

**WELCOME TO THE 23rd ANNUAL
NORTHERN DISTRICT OF INDIANA CONSUMER
BANKRUPTCY SEMINAR**

September 25, 2026

Palais Royale

105 W. Colfax Street

South Bend, IN

WiFi Network: MPAC-Prod

WiFi Password: showtime

[Click here for the live stream](#)

OR

[go to: www.NDINSeminar.com](http://www.NDINSeminar.com)

Agenda and Schedule
(Exact schedule subject to change)

- 8:00 a.m. Registration opens
- 8:55 a.m. Introduction
- 9:00 a.m. Updates from Chief Judge, and Clerk
- 9:30 a.m. Case Law Review and Report from Committee on Local Practice and procedure
- 10:30 a.m. Break
- 10:45 a.m. Presenting Evidence in Consumer Bankruptcy cases
- 11:30 a.m. Mortgages and Rule 3002.1 Challenges and Applications
- 12:00 noon Lunch
- 1:00 p.m. Evidence - You be the Judge!
- 1:45 p.m. Ethics - Handling the Difficult Client/Valuing Assets on Schedules
- 2:45 p.m. Break
- 3:00 p.m. Proof of Claim Issues and Objections
- 3:30 p.m. Motions to Employ Realtors and Sale Issues
- 3:50 p.m. Ask the Judge/Trustee Panel
- 4:30 p.m. Program Concludes

NDIN BANKRUPTCY EDUCATION
September 25, 2026 Seminar
SPEAKER LIST

1. Welcome
Hon James R. Ahler, Chief Bankruptcy Judge, NDIN, Hammond Division
Amber Craig, Clerk, US Bankruptcy Court, NDIN
Carl Hall, Attorney to the Clerk
2. Case Law Review
Hon Robert E. Grant, Bankruptcy Judge, NDIN, Fort Wayne Division
Angela Marshall, Law Clerk to Judge Grant
Robert Davidson, Law Clerk to Judge Ahler
Christopher R. Schmidgall, Chapter 7 Trustee, Attorney, Weiss Schmidgall & Hires
3. Evidence
Amy Godshalk, Staff attorney for Trustee, Hammond Division
Dan Whitten, Bankruptcy Attorney
Hon James R. Ahler, Chief Bankruptcy Judge, NDIN, Hammond Division
4. Mortgages on Rule 3002.1
Tracy Updike, Chapter 13 Trustee
Jessica Owens, Attorney at Doyle & Foutty, P.C.
Jeffrey Arnold, Attorney
Amy Thomas, Office of Tracy Updike
5. Evidence – You Be the Judge
Hon Paul E. Singleton, Bankruptcy Judge, NDIN, South Bend Division
Phillip Martin
6. Ethics
Christopher R. Schmidgall, Chapter 7 Trustee, Attorney, Weiss Schmidgall & Hires
Douglas R. Adelsperger, Chapter 7 Trustee, Attorney at Law, Adelsperger Law offices
7. Proof of Claims
Kimberly Wright, Staff Attorney for Trustee, Hammond Division
Laura Boyer-King, Staff Attorney for Tracy Updike
Angela Marshall, Law Clerk to Judge Grant
Robert Davidson, Law Clerk to Judge Ahler
8. Motions to Employ Realtors and Sale Issues
Paul R. Chael, Standing Chapter 13 Trustee, NDIN
Tracy Updike, Chapter 13 Trustee

9. Ask the Judge/Trustee

Hon Robert E. Grant, Bankruptcy Judge, NDIN, Fort Wayne Division

Hon James R. Ahler, Chief Bankruptcy Judge, NDIN, Hammond Division

Hon Paul E. Singleton, Bankruptcy Judge, NDIN, South Bend Division

Paul R. Chael, Standing Chapter 13 Trustee, NDIN

Tracy Updike, Chapter 13 Trustee



INDIANA SUPREME COURT

Office of Admissions & Continuing Education

251 North Illinois St, Suite 550 | Indianapolis, IN | 46204

(317) 232-2552 | ACE@courts.in.gov | <http://courts.in.gov/cle>

September 8, 2026

Paul R. Chael, Trustee
NDIN Bankruptcy Education, Inc.
P.O. Box 10040
Merrillville, IN 46411

RE: Sponsor: 103789 – NDIN Bankruptcy Education Inc.
Course: 402251 – Consumer Bankruptcy Seminar
Course Date: 09/25/2026

Please refer to the above course and sponsor numbers in all future correspondence or inquiries.

Dear Paul R. Chael, Trustee:

Thank you for your recent application. The Indiana Office of Admissions & Continuing Education has made the following decision:

General	Ethics*
6.0	1.0
Approved	Approved

**Ethics credit is included in the General credits. Do not add ethics plus general.*

Within thirty (30) days of completion of the program, please submit a list of attendees who desire Indiana credit so they can receive appropriate credit. Please indicate on the attendance report:

- Each attendee's Attorney Number.
- Number of General credits each attendee should receive.
- Number of Ethics credits each attendee should receive.

If there are any questions, please refer to the Office of Admissions & Continuing Education website at www.courts.in.gov/cle or contact this office.

Regards,
Indiana Office of Admissions & Continuing Education

CERTIFICATE OF ATTENDANCE

Sponsor: NDIN Bankruptcy Education
Activity Title: Consumer Bankruptcy Seminar
Date: September 25, 2026
Location: South Bend, Indiana
Course Number: 402251

This program has been approved for a total of:

- 6 CLE credit hours, of this total:
- 1 CLE credit hours of this program is devoted to instruction of ethics/professionalism

REMINDER: Introductory remarks, keynote addresses, business meetings, breaks, receptions, etc. are not to be included in the computation of credit.

