

UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

STANDING ORDER #82-205

IN RE: REFERRAL OF  
BANKRUPTCY CASES

:  
: *No. Misc. 82-205*

ORDER

The purpose of this order is to confer upon the bankruptcy judges of this district authority to act in bankruptcy cases and proceedings until Congress enacts remedial legislation in response to the Supreme Court's decision in Northern Pipeline Construction Co. v. Marathon Pipeline Co., \_\_\_\_ U.S. \_\_\_\_, 102 S. Ct. 2858 (1982), or until March 31, 1984, whichever first occurs.

The judges of the district court find that the following exceptional circumstances exist: (1) the unanticipated declaration of unconstitutionality of the grant of power to bankruptcy judges in section 405(a)(1) of the Bankruptcy Act of 1979); (2) the specialized expertise necessary to the determination of bankruptcy matters; (3) the increased caseload of bankruptcy matters; and (4) the inability of the district judges to consider within a reasonable time both bankruptcy cases and the other civil and criminal cases over which the district court has jurisdiction.

Accordingly, pursuant to Rules 53 and 83 of the Federal Rules of Civil Procedure, Rule 513 of the Bankruptcy Rules, and 11 U.S.C. § 105, and convinced that the orderly conduct of the business of the court requires the initial reference of all bankruptcy cases to the bankruptcy judges, the following procedures are authorized:

**FILED**  
HARRISBURG, PA.

OCT 4 1982

DONALD R. BERRY, CLERK  
PER *[Signature]* DEPUTY CLERK

A. Filing Bankruptcy Matters

The Clerk of the Bankruptcy Court is hereby designated as the Clerk of the Bankruptcy Division of the District Court. All bankruptcy matters shall be filed in the Bankruptcy Division and shall be deemed filed in the district court. Any bankruptcy matters filed with the Clerk of the District Court shall be transferred to the Bankruptcy Division.

B. Referral to Bankruptcy Judges

(1) All cases under Title 11 and all civil proceedings arising under Title 11 or arising in or related to cases under Title 11 are referred to the bankruptcy judges of this district.

(2) The reference to a bankruptcy judge may be withdrawn by the district court on its own motion or on timely motion by a party. A motion for withdrawal of reference shall not stay any bankruptcy matter pending before a bankruptcy judge unless a specific stay is issued by the district court. The district court may retain the entire matter, may refer part of the matter back to the bankruptcy judge, or may refer the entire matter back to the bankruptcy judge with instructions specifying the powers and functions that the bankruptcy judge may exercise. Any matter in which the reference is withdrawn shall be reassigned to a district judge in accordance with the court's usual system for assigning civil cases.

(3) Referred matters may be transferred in whole or in part between bankruptcy judges within the district without approval of a district judge.

---

C. Powers of Bankruptcy Judges and District Court Review

(1) The bankruptcy judges may perform in referred bankruptcy matters all acts and duties necessary for the handling of those matters and may conduct all proceedings except

- (a) a proceeding to enjoin a court;
- (b) a proceeding to punish a criminal contempt;
- (c) jury trials.

(2) Except as provided in (3), the orders and judgments of bankruptcy judges shall be effective upon entry by the clerk, unless stayed by the bankruptcy judge or the district court.

(3) Orders and judgments of bankruptcy judges in civil proceedings related to cases under Title 11, but not arising in or under Title 11, or wherever otherwise constitutionally required, judgments as defined in Rule 54(a) of the Federal Rules of Civil Procedure, which would be appealable if rendered by a district judge and which do not result from a stipulation among the parties, shall not be effective and shall not be entered until the judgment has been signed by a district judge. In such proceedings, the bankruptcy judge shall submit findings, conclusions, and a proposed judgment to the district judge.

(4) Objections to an order or judgment or proposed order or judgment of a bankruptcy judge must be filed within 10 days after entry or lodgment thereof by the clerk. The time for filing objections may, for cause, be shortened by the bankruptcy

judge or the district court.

(5) (A) A district judge shall review:

- (i) an order or judgment entered under paragraph (2) if a timely objection has been filed;
- (ii) an order or judgment entered under paragraph (2) if the bankruptcy judge certified that circumstances require that the order or judgment be approved by a district judge, whether or not the matter was controverted before the bankruptcy judge or any objection was filed; and
- (iii) a proposed judgment lodged under paragraph (3), whether or not any objection has been filed.


(B) In conducting review, the district judge may hold a hearing and may receive such evidence as he deems appropriate and may accept, reject, or modify, in whole or in part, the order or judgment of the bankruptcy judge, and need give no deference to the findings of the bankruptcy judge. At the conclusion of the review, the district judge shall enter an appropriate order or judgment.

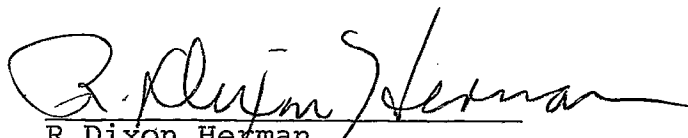
(6) When the bankruptcy judge certifies that immediate review is required, the district court shall dispose of the matter at the earliest practicable time.

D. Effective Date and Pending Cases.

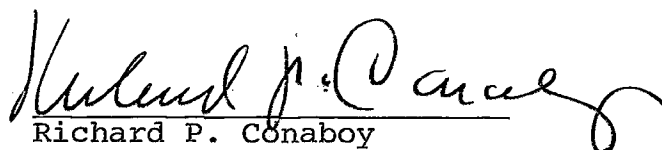
This order shall only take effect upon the expiration of the Supreme Court's stay of judgment in Northern Pipeline Construction Co. v. Marathon Pipeline Co., \_\_\_\_\_ U.S. \_\_\_\_\_, 102 S. Ct. 2858 (1982). Assuming the current stay is not continued, this order shall become effective October 4, 1982, and shall apply to all cases not governed by the Bankruptcy Act of 1898, as amended, and filed on or

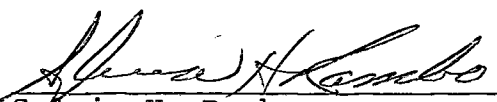
after October 1, 1979. Any bankruptcy matters pending on October 5, 1982 before a bankruptcy judge shall be deemed referred to that judge.

  
\_\_\_\_\_  
William J. Nealon  
Chief Judge

  
\_\_\_\_\_  
R. Dixon Heyman  
U.S. District Judge

\_\_\_\_\_  
Malcolm Muir  
U.S. District Judge

  
\_\_\_\_\_  
Richard P. Conaboy  
U.S. District Judge

  
\_\_\_\_\_  
Sylvia H. Rambo  
U.S. District Judge

\_\_\_\_\_  
William W. Caldwell  
U.S. District Judge

JUDGES CALDWELL AND MUIR - both on vacation in Europe  
at time of filing of this  
Order

mep  
10/4/82