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Update on Business Bankruptcy Legal Fees and Professionalism

The Bankruptcy Strategist

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“‘Staggering’ legal fees in Boy Scouts Bankruptcy Case.” So read the title of an article in *The New York Times* on May 11, 2021. According to the reporter, a “lawyer negotiating a resolution to the multi-billion dollar bankruptcy filed by the Boy Scouts of America billed \$267,435 in a single month. Another charged \$1,725 for each hour of work. New lawyers fresh out of law school have been billing at an hourly rate of more than \$600.” The bankruptcy judge presiding over the case has called the fee totals “staggering,” said the reporter. On the same day, May 11, another bankruptcy judge in the Southern District of New York, cut the fees of a putative debtor’s counsel from \$524,051 to \$40,798, a reduction of more than 90%. See, *In re Navient Solutions, LLC*. In this article, of counsel Michael Cook discusses judicial criticism of unreasonable billing in bankruptcy cases.

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