

LOCAL BANKRUPTCY RULE 2070-1

CHAPTER 7 OPERATING CASES

- (a) For a period not exceeding 30 days from the date of the trustee's appointment, a trustee may operate the business of a chapter 7 debtor and pay any actual and necessary expenses from the Authorized Allocation permitted under Local Bankruptcy Rule 2016-1(b) without a court order.
- (b) To operate the business beyond such 30-day period, the trustee must, prior to expiration of the 30-day period, file and serve a motion under for authorization to operate the debtor's business under 11 U.S.C. § 721. The motion must state the approximate length of time the trustee intends to operate the business, and be supported by evidence that justifies operation of the business and satisfies the requirements of 11 U.S.C. § 721.
- (c) The trustee may seek approval to operate the debtor's business for a period not exceeding 1 year.
- (d) The court may hold a hearing on the trustee's motion after the expiration of the 30-day period, but the trustee may not disburse estate funds other than the Authorized Allocation after the 30-day period except upon specific order of the court.
- (e) An order authorizing the trustee to operate the debtor's business does not excuse the trustee from obtaining appropriate authorization for cash disbursements under Local Bankruptcy Rule 2016-1(g), except to the extent that the operating order expressly approves specific expenditures from the estate.