AMENDMENTS TO BANKRUPTCY RULES

The following amendments to the Bankruptcy Rules were prescribed by the Supreme Court of the United States on April 29, 1985, pursuant to 28 U. S. C. § 2075, and were reported to Congress by THE CHIEF JUSTICE on the same date. For the letter of transmittal, see *post*, p. 1148. The Judicial Conference Report referred to in that letter is not reproduced herein.

Note that under 28 U. S. C. § 2075, such amendments do not take effect until so reported to Congress and until the expiration of 90 days thereafter. Moreover, Congress may defer the effective date to a later date or until approved by Act of Congress, or may modify such amendments.

For earlier publication of Bankruptcy Rules, see, *e. g.*, 461 U. S. 973.

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LETTER OF TRANSMITTAL

SUPREME COURT OF THE UNITED STATES
WASHINGTON, D. C.

APRIL 29, 1985

To the Senate and House of Representatives of the United States of America in Congress Assembled:

By direction of the Supreme Court of the United States, I have the honor to submit to the Congress amendments to the Federal Rules of Bankruptcy prescribed by the Court pursuant to Section 2075 of Title 28, United States Code.

Accompanying these amendments is an excerpt from the Report of the Judicial Conference of the United States containing the Advisory Committee Notes which were submitted to the Court for its consideration pursuant to Section 331 of Title 28, United States Code.

Respectfully,

(Signed) WARREN E. BURGER
Chief Justice of the United States

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SUPREME COURT OF THE UNITED STATES

MONDAY, APRIL 29, 1985

ORDERED:

1. That the rules of procedure heretofore prescribed by the Court to govern proceedings in bankruptcy cases be, and they hereby are, amended by including therein the amendments to Rules 5002 and 5004 hereinafter set forth:

[See *infra*, p. 1151.]

2. That the aforementioned amendments to the Bankruptcy Rules shall take effect on August 1, 1985, and shall govern all proceedings in bankruptcy cases thereafter commenced and, insofar as just and practicable, proceedings in bankruptcy cases then pending.

3. That THE CHIEF JUSTICE be, and he hereby is, authorized to transmit these amendments to the Bankruptcy Rules to the Congress in accordance with the provisions of Section 2075 of Title 28, United States Code.

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AMENDMENTS TO BANKRUPTCY RULES 5002 AND 5004

Rule 5002. Restrictions on appointments.

(a) Appointment of relatives prohibited.—No individual may be appointed as a trustee or examiner or be employed as an attorney, accountant, appraiser, auctioneer, or other professional person pursuant to § 327 or § 1103 of the Code if the individual is a relative of the bankruptcy judge making the appointment or approving the employment. Whenever under this subdivision an individual is ineligible for appointment or employment, the individual's firm, partnership, corporation, or any other form of business association or relationship, and all members, associates and professional employees thereof are also ineligible for appointment or employment.

(b) Judicial determination that appointment or employment is improper.—A bankruptcy judge may not appoint a person as a trustee or examiner or approve the employment of a person as an attorney, accountant, appraiser, auctioneer, or other professional person pursuant to § 327 or § 1103 of the Code if that person is or has been so connected with such judge as to render the appointment or employment improper.

Rule 5004. Disqualification.

(a) Disqualification of judge.—A bankruptcy judge shall be governed by 28 U. S. C. § 455, and when disqualified from acting thereunder, shall disqualify himself from presiding over the adversary proceeding or contested matter in which the disqualifying circumstance arises or, if appropriate, shall disqualify himself from presiding over the case.

(b) Disqualification of judge from allowing compensation.—A judge shall disqualify himself from allowing compensation to a person who is a relative or with whom he is so connected as to render it improper for him to authorize such compensation.

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