



U.S. Department of Justice

Office of the United States Trustee

Region 3

*District of Delaware; District of New Jersey;
Eastern, Middle and Western Districts of Pennsylvania*

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May 11, 2023

Dear Colleagues:

On behalf of our staff in the District of New Jersey and Region 3, I welcome you to the Annual William H. Gindin Bankruptcy Bench Bar Conference. The format promises to encourage valuable conversation and collaboration in addressing all the agenda topics.

Throughout this past year, the United States Trustee Program remains resolute in its efforts to address our core statutory responsibilities of investigating debtor abuse, protecting consumers from improper conduct and practices, and ensuring the accountability of chapter 11 estates and their professionals. I share several events that illustrate progress in these areas.

In February 2023, Tara Twomey began her duties as the Director of the United States Trustee Program. Director Twomey joined with 20 years of experience working on bankruptcy and consumer issues. Prior to her appointment, she served as the Executive Director of the National Consumer Bankruptcy Rights Center, Of Counsel at the National Consumer Law Center, and served as a member of the Judicial Conference Advisory Committee on Bankruptcy Rules. She also is a fellow of the American College of Bankruptcy, a conferee of the National Bankruptcy Conference, and a director of the National Association of Consumer Bankruptcy Attorneys. Her leadership is sure to advance the Program's mission to promote the integrity and efficiency of the bankruptcy system for debtors, creditors, and the public.

As noted on the Court's website under News & Announcements, the Program has started a pilot to notice and hold section 341 meetings of creditors in chapters 7, 12, and 13 cases virtually via a Zoom platform. The Clerks for those Districts began noticing virtual 341 meetings in December 2022, with inaugural Zoom meetings commencing in January. We anticipate that the rollout for notices in the District of New Jersey will take place in the coming summer months and further information will be posted and readily shared. This pilot marks a significant step toward standardizing the remote conduct of Section 341 meetings of creditors.

In chapter 11, the District of New Jersey has traditionally experienced a range of cases including individuals, small business, subchapter V and large complex matters. Recent bank failures have highlighted the importance of a debtor in possession's compliance with 11 U.S.C. § 345 to protect its funds. While section 345 does not mention the United States Trustee, our office in its supervisory role pursuant to 28 U.S.C. § 586, may assist with protection of funds by its entry into uniform depository agreements, or UDAs. To facilitate this process each debtor must identify and disclose all depository accounts where moneys are held and contact those banks to ensure that the relevant accounts are designated as debtor in possession accounts. We will seek specific

language in interim cash management orders that identifies concrete steps and a definite time frame to achieve compliance with section 345. We will also reserve the right to be heard on the cash management motion at the final hearing.

In closing, I thank the Court, trustees, and all members of the bankruptcy community in assisting our staff throughout the year as we continued our role in promoting and fostering the integrity of the bankruptcy system.

Very truly yours,

Andrew R. Vara

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United States Trustee, Regions 3 and 9