TO BE COMPLETED BY THE ATTORNEY:

BY SIGNING BELOW, I CERTIFY THAT I ATTENDED THE ACTIVITY DESCRIBED ABOVE AND AM ENTITLED TO CLAIM:

_____ CLE credit hours ATTENDED & CLAIMED
_____ CLE ethic hours ATTENDED & CLAIMED
_____ TOTAL HOURS ATTENDED & CLAIMED (Not to exceed 6 hours)

PLEASE PRINT OR TYPE:

_____	_____	_____
(please print)	Bar Number	State
_____	_____	_____
signature	Date	
_____	Email:	_____

Address		

Telephone Number		

Acknowledged By: _____
Sponsor Representative

List Key Words Supplied During Each Session:

Session 1: _____	Session 5: _____
Session 2: _____	Session 6: _____
Session 3: _____	Session 7: _____
Session 4: _____	Session 8: _____

CERTIFICATE OF ATTENDANCE

(For out of state attorneys)

This certifies that _____ attended the Consumer Bankruptcy Seminar sponsored by NDIN Bankruptcy Education, Inc., in South Bend, Indiana, on September 25, 2026. This course was approved by the Indiana Office of Admissions and Continuing Education, under Course No. 402251 for 6.0 hours of CLE credit, of which 1 hour of Ethics. This further certifies that the above named person is entitled to 6 hours of CLE credit, which includes 1 hour of ethics.

Dated: September 26, 2025

Paul R. Chael, Chapter 13 Trustee

List Key Words Supplied During Each Session:

Session 1: _____
Session 2: _____
Session 3: _____
Session 4: _____

Session 5: _____
Session 6: _____
Session 7: _____
Session 8: _____

Consumer Bankruptcy Fall Seminar Evaluation September 25, 2026

Tell us what you think about today's seminar with a rating of **1** being the **least favorable** and **5** being the **most favorable**. Please turn in the evaluations on the registration desk before the end of the seminar. If Livestreaming, please email this evaluation to aimee@pchael13.com.

Updates from Chief Judge and Clerk

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Case Law Review and Report from Committee on Local Practice and Procedure

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Presenting Evidence in Consumer Bankruptcy Cases

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Mortgages and Rule 3002.1 Challenges and Applications

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Evidence – You be the Judge!

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Ethics – Handling the Difficult Client / Valuing Assets on Schedules

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Proof of Claim Issues and Objections

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Motions to Employ Realtors and Sale Issues

Material	1	2	3	4	5
Speakers	1	2	3	4	5

As the Judge / Trustee Panel

Material	1	2	3	4	5
Speakers	1	2	3	4	5

Additional Comments and/or Feedback:

[illegible]

CASE HIGHLIGHTS/REMINDERS

I. Service of Process

A. Contested Matters or Adversary Proceedings

Service of an adversary proceeding and motions which initiate a contested matter, under Fed. R. Bankr. P. 9014 (i.e., motions to avoid liens), must comport with Fed. R. Bankr. P. 7004. If service is made upon a “domestic or foreign corporation or upon a partnership or other incorporated association” then the summons and complaint (or motion) must be directed to the attention of “an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process.”

Under Fed. R. Bankr. P. 7004(h), service on a federally insured depository institution must be by certified mail addressed to an officer of the institution (limited exceptions).

II. Motion Practice (N.D. Ind. L.B.R. B-7007-1)

Any motion filed within a contested matter, or an adversary proceeding, (i.e. motions filed pursuant to Fed. R. Bankr. P. 7012, 7037 and 7056) shall be accompanied by a separate supporting brief.

Unless the court orders otherwise, the opposing party has 30 days after service to file a response, and the moving party has 14 days thereafter to file a reply. “The failure to respond or reply within the time required will be deemed a waiver of the opportunity to do so and may subject the motion to a ruling without further submissions.”

See also, Initial Enlargement of Time (N.D. Ind. L.B.R. B-9006-1).

III. Motions for Summary Judgment (Local Rule 7056-1)

All motions shall be accompanied by a “Statement of Material Facts” which can either be filed separately or a part of the movant’s initial brief. The statement shall identify those facts which the moving party contends there is no genuine issue and should be supported with citations to discovery responses, depositions, affidavits, and other admissible evidence. The party opposing the motion shall serve and file a “Statement of Genuine Issues” 30 days thereafter setting forth all material facts which it contends there exists a genuine issue. This statement must be supported with citations to discovery responses, depositions, affidavits, and other admissible evidence (may be filed separately or as a part of the response brief).

In determining the motion, the court will assume that the facts as claimed and supported by admissible evidence by the moving party are admitted to exist without controversy, except to the extent controverted in the “Statement of Genuine Issues” (as supported by the record and any other admissible evidence on file).

If a party is proceeding pro se and a represented party files a motion for summary judgment, counsel for the moving party must also simultaneously serve all unrepresented parties using Local Bankruptcy Form B-7056-1.

IV. Proposed Orders

- The proposed order must match the relief requested in the motion. For instance, under Bankruptcy Rule 6004(h), the execution of an order authorizing the sale of property is stayed for 14 days. Any request to waive that period must be requested in the motion. (Same applies with respect to Rule 4001(a)(4)).
- Amending an agreed order, or any order, requires a motion.

V. Case Update

A. Removal (*Perez v. Lake Falls, LLC*, Adv. No. 25-02043)

- A case pending in state court is potentially subject to removal directly to the bankruptcy court pursuant to 28 U.S.C. § 1452.
- The Notice of Removal must be timely. *See* Fed. R. Bankr. P. 9027. A Notice of Removal is filed with the clerk of the bankruptcy court, along with the pleadings and an adversary proceeding is opened.
- Removal is effective when the Notice of Removal is filed with the clerk of the court from which the action was removed. The court can require the filing of the records from the state court proceedings and can take steps to bring the proper parties before the court.
- Under 28 U.S.C. 1452(b), the case can be remanded back to state court on any equitable ground. For instance, if the removed action is a non-core proceeding that does not invoke a right created by the Bankruptcy Code, it can be remanded.
- If the court determines that the case should be remanded, under 28 U.S.C. §1447 a certified copy of the remand order is mailed by the clerk of the bankruptcy court to the clerk of the state court.

- Remand is effective on the day that the order is mailed. An order of remand may require the payment of costs and expenses (including attorney fees) if the removal was improper.
- An order entered by the district court remanding a case back to state court is generally not reviewable on appeal.

