

Rule 6005-1 AUCTIONEERS - Amended [December 1, 2009]

(a) *No Official Auctioneer.* There shall be no official auctioneer.

(b) *Compensation.* Unless the Court orders otherwise for cause, compensation and reimbursement of expenses shall be allowed to an auctioneer for sales of property as follows:

(1) commissions on each sale conducted by the auctioneer at the following rates:

(A) 10% of any gross proceeds of sale up to \$50,000;

(B) 8% of any gross proceeds of sale in excess of \$50,000 but not more than \$75,000;

(C) 6% of any gross proceeds of sale in excess of \$75,000 but not more than \$100,000;

(D) 4% of any gross proceeds of sale in excess of \$100,000 but not more than \$150,000; and

(E) 2% of any gross proceeds of sale in excess of \$150,000; and

(2) reimbursement for reasonable and necessary expenses directly related to the sale, including labor, printing, advertising, and insurance, but excluding workers' compensation, social security, unemployment insurance, and other payroll taxes. When directed by the trustee or debtor in possession to transport goods, the auctioneer shall be reimbursed for expenditures related thereto. No travel expenses shall be allowed, except as ordered by the Court.

(c) *Purchase Prohibited.* An auctioneer, or officer, director, stockholder, agent, or employee of an auctioneer, shall not purchase directly or indirectly, or have a financial interest in the purchase of, any property of the estate that the auctioneer has been employed to sell.

(d) An auctioneer employed pursuant to § 327 of the Bankruptcy Code shall not act until the auctioneer files with respect to each estate, at the auctioneer's expense, a surety bond in favor of the United States, to be approved, and in such sum as may be fixed, by the United States Trustee, which is conditioned upon:

(1) the faithful and prompt accounting for all monies and property that may come into the auctioneer's possession;

(2) compliance with all rules, orders, and decrees of the Court; and

(3) the faithful performance of the auctioneer's duties.

(e) *Blanket Bond.* In lieu of a bond in each case, an auctioneer may be permitted to file, at the auctioneer's own expense, a blanket bond covering all cases in which the auctioneer may act. The blanket bond shall be in favor of the United States in such sum as the United States Trustee shall fix and shall be conditioned for each estate on the same terms as bonds in separate estates.

(f) *Application for Commissions.* An auctioneer shall file an application with the Court for approval of commissions on not less than seven days' notice to the debtor, the trustee, the United States Trustee, and each committee. No application shall be granted unless the report of sale referred to in Local Bankruptcy [Rule 6004-1\(f\)](#) has been filed.

(g) *Compliance with United States Trustee's Guidelines.* In addition to the foregoing requirements, an auctioneer shall comply with the requirements contained in any guidelines promulgated by the United States Trustee.

Comment

This rule is derived from Former Local Bankruptcy Rule 41. Subdivision (g) of this rule is new.

Advertisements of auction sales are governed by Local Bankruptcy [Rule 6004-1\(h\)](#).

Subdivision (f) of this rule was amended in 2009 to change the time period from five to seven days. The purpose of the amendment was to conform the time period in this rule to the 2009 time-related amendments to the Federal Rules of Bankruptcy Procedure. Throughout the Bankruptcy Rules, as well as the Local Bankruptcy Rules, most time periods that are shorter than 30 days were changed so that the number of days are in multiples of seven, thereby reducing the likelihood that time periods will end on a Saturday or Sunday.