

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re: :
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Application for Exemption from the Electronic : General Order M-572
Public Access Fees by Omeed Maghzian, :
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This matter is before the Court upon the application and request by Omeed Maghzian (the “Applicant”) for exemption from the fees imposed by the Electronic Public Access Fee Schedule adopted by the Judicial Conference of the United States Courts.

The Court finds, based upon the attached letter received on February 15, 2021, that the Applicant has demonstrated that an exemption is necessary in order to avoid unreasonable burdens and to promote public access to information.

Accordingly, the Applicant shall be exempt from the payment of fees for access via PACER to the electronic case files maintained in this Court to the extent such use is incurred in connection with the project described in the attached letter and application. The Applicant shall not be exempt from the payment of fees incurred in connection with other uses of the PACER system in this Court.

Additionally, the following limitations apply:

1. This fee exemption applies only to the Applicant, and is valid only for the purposes stated above.
2. This fee exemption applies only to the electronic case files of this Court that are available through the PACER system;
3. By accepting this exemption, the Applicant agrees not to sell for profit any data obtained as a result of receiving this exemption.
4. This exemption is valid from January 19, 2021 through January 30, 2022.

This exemption may be revoked at the discretion of the Court at any time. A copy of this Order shall be sent to the PACER Service Center.

Dated: May 19, 2021
New York, NY

/s/ Cecelia G. Morris
CECELIA G. MORRIS
Chief United States Bankruptcy Judge

PACER Fee Exemption Request

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February 15, 2021

With my coauthor Michael Blank (Harvard), I am conducting academic research on the financial costs households face when filing for personal bankruptcy. Our focus is on geographic differences in filing patterns and, in particular, how the ability of households to access the bankruptcy system varies across counties by the composition of assets and debts. We plan to use information from docket reports and documents of both Chapter 7 and Chapter 13 filings to evaluate the economic consequences of barriers limiting bankruptcy filings for both the local economy and households. We plan to describe and disseminate the findings from our work in research papers that will be submitted to academic journals.¹ The documents we download from the PACER system will help to advance public knowledge of the nature and economic impact of debt relief provided by the bankruptcy system, and will not be sold for profit, redistributed online, or otherwise used for commercial purposes.

PACER Case Information.

We plan to construct a large, representative sample of filers that covers the Great Recession and subsequent period of economic recovery, corresponding to the 2007-2015 time period. For each case we plan to collect the following information:

1. Information on the total costs of utilizing the bankruptcy system, including filing fees and payments to attorneys, which are typically included as part of the initial filing petition submitted to courts. This information corresponds to Form B2030 for attorneys and B2800 for petition preparers under the current version of the federal court forms.
2. Information on the schedules of assets and liabilities for debtors, including creditors and third-parties impacted by the filing. This information can be found under Form B106.
3. For Chapter 13 cases, we additionally plan to review proposed repayment schedules of debts. This information can be found under Form B113.

¹ We would gladly provide a detailed outline of our research plan to clarify the use of these data for academic research.

When possible, these data would be used to supplement existing information available in bankruptcy data distributed as part of the Federal Judicial Center's Integrated Database (IDB). We will use a web scraping program to facilitate the collection of this information from the PACER system during periods outside of peak user activity. We will gladly cooperate with the courts in collecting these data.

Our project is meant to understand the interaction of the consumer bankruptcy system with macroeconomic events. The purpose of collecting information on bankruptcy filings across the past three recessions is to help improve our ability to statistically detect regional economic effects from differential access to the consumer bankruptcy system across districts. Publicly available data provided by the IDB are insufficient for our purposes for two reasons.

First, the IDB bankruptcy data series begins only in 2008. Given that household debt was an important channel by which the negative effects of the 2008-09 financial crisis propagated throughout local economies, it is important for us to capture the change in the utilization of the bankruptcy system during the crisis by observing filing behavior in the years leading up to the Great Recession.

Second, following the academic literature, we plan to conduct our analysis over all counties within the United States. Restricting ourselves to a geographic subset would prevent us from estimating how regional characteristics related to access to the bankruptcy system affect bankruptcy's macroeconomic effects. For example, recent reports on the fees associated with bankruptcy filing find differences at the bankruptcy district level.² As we plan to use these fees as one measure of the financial costs of filing for bankruptcy, our analysis would benefit substantially from having full coverage of the United States, given that there are only 91 bankruptcy district courts.³

Reason for Exemption Fee Request.

In order to examine the heterogeneous value of consumer bankruptcy system by the balance sheet position of households across regions, we request a 10% sample of personal bankruptcy cases filed in each county-year pair between 2007 to 2015. Based on national caseload statistics, this would roughly yield an average of 30 filings for each county-year pair.⁴ We have included an approximation of the total counts we are requesting for each district court as an attachment to our application, based on case counts reported in the IDB bankruptcy data series. As my co-author and I are both graduate students, the costs associated with accessing this information are prohibitively expensive. If we were to only download bankruptcy petitions, our limited academic budget of \$6,000 would enable us to obtain information from only 2,000 cases.⁵ This

² See: Lupica, Lois R. "The Consumer Bankruptcy Fee Study: Final Report." *American Bankruptcy Institute Law Review*, 17 (2012).

³ We do not plan to conduct our analysis using information from U.S. territories.

⁴ As this count is a rough approximation, we would also be willing to accommodate restrictions placed by the district courts on the number of cases accessed.

⁵ This calculation is under the assumption that the cost of each document reaches the \$3.00 limit.

would be insufficient to assess differences in filer composition across counties in the United States in our time period of interest. As the fees associated with locating and downloading our sample of cases provides an undue burden to research aimed at a better understanding of the value of personal bankruptcy to households and local economies, we would be grateful in the provision of an exemption of PACER fees.

Thank you for your consideration, and I look forward to hearing back from you.

Sincerely,

Omeed Maghzian

Ph.D. Candidate

Department of Economics

Harvard University