B. Excusable Neglect (*In re 381 Investments, Inc.*, Case No. 25-21809)

- The “excusable neglect” standard is found throughout the Code. For instance, a party can be relieved from a final judgment or order pursuant to Bankruptcy Rule 9024/F.R.C.P. 60(b)(1) for mistake, surprise, or excusable neglect.
- Appears also in Bankruptcy Rule 8002(d)(1) and Bankruptcy Rule 9006(b)(1)(B). Generally, a request for an extension of time under the foregoing rules should be filed prior to the expiration of the applicable period; however, the time can still be extended if there is a showing of excusable neglect.
- The Supreme Court in *Pioneer Inv. v. Brunswick*, 507 U.S. 380, set forth the standard for “excusable neglect” and the Seventh Circuit discusses this standard in *United States v. Cates*, 716 F.3d 445, 448 (7th Cir. 2013). The burden of proving that the neglect was excusable rests with the movant. *Helm v. Resolution Trust Corp.*, 84 F.3d 874, 878 (7th Cir. 1996).
- It is an equitable test, and the movant must first show that its actions constituted “neglect.” “Neglect can be established either by (1) circumstances otherwise beyond the movant’s control; or (2) the movant’s inadvertence, mistake or carelessness.”
- The factors to be balanced in making the determination of whether the omission was excusable include the: (1) danger of prejudice to the non-moving party; (2) length of the delay and its potential impact on judicial proceedings; (3) reason for the delay, including whether it was within the reasonable control of the movant; and (4) whether the movant acted in good faith.

C. Surrendering Property (*In re Jones*, 679 B.R. 304 (Bankr. N.D. Ill. 2026))

- A bankruptcy court sitting in the Northern District of Illinois found that surrendering property in a plan, pursuant to 11 U.S.C. § 1325(a)(5)(C), does not on its own effect a debtor’s ownership interest in the property or operate to release the debtor with respect to any liability associated with the property.
- Surrender under this provision is a claims mechanism and not a transfer mechanism.

Instead, under the facts of this case, a creditor must voluntarily accept the transfer of the interest (or repossess, foreclose, etc.) and cannot be forced to take on a debtor's liabilities that are incident to the ownership of property.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:	)	
	)	
Michael Perez,	)	Case No. 23-21541
	)	Chapter 13
Debtor.	)	
*****	)	
Michael Perez,	)	
Plaintiff,	)	
	)	
v.	)	Adversary No. 25-02043
	)	
Lake Falls, LLC,	)	
Defendant.	)	

**ORDER REGARDING REMAND
TO THE LAKE SUPERIOR COURT**

On October 8, 2025, plaintiff, Michael Perez ("Perez"), filed a Notice of Removal, pursuant to 11 U.S.C. § 1452 and Federal Rule of Bankruptcy Procedure 9027, with respect to the case of *Lake Falls, LLC v. Perez, et al.*, cause number 45D01-2309-TP-001126, pending in the Lake Superior Court (Indiana). Shortly thereafter, the defendant, Lake Falls, LLC ("Lake Falls") filed a Motion to Remand on October 10, 2025, and the Clerk of this Court opened an adversary proceeding (Adversary No. 25-02043).

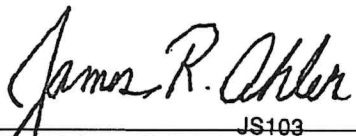
On November 6, 2025, the Court held a hearing at which Lake Falls appeared by counsel and Perez appeared pro se. Based upon the arguments made on the record, the Court determined that Perez untimely filed his Notice of Removal and entered an order on November 14, 2025, remanding the case back to state court. (Dkt. No. 25). In the Order of Remand, the Court also determined that the removed case was a non-core proceeding, as it did not invoke a substantive right created by federal bankruptcy law and should be litigated before a state court not a federal

bankruptcy court.

Subsequently, Perez filed several motions seeking, among other things, reconsideration of the Order of Remand. (See Dkt. Nos. 31, 32, 34, 35, and 39). As a part of his requested relief, and at the hearings the Court held with respect to his various motions, Perez seeks clarification concerning the precise date on which the case of *Lake Falls, LLC v. Perez, et al.* was removed and the precise date that it was remanded back to the state court.

The Court finds that the case of *Lake Falls, LLC v. Perez, et al.*, cause number 45D01-2309-TP-001126, pending in the Lake Superior Court (Indiana), was removed to this Court, pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027(c), on October 8, 2025. This is the date that Perez filed the Notice of Removal with the state court and is also the date that Perez filed the foregoing notice with the clerk of this court. Next, the Clerk of the Bankruptcy Court mailed the Order of Remand (dated November 14, 2025) to the state court on November 17, 2025 (Dkt. No. 41). Therefore, the Court finds that pursuant to 28 U.S.C. section 1447(c), remand was effective on November 17, 2025.

SO ORDERED this 22nd day of December 2025.


JS103
James R. Ahler, Chief Judge
United States Bankruptcy Court

Distribution: Michael Perez (pro se), all counsel of record,
and the Lake Superior Court (via Certified Mail).

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION**

IN RE:

**381 Investments, Inc.,

Debtor.**

)
)
)
)
)

Cause No. 25-21809-jra

ORDER DENYING REINSTATEMENT OF CASE

This matter is before the Court on a Motion to Reinstate Case (the “Motion”) filed by the debtor, 381 Investments, Inc. (“Debtor”) on November 14, 2025. (Dkt. No. 32). For the reasons stated below, Debtor’s Motion is denied.

On September 5, 2025, Debtor filed a petition for relief under Chapter 11 (Subchapter V) of the United States Bankruptcy Code. Subsequently, the Court entered an order on September 17, 2025, finding that Tremaine Hemingway, the principal and CEO of Debtor, signed and filed the petition for relief on behalf of Debtor. (Dkt. No. 15). However, the Local Rules of this Court and federal law provide that a corporation cannot appear pro se (without an attorney) and, therefore, the Court gave Debtor until September 24, 2025 to appear by counsel or else the case would be dismissed (the “September Order”). No attorney timely appeared and on October 3, 2025, the Court entered an order of dismissal. (Dkt. No. 29).

On November 14, 2025, Debtor, by counsel, filed its Motion requesting that the order of dismissal be vacated pursuant to Federal Rule of Civil Procedure 60(b) and that the case be reinstated. On December 21, 2025, creditors Lake Falls, LLC and Miller Revitalize, LLC (the “Creditors”), by counsel, filed an

objection to the Motion. The Court held a final hearing with respect to the Motion on January 8, 2026. At that hearing, Debtor appeared by attorney Shawn Cox and the creditors appeared by attorney Richard Dawson. Arguments were heard and Debtor's president and CEO, Tremaine Hemingway, testified.

