

Local Rule 93
Receiverships
RULE 93 – RECEIVERSHIPS

93.01 In all cases where receivers are appointed by this Court, the following shall apply:

93.02 QUALIFICATION TO SERVE AS A RECEIVER. Any receiver appointed must be a resident of the state of Ohio.

93.03 GENERAL DUTIES OF THE RECEIVER. Unless by entry of the Trial Judge specifically authorizing the receiver to continue a business, the receiver shall:

- A. take control of the assets of the defendant debtor;
- B. give notice to all known creditors of the receiver's appointment;
- D. afford the opportunity for creditors to present and prove their claims;
- E. cause the assets of the business to be inventoried and appraised;
- F. determine the validity and priority of the creditors' claims;
- G. take such steps as may be necessary to reduce the assets of the business to cash; and
- H. make distribution of cash between the various classes of creditors.

93.04 REPORTS TO THE TRIAL JUDGE. Within two months of the appointment of the receiver, the receiver shall prepare and submit to the Executive Director, an inventory and appraisal of the assets of the defendant/debtor and the receipts and disbursements to date. Following approval by the Executive Director, the receiver shall file the report with the Clerk. A copy of the report shall be submitted to the trial judge for consideration. After consideration by the trial judge, the trial judge shall approve or disapprove the report by court entry.

93.05 SEMI-ANNUAL REPORTS. After filing the first report, the receiver shall file semi-annual reports containing the same information and procedure as provided for in 93.04. In addition to the foregoing, the receiver shall file a summary of proposed future action on behalf of the defendant/debtor.

93.06 FAILURE TO FILE A REPORT. Failure to file any report required under this rule could result in:

- A. removal of the receiver and/or the attorney for the receiver and/or
- B. withholding of fees for the receiver and/or the attorney for the receiver.

93.07 AUTHORITY OF THE RECEIVER. A receiver who is appointed to take charge of property and to collect income may expend funds, without approval by the trial judge, to pay insurance premiums, water and utility bills, and make emergency repairs as may be necessary for the proper maintenance of the property. Expenditures not enumerated in this rule require

approval of the trial judge.

93.08 SALE OF PROPERTY WITH APPRAISED VALUE IN EXCESS OF \$10,000. Prior to the sale of property with an appraised value in excess of \$10,000, the receiver shall file a report with the trial judge reflecting expenditures incurred or to be incurred prior to the sale.

93.09 PAYMENT OF FEES. The receiver and/or counsel for the receiver shall file a fee application with the clerk, Executive Director, and the trial judge. The receiver and/or counsel for the receiver shall attach to the fee application a billing summary reflecting:

- A. the dates upon which work was performed;
- B. a description of the work performed; and
- C. the name of the individual performing the work.

Charges for receiver's services shall be within the sound discretion of the trial judge, giving due consideration to the complexity of the receiver's responsibilities.

- A. Receiver's fees shall not exceed \$75.00 per hour;
- B. Fees for counsel to a receiver shall not exceed \$150.000;
- C. An attorney acting as a receiver must specify work performed as a receiver and work performed as an attorney and billed as the rate set forth above.

93.10 REPORT TO THE CREDITORS. The receiver shall attached to the fee application a report reflecting:

- A. amount of money collected;
- B. amount of money disbursed;
- C. amount of money on hand;
- D. status of secured and unsecured creditors' claims;
- E. payments made;
- F. balances due; and
- G. an estimate of the time necessary to complete the receivership and make final distribution.

The report to the creditors may be in summary form.

93.11 APPROVAL OF FEES. The trial judge shall approve the combined fees for the receiver

and counsel for the receiver if the total is less than \$15,000 for the case. If the combined fees for the receiver and counsel for the receiver exceed \$15,000, for the case, the fee application shall be submitted to a majority of the judges for approval. However, if the receiver is running an ongoing business versus liquidating a business, the trial judge shall have the discretion to approve reasonable fees and expenses regardless of amount.