of the United States Courts require the clerk, with the approval of the court, to select an independent auditor to conduct an annual audit when the annual receipts of a chapter 13 trustee equal or exceed \$200,000; and

WHEREAS, the clerk selected the accounting firm of Case, Sabatini, & Stephans, with the court's approval, to perform the required audit of chapter 13 trustees Donald R. Calaiaro, Esq., Ralph J. Saldamarco, Esq., and Gary J. Gaertner, Esq. for fiscal year 1986; and

WHEREAS, Case, Sabatini, & Stephans have completed the audits for fiscal year 1986 and have provided invoices requesting payment from each of the above named trustees in the amount of \$4,015 each; and

WHEREAS, trustees Donald R. Calaiaro, Esq. and Ralph J. Saldamarco, Esq. have resigned as standing chapter 13 trustees in this judicial district effective January 17, 1987 and October 1, 1986 respectively; and,

WHEREAS, by order of court dated January 22, 1987, the clerk was directed to select and engage an independent auditor to conduct an audit of the financial records of Donald R. Calaiaro, Esq. and Ralph J. Saldamarco, Esq. for the period commencing October 1, 1986 and continuing to such date as is necessary to ascertain full accountability of all estate funds entrusted to said trustees; and

WHEREAS, the clerk has selected Case, Sabatini, & Stephans to conduct said audit; and

WHEREAS, the Bankruptcy Division of the Administrative Office of the United States Courts has provided the clerk with an opinion letter, dated February 6, 1987, which states that interest earned on chapter 13 trust accounts, in excess of the amount necessary to compensate the chapter 13 trustee at the statutory maximum rate of 10% of all payments under chapter 13 plans, may be entirely utilized by the chapter 13 trustee for the payment of additional expenses; and

WHEREAS, the aforementioned opinion letter states that auditing expenses may be paid from excess interest earned on chapter 13 trust accounts to the extent available; and

WHEREAS, the annual reports for fiscal year 1986 filed by trustees Donald R. Calaiaro, Esq. and Ralph J. Saldamarco, Esq. show excess interest in the amounts of \$13,433 and \$2,635 respectively;

THEREFORE, IT IS ORDERED that the clerk is directed as follows:

1. To obtain a check made payable to Clerk, U.S. Bankruptcy Court in the amount of \$13,433 from trustee Donald R. Calaiaro, Esq. representing excess interest earned in fiscal year 1986 as shown in the trustee's 1986 annual report.
2. To obtain a check made payable to Clerk, U.S. Bankruptcy Court in the amount of \$2,635 from trustee Ralph J. Saldamarco, Esq. representing excess interest earned in fiscal year 1986 as shown in the trustee's 1986 annual report.
3. To promptly deposit said funds, totalling \$16,068, in the appropriate Registry Fund Account.

4. To immediately issue a check payable to Case, Sabatini, & Stephans from said Registry Fund Account in the amount of \$12,045 as compensation for the annual audits of trustees Donald R. Calaiaro, Esq., Ralph J. Saldamarco, Esq., and Gary J. Gaertner, Esq. for fiscal year 1986.
5. To promptly issue a check payable to Case, Sabatini, & Stephans from said Registry Fund Account in the amount of \$4,000 as compensation for the audit conducted in accordance with the aforementioned January 22, 1987 order of court.
6. To promptly pay any remaining excess interest from the total of \$16,068 to the U.S. Treasury in accordance with section 1302(e)(2) of the Code.

DATED: 12 Feb 1987

BY THE COURT



Joseph L. Cosetti
Chief, U.S. Bankruptcy Judge