The sole issue before the Court is whether Debtor's failure to timely comply with the September Order is excusable. According to Debtor's schedules, Debtor owns approximately 31 parcels of real estate. Prior to filing its chapter 11 petition for relief, Debtor fell in arrears on its property tax obligations with respect to a number of these properties. On or about September 10, 2024, the Lake County (Indiana) Auditor held a tax sale, at which time a number of these properties were ostensibly sold. And, under Indiana law, the redemption period would expire one year after the sale. See Indiana Code § 6-1.1-25-4(a)(1).

Mr. Hemingway began searching for bankruptcy counsel in summer 2025. At one point, he believed that he had secured counsel for Debtor. However, within days of the redemption period expiring, prospective counsel declined representation. According to Mr. Hemingway, he then had no alternative but to file a petition for relief on Debtor's behalf. Debtor argues that its neglect in failing to secure counsel pursuant to the Court's September Order is excusable because it believed that it had retained bankruptcy counsel and should not be punished for counsel's last-minute decision to decline representation. Moreover, according to Debtor, although it could have started searching for counsel sooner, there is a dearth of chapter 11 bankruptcy practitioners that practice before this Court and it therefore took longer to find replacement counsel. Finally, Debtor asserts

that the 42 days that passed between the dismissal of this case and the filing of the Motion is not unreasonable.

The Creditors argue that Debtor failed to weigh all the relevant factors in its analysis and only focused on its difficulties in finding bankruptcy counsel. In addition, according to the Creditors, many of the properties listed by Debtor in its schedules are not owned by Debtor, and they assert that if the Motion is granted, they will be prejudiced by having to litigate the ownership of these properties and getting relief from the automatic stay. Finally, Creditors point out that Debtor failed to request an extension of time prior to the expiration of the deadline in the September Order.

Under Federal Rule of Civil Procedure 60(b)(1), made applicable to this proceeding by Federal Rule of Bankruptcy Procedure 9024, the court can relieve a party from a final order for “mistake, inadvertence, surprise, or excusable neglect.” The movant must first show that its actions constituted “neglect.” *In re O’Shaughnessy*, 252 B.R. 722, 731 (Bankr. N.D. Ill. 2000). “Neglect can be established either by (1) circumstances otherwise beyond the movant’s control; or (2) the movant’s inadvertence, mistake or carelessness.” *Id.* The test as to whether the neglect is “excusable” is an equitable one, and the court should consider all the relevant circumstances surrounding the movant’s omission. *United States v. Cates*, 716 F.3d 445, 448 (7th Cir. 2013) (internal citations omitted). The factors to be balanced in making this equitable determination include “the danger of prejudice [to the non-moving party], the length of the delay and its potential impact on judicial proceedings, the reason for the delay,

including whether it was within the reasonable control of the movant, and whether the movant acted in good faith.” *Id.* (internal citation omitted). The burden of proving that the neglect was excusable rests with the party seeking relief. *Helm v. Resolution Trust Corp.*, 84 F.3d 874, 878 (7th Cir. 1996).

First, Debtor’s stated reason for the delay in hiring an attorney and complying with the Court’s September Order is that it was difficult to secure suitable representation because there are very few chapter 11 attorneys in the area that practice before this Court. The Court agrees that there are only a handful of chapter 11 practitioners located in Northwest Indiana. In the Court’s opinion, however, this automatically narrows the prospective field considerably and, arguably, should have made it *easier* for Debtor to find a local attorney. In fact, Debtor ultimately hired Attorney Shawn Cox, a local practitioner. Further, the Court is also aware that there are plenty of chapter 11 practitioners located in the City of Chicago and the surrounding suburbs, many of whom have practiced before this Court with some frequency. Consequently, the Court fails to understand why locating counsel took so long (approximately two months).

The record also reflects the fact that Debtor, through its president and CEO, waited until summer 2025 to begin its search for bankruptcy counsel. Although the Court is sympathetic to the fact that Debtor’s prospective counsel declined representation at the last minute, this delay was completely within Debtor’s control, as Debtor could have begun its search sooner. Finally, Debtor did not explain, in the Motion or at the final hearing, why it failed to respond to the September Order or request an extension of time to comply with that order

prior to the deadline expiring. Therefore, the Court finds that Debtor's reason for the delay, and whether that delay was within the reasonable control of Debtor (the movant), weighs against the Court granting the Motion.

The next factors the Court will consider are the length of the delay, along with its potential impact on these proceedings, and the danger of prejudice. Debtor states in its proposed findings that "42 days between dismissal [of this case] and the filing of the Motion to Reinstate is not an unreasonable amount of time to seek reinstatement of this case." (Dkt. No. 45). Debtor further states that "[t]he reinstatement of this case, and the reimposition of the automatic stay, will create claims of prejudice by 381's creditors and novel issues of law may arise due to reinstatement at this point, given the dismissal order was entered more than three months ago" (Dkt. No. 45). The Court agrees.

Several threshold Subchapter V deadlines have expired in the time since Debtor filed this case. 11 U.S.C § 1188(a) requires the court to hold a status conference not later than 60 days after the entry of the order for relief to "further the expeditious and economical resolution of a case under this subchapter." In addition, pursuant to § 1188(c), the debtor is required to file a report, no later than 14 days prior to the foregoing status conference, detailing the efforts it has undertaken or plans to undertake to attain a consensual plan of reorganization. Next, § 1189(b) provides that the debtor shall file a plan no later than 90 days after the petition for relief is filed. All these deadlines have expired, and the Court is unaware of any procedure by which it can reinstate these deadlines.

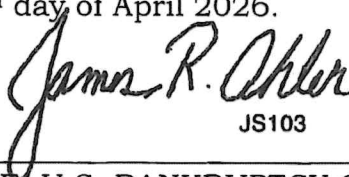
Notably, Debtor did not address this issue either in its Motion or at the final hearing.

The purpose of Subchapter V is to streamline the bankruptcy process; unfortunately, the deadlines that accomplish this goal have all expired and if reinstated, the case would potentially be subject to immediate dismissal by a creditor. Obviously, the length of the delay and its impact on these proceedings is substantial. But equally important, the Court finds that the reinstatement of this case would not only confuse creditors but may dissuade them from participating in this case altogether. The bottom line is that considering both the length of delay and the fact that this is a Subchapter V case, the Court finds that vacating the order of dismissal and reinstating the case is both impractical and prejudicial to the creditors of this estate. Obviously, these factors weigh against the Court granting Debtor's Motion.

Finally, although the record does not suggest that Debtor acted in bad faith in filing the Motion, this factor does not outweigh the other factors that all weigh against the finding of excusable neglect. For the reasons stated, the Court finds that Debtor failed to carry its burden and the Motion should be denied.

IT IS THEREFORE ORDERED that Debtor's Motion to Reinstate Case is DENIED.

Dated at Hammond, Indiana, this 3rd day of April 2026.


JS103

JUDGE, U.S. BANKRUPTCY COURT

679 B.R. 304
United States Bankruptcy Court, N.D. Illinois, Eastern Division.

IN RE: Willie J JONES and Peggy A Rodger-Jones, Debtors.

Case No. 25bk10807

I

Signed April 10, 2026

Synopsis

Background: Debtors filed Chapter 13 bankruptcy case and proposed plan that purported to surrender real property they previously had surrendered in prior Chapter 13 case, claiming surrender in prior case absolved them of continuing ownership liability for property. City objected to confirmation of plan, arguing that debtors' surrender of property in prior bankruptcy case did not divest debtors of ownership interest or absolve them of prospective liability, and that plan should not be confirmed.

[Holding:] The Bankruptcy Court, [Timothy A. Barnes, J.](#), held that debtors continued to own real property that they previously had sought to surrender to city, as creditor, under their prior Chapter 13 plan.

Objection sustained.

Procedural Posture(s): Objection to Confirmation of Plan.

West Headnotes (24)

[1] **Bankruptcy** ➡ Bankruptcy judges

Bankruptcy judge must have constitutional authority to hear and determine a matter.

[1 Case that cites this headnote](#)

[2] **Bankruptcy** ➡ Bankruptcy Jurisdiction

Bankruptcy ➡ Core, Non-Core, or Related Proceedings in General; Nexus

Bankruptcy ➡ Consent to or Waiver of Objections to Jurisdiction or Venue

Constitutional authority for a bankruptcy judge to hear and determine a matter exists when a matter originates under the Bankruptcy Code or, in non-core matters, where the matter is either one that falls within the public rights exception, or where the parties have consented, either expressly or impliedly, to the bankruptcy court hearing and determining the matter.

[1 Case that cites this headnote](#)

[3] **Bankruptcy** ➡ Particular proceedings or issues

Plan confirmation and objections thereto may arise in case only under Title 11 of the Bankruptcy Code and are specified as core matters in which bankruptcy court has jurisdiction to enter final orders; such matters, thus, are within the court's constitutional authority. [28 U.S.C.A. § 157\(b\)\(2\)\(B\)](#), [157\(b\)\(2\)\(E\)](#), [157\(b\)\(2\)\(L\)](#).

[1 Case that cites this headnote](#)

[4] **Bankruptcy** ➡ Evidence

Did court take judicial notice of contents of its own docket? **Yes**

Bankruptcy court would take judicial notice of contents of its own docket, in response to city's objection to confirmation of Chapter 13 plan. [Fed. R. Evid. 201](#).

[More cases on this issue](#)

[5] **Bankruptcy** ➡ Surrender of property

Bankruptcy ➡ Property of estate

Debtors continued to own real property that they previously had sought to surrender to city, as creditor, under their prior Chapter 13 plan; although plan was confirmed and debtors received their discharge, surrender was not accepted by city and, absent vesting title of property in third party, debtors' continued ownership could result in personam liability for debtors as surrender did not change either incidents or obligations of ownership. [11 U.S.C.A. § 1325\(a\)\(5\)\(C\)](#).

[6] **Bankruptcy** ➡ Surrender of property

In bankruptcy, surrender properly is seen as a claims mechanism, not a transfer one. [11 U.S.C.A. § 1325](#).

[7] **Bankruptcy** ➡ Surrender of property

For surrender of collateral to act as transfer mechanism in a bankruptcy case, creditor must accept it as such. [11 U.S.C.A. § 1325](#).

[8] **Bankruptcy** ➡ Effect of state law in general

State law governs interests in property in a bankruptcy case.

[9] **Property** ➡ Manner and Modes of Transfer in General

Illinois law requires the recipient's willingness to accept a transfer of collateral.

[10] **Bankruptcy** ➡ Application of state or federal law in general

Congress must clearly indicate an intent in the Bankruptcy Code to alter rights or preempt applicable state law in bankruptcy cases.

[11] **Bankruptcy** ➡ Surrender of property

The Bankruptcy Code does not give a debtor the right to forcibly vest title of surrendered property in the secured creditor.

[12] **Bankruptcy** ➡ **Effect**

Bankruptcy ➡ **Property of estate**

When a debtor invokes the section of the Bankruptcy Code governing confirmation of Chapter 13 plans, the debtor is using a claims mechanism to address a creditor's claim; when invoked, the debtor is free to treat the secured creditor's claim as satisfied, but any additional effect such as a transfer of property should occur only with the creditor's consent.

11 U.S.C.A. § 1325(a)(5)(C).

[13] **Bankruptcy** ➡ **Surrender of property**

Bankruptcy ➡ **Property of estate**

A Chapter 13 debtor in bankruptcy who surrenders a car to a secured creditor that overtly accepts the surrender or accepts it through conduct, such as repossession and foreclosure, is free to treat the creditor's claim as satisfied thereby; however, a creditor is free to not accept surrender of a car, in which case the collateral remains the debtor's.

11 U.S.C.A. § 1325.

[14] **Bankruptcy** ➡ **Surrender of property**

“Surrender” is a bankruptcy claims resolution mechanism that, without acceptance by the creditor, does nothing to transfer the collateral. 11 U.S.C.A. § 1325.

[15] **Bankruptcy** ➡ **Surrender of property**

In a bankruptcy case, implied acceptance by failure to object to Chapter 13 plan that includes collateral surrender provision would be deemed acceptance only to the claims treatment aspect of the claim, not the transfer. 11 U.S.C.A. § 1325.

[16] **Bankruptcy** ➡ **Acceptance and Confirmation**

The purpose of Bankruptcy Code provision governing confirmation of Chapter 13 plans is to protect and preserve full value of secured creditor's interest in collateral. 11 U.S.C.A. § 1325.

[17] **Bankruptcy** ➡ **Secured Claims; Cram Down**

The Bankruptcy Code provision directing how a plan must treat the claims of secured creditors and setting conditions on what treatments are available does not, in and of itself, effectuate that treatment; when Congress addressed a transfer of an interest under a Chapter 13 plan, it did so with the term “vest.” 11 U.S.C.A. § 1325.

[18] **Bankruptcy** ➡ **Construction and Operation**

In the Bankruptcy Code, Congress uses “vest” to describe a transfer. 11 U.S.C.A. §§ 1322(b)(9), 1327(b).

[19] **Bankruptcy** ➡ **Effect as to Securities and Liens**

Discharge in bankruptcy only extinguishes debtor's in personam liability on claim; it does not affect creditor's in rem rights against property.

[20] **Bankruptcy** ➡ Effect as to Securities and Liens

The discharge injunction prohibits a creditor from enforcing a discharged claim against a debtor in personam, but does not prohibit the creditor from enforcing an in rem claim against the debtor's property. 11 U.S.C.A. § 524(a)(2).

[21] **Bankruptcy** ➡ Claims allowable; what constitutes "claim."

Claim against bankruptcy estate can be either in personam or in rem.

[22] **Bankruptcy** ➡ Public health and safety considerations

A debtor in bankruptcy may not shift the burdens of public health or safety violations relating to estate property to the state.

[23] **Bankruptcy** ➡ Effect

"Abandonment" is extinguishment of bankruptcy estate's rights in property; it does not require a recipient as abandonment is not, in and of itself, a transfer. 11 U.S.C.A. § 554.

[24] **Bankruptcy** ➡ Effect

Abandoned property ceases to be property of the bankruptcy estate and thereby reverts to whatever party had an interest in such property before the estate acquired its interest. 11 U.S.C.A. § 554.

Attorneys and Law Firms

Attorney for Debtors: [Ross H Briggs](#), Firm 13, Chicago, Illinois

Attorneys for Creditor: [Jaime Dowell](#) and [David Paul Holtkamp](#), City of Chicago Department of Law, Chicago, Illinois

MEMORANDUM DECISION AND ORDER

[TIMOTHY A. BARNES](#), Judge.

*306 The matter before the court arises out of the Objection to Confirmation of Plan [Dkt. No. 32] (the "Objection"), filed by the City of Chicago (the "City"), objecting to the Chapter 13 Plan (Official Form 113) *307 [Dkt. No. 2] (the "Original Plan") of Willie J Jones and Peggy A Rodger-Jones (the "Debtors").

The Debtors assert that their surrender of the real property located at 6000 S. Paulina St. (the "Property") in their previous chapter 13 case, *In re Jones*, Case No. 10bk04352 (the "2010 Bankruptcy Case"), absolved them of continuing liability related to the Property. The City argues that the Debtors' surrender of the Property in the 2010 Bankruptcy Case did not divest the Debtors of their ownership interest nor absolve them of prospective liability on the Property, and the Plan (defined below) in this case should not be confirmed.

For the reasons stated below, the Objection is sustained.

JURISDICTION

The federal district courts have “original and exclusive jurisdiction” of all cases under title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”). 28 U.S.C. § 1334(a). The federal district courts also have “original but not exclusive jurisdiction” of all civil proceedings arising under the Bankruptcy Code or arising in or related to cases under the Bankruptcy Code. 28 U.S.C. § 1334(b). District courts may refer these cases to the bankruptcy judges for their districts. 28 U.S.C. § 157(a). In accordance with section 157(a), the District Court for the Northern District of Illinois has referred all its bankruptcy cases to the Bankruptcy Court for the Northern District of Illinois. N.D. Ill. Internal Operating Procedure 15(a).

A bankruptcy judge to whom a case has been referred has statutory authority to enter final judgment on any proceeding arising under the Bankruptcy Code or arising in a case under the Bankruptcy Code. 28 U.S.C. § 157(b)(1). Bankruptcy judges must therefore determine, on motion or *sua sponte*, whether a proceeding is a core proceeding or is otherwise related to a case under the Bankruptcy Code. 28 U.S.C. § 157(b)(3). As to the former, the bankruptcy court may hear and determine such matters. 28 U.S.C. § 157(b)(1). As to the latter, the bankruptcy court may hear the matters but may not decide them without the consent of the parties. 28 U.S.C. §§ 157(b)(1), (c). Absent consent, the bankruptcy court must “submit proposed findings of fact and conclusions of law to the district court, and any final order or judgment shall be entered by the district judge after considering the bankruptcy judge’s proposed findings and conclusions and after reviewing *de novo* those matters to which any party has timely and specifically objected.” 28 U.S.C. § 157(c)(1).

[1] [2] In addition to the foregoing considerations, a bankruptcy judge must also have constitutional authority to hear and determine a matter. *Stern v. Marshall*, 564 U.S. 462, 131 S.Ct. 2594, 180 L.Ed.2d 475 (2011). Constitutional authority exists when a matter originates under the Bankruptcy Code or, in noncore matters, where the matter is either one that falls within the public rights exception, *id.*, or where the parties have consented, either expressly or impliedly, to the bankruptcy court hearing and determining the matter. *See, e.g., Wellness Int’l Network, Ltd. v. Sharif*, 575 U.S. 665, 669, 135 S.Ct. 1932, 191 L.Ed.2d 911 (2015) (parties may consent to a bankruptcy court’s jurisdiction); *Richer v. Morehead*, 798 F.3d 487, 490 (7th Cir. 2015) (noting that “implied consent is good enough.”).

[3] Plan confirmation and objections thereto may arise in a case only under title 11 and are specified as core matters in which this court has jurisdiction to enter final orders. 28 U.S.C. § 157(b)(2)(B), (E) and (L); *308 *Schiff, Hardin & Waite v. Schuster*, 978 F.2d 1261 (7th Cir. 1992) (“plan confirmation is a core proceeding”); *In re Nicola*, 244 B.R. 795, 796 (Bankr. N.D. Ill. 2000) (Lefkow, J.). Such matters, thus, are within the court’s constitutional authority. *Stern*, 131 564 U.S. at 500–01, 131 S.Ct. 2594.

Accordingly, final judgment is within the scope of the court’s jurisdictional and constitutional authority.

PROCEDURAL HISTORY

[4] In considering the Objection, the court has reviewed and considered the Original Plan and the Objection and the following filed documents in the bankruptcy proceeding:

- (1) Schedules (Official Forms 106, *et seq.*) [Dkt. No. 1] (the “Schedules”);
- (2) Amended Chapter 13 Plan (Official Form 113) [Dkt. No. 24] (the “Amended Plan”);
- (3) Debtor’s Response to Objection to Confirmation of Plan Filed by Creditor City of Chicago [Dkt. No. 39] (the “Response”);

- (4) Amended Chapter 13 Plan (Official Form 113) [Dkt. No. 40] (the “Further Amended Plan” and, together with the Original Plan and the Amended Plan, the “Plan”);
- (5) The City of Chicago's Reply in Support of its Objection to Confirmation of Plan [Dkt. No. 47] (the “Reply”);
- (6) The City of Chicago's Supplemental Brief in Support of its Objection to Confirmation [Dkt. No. 56] (the “City's Brief”);
- (7) Debtor's Brief in Response to the City of Chicago's Supplemental Brief in Support of its Objection to Confirmation [Dkt. No. 58] (the “Debtors' Brief”); and
- (8) The City of Chicago's Reply in Support of its Supplemental Brief to its Objection to Confirmation [Dkt. No. 62] (the “City's Reply Brief”).

Though the foregoing items do not constitute an exhaustive list of the filings in the bankruptcy case, the court has taken judicial notice of the contents of the dockets in each of these cases. *See Levine v. Egidio*, No. 93C188, 1993 WL 69146, at *2 (N.D. Ill. Mar. 8, 1993) (authorizing a bankruptcy court to take judicial notice of its own docket); *In re Brent*, 458 B.R. 444, 455 n.5 (Bankr. N.D. Ill. 2011) (Goldgar, J.) (recognizing same).

BACKGROUND

On February 4, 2010, the Debtors commenced the 2010 Bankruptcy Case, in which case the Debtors presented their Chapter 13 Plan [Case No. 10bk04352, Dkt. No. 24] (the “2010 Plan”). In the 2010 Plan, the Debtors surrendered their interest in the Property to IndyMac Bank and the City of Chicago Water Department. Specifically, the 2010 Plan stated:

[T]he debtors surrender their interest in the property commonly known as 6000 S. Paulina, Chicago, Illinois to the secured lenders thereon (the mortgagee IndyMac Bank or its successor and the City of Chicago Water Department), and said creditors shall look solely to said collateral in payment of their secured claim.

2010 Plan, ¶ G.

Neither IndyMac Bank nor the City of Chicago objected to the 2010 Plan, and, on April 5, 2010, the court entered an order confirming the 2010 Plan. Order Confirming Chapter 13 Plan [Case No. 10bk04352, Dkt. No. 26]. On December 27, 2013, the court granted the Debtors a discharge in the 2010 Bankruptcy Case. Discharge of Joint Debtors after Completion of Chapter 13 Plan [Case No. 10bk04352, Dkt. No. 113].

On July 16, 2025, the Debtors filed the above-captioned chapter 13 bankruptcy case. In section 3.5 of the Original Plan, the Debtors elected to surrender the “lot only” of the Property and explained that while they had previously surrendered the Property in the 2010 Plan, the “Debtors’ names remain on title because no lien holder has foreclosed on the property. Debtors hold bare legal title and claim no interest in said property.” Original Plan, § 3.5. The Debtors also listed the lot of the Property in their Schedules, explaining that: “Debtors’ names remain on title because no lien holder has foreclosed on the property. Debtors hold bare legal title and claim no interest in said property.” Schedule A/B.

On November 10, 2025, the City filed the Objection to the Original Plan.¹ In the Objection and its subsequent filings, the City argues that the Debtors purport to shift the burdens of property ownership onto the local government. The City has filed three claims in this case against the Debtors relating to health and safety violations on the Property.

On December 10, 2025, the Debtors amended the Original Plan but made no material change to their treatment of the Property therein. *See* Amended Plan, § 3.5. Thereafter, the Debtors further amended the Amended Plan, this time no longer treating the Property in any fashion. Further Amended Plan, § 3.5.

Also on December 10, 2025, the Debtors filed the Debtors' Response to the City's Objection. The Debtors' Response asserts, among other things, that because the Debtors surrendered the Property in their 2010 Plan, because the City failed to object to the 2010 Plan and because the Debtors were granted a discharge, the City is now precluded from asserting new claims related to the Property.

On January 15, 2026, the City filed its Reply. In the Reply, the City argues that the Debtors are taking contradictory positions as the Debtors claim they do not own the Property but at the same time, they no longer surrender any interest in the Property in the Further Amended Plan, the result of which being that the Property remains in the estate and protected by the automatic stay in this case.

At a hearing on the confirmation of the Debtor's Plan on January 29, 2026 (the "Confirmation Hearing"), the court heard the parties' arguments. At that hearing, the court requested additional briefing specifically on the effect of the Debtors' surrender of real property in the 2010 Plan. In particular, the court directed the parties to address the possible effect of *Midlantic Nat. Bank v. New Jersey Dep't of Env't Prot.*, 474 U.S. 494, 106 S.Ct. 755, 88 L.Ed.2d 859 (1986).

As a result, on February 11, 2026, the City filed the City's Brief, again arguing that surrender alone under [section 1325\(a\)\(5\)\(C\) of the Bankruptcy Code](#) does not affect a debtor's ownership of real property, and unless that debtor attempts to vest title in another entity under section 1322(b)(9), title remains with the debtor. The City's Brief also asserted that *Midlantic* placed further restrictions on the Debtors such that they cannot divest themselves of ownership of the Property in the manner in which they have sought to do so.

***310** On March 5, 2026, the Debtors filed the Debtors' Brief in response. In the Debtors' Brief, the Debtors argue, among other things, that the City's discussion of "vesting" is immaterial and the Debtors cannot be held personally liable for any violations related to a property after they have surrendered it and received a discharge. The Debtors also assert that *Midlantic* has no application to the Debtors' right to surrender property to a secured creditor under [section 1325](#), because Congress has not expressed such a limitation.

On March 19, 2026, the City filed its reply in support of its supplemental brief. In the City's Reply Brief, the City argues that the Debtors have not cited authority holding that surrender transfers ownership or absolves debtors of ownership liability, and that the Debtors' discharge in the 2010 Bankruptcy Case did not shield them from future claims. The City's Reply Brief also introduced new arguments beyond the scope of the specific question presented by the court at the Confirmation Hearing. Those arguments will not be addressed in this Memorandum Decision. *U.S. v. Scott*, 784 F.2d 787, 789 n.1 (7th Cir. 1986) ("[N]ew issues cannot be raised in a reply brief.").

At the Confirmation Hearing, the court noted that at the conclusion of the aforementioned briefing, the matter would be taken under advisement. This Memorandum Decision resolves the matter under advisement—the narrow issue described below.

DISCUSSION

[5] In this case, the narrow issue is whether the Debtors' surrender of the Property in the 2010 Plan, combined with their discharge from the 2010 Bankruptcy Case, changed their ownership status and released them from any liabilities associated with owning the Property. Put differently, absent vesting title of the Property in a third party, are the Debtors responsible for

in personam liabilities incident to ownership stemming from the Property after their surrender of the Property in the 2010 Plan and receipt of their discharge?

This, first and foremost, calls into question the effect of the surrender in the 2010 Plan.

A. The Effect of Surrender

The term “surrender” is a not defined term in the Bankruptcy Code but is used in [section 1325 of the Bankruptcy Code](#) as one of the options for disposition of estate property. [11 U.S.C. § 1325](#). [Section 1325](#) governs the confirmation of a chapter 13 plan and directs the court to confirm a plan if, with respect to each allowed secured claim provided for by the plan, one of three requirements is met: (A) “the holder of such claim has accepted the plan;” (B) if the secured lienholder retains its lien and the plan provides certain protections; and (C) “the debtor *surrenders* the property securing such claim to such holder.” *Id.* (emphasis added).

As surrender is not defined in the Bankruptcy Code, the use of the term in [section 1325](#) has given rise to much understandable confusion. Outside of bankruptcy, surrender is considered to be a method of resolving contractual liability, governed by state law. *See Ervan v. Axos Bank*, Case No. 25-CV-05180, 2026 WL 821955 at *5 (N.D. Ill. Mar. 25, 2026); *see also In re Robertson*, 72 B.R. 2, 4 (Bankr. D. Colo. 1985) (stating that ‘surrender’ is a contractual act and occurs as a result of the consent of both parties); *In re Zak*, 361 B.R. 481, 486 (Bankr. N.D. Ohio 2007) (relying on *Robertson*). The *Robertson* court noted the similarity between abandonment and surrender, noting that while “an abandonment may include a surrender” [*311](#) ..., a surrender may not necessarily constitute a total abandonment.” *Robertson*, 72 B.R. at 4. In Illinois, at least one court has observed that a “surrender must be by mutual agreement of the parties.” *Hoerdt v. Halne*, 91 Ill. App. 514, 520 (Ill. App. Ct. 1900).

This court previously attempted to dispel some of that confusion in *In re Ware*, 533 B.R. 701 (Bankr. N.D. Ill. 2015) (Barnes, J.). There, the court found that the Oxford English Dictionary defined “surrender” as “[t]he giving up by a bankrupt of his property to his creditors or their assignees,” and that Black’s Law Dictionary defined it as, among other things, the “giving up of a right or claim.” *Id.* at 706. In *Ware*, the court defined “surrender” as the relinquishment of all the rights the debtor has in the collateral, thereby allowing the creditor to take possession of the property, but not requiring delivery of the collateral to the creditor. *Id.*

Other bankruptcy courts have similarly defined “surrender.” *See In re Sherwood*, Case No. 15-10637 (JLG), 2016 WL 355520 at *3 (Bankr. S.D.N.Y. Jan. 28, 2016) (“In order to surrender property under [section 1325\(a\)\(5\)\(C\)](#), a debtor does not need to deliver physical possession of the collateral; instead, the debtor need only ‘make the collateral available to the secured creditor.’”); *In re Williams*, 542 B.R. 514, 518 (Bankr. D. Kan. 2015) (“‘Surrender’ has been described as the relinquishment of all rights in property, including the right to possess the collateral.”); *In re Rosa*, 495 B.R. 522, 523 (Bankr. D. Haw. 2013) (“Rather, ‘surrender’ means only that the debtor will make the collateral available so the secured creditor can, if it chooses to do so, exercise its state law rights in the collateral.”).

[6] In bankruptcy, surrender is properly seen as a claims mechanism, not a transfer one. *See, e.g., In re Redante*, 579 B.R. 354, 364 (Bankr. E.D. Pa. 2018) (“Surrender merely opens the door, but does not change property rights.”); *In re Gollnitz*, 456 B.R. 733, 736 (Bankr. W.D.N.Y. 2011) (“Authorization for surrender does not constitute a transfer of title. Rather, transfer requires both the surrender of an interest and its acceptance.”); *Vlasic v. Equifax Credit Info. Servs.*, Case No. 03 C 4044, 2004 WL 1381031 at *3 (N.D. Ill. May 11, 2004) (holding that a debtor’s intent to surrender real property, on its own, does not transfer title in that property.).

[7] For surrender to also act as a transfer mechanism, the creditor in question must accept it as such. *See Sherwood*, 2016 WL 355520, at *3; *In re Canning*, 442 B.R. 165, 172 (Bankr. D. Me. 2011) (“Though the Code provides debtors with a surrender option, it does not force creditors to assume ownership or take possession of collateral.”); *In re White*, 282 B.R. 418, 423 (Bankr. N.D. Ohio 2002) (“The Code does not provide for the court or the debtor to direct the means by which the secured creditor deals with the surrendered property.”); *In re Service*, 155 B.R. 512, 515 (Bankr. E.D. Mo. 1993) (“The Court cannot compel acceptance of surrendered property.”).

[8] This is in keeping with applicable state law, which the Supreme Court has made clear governs interests in property. *Butner v. U.S.*, 440 U.S. 48, 55, 99 S.Ct. 914, 59 L.Ed.2d 136 (1979); *Willut v. Heuer*, Case No. 21-CV-1147-PP, 2022 WL 2657136 at *2 (E.D. Wis. July 8, 2022) (quoting *Oregon ex rel. State Land Bd. v. Corvallis Sand & Gravel Co.*, 429 U.S. 363, 378, 97 S.Ct. 582, 50 L.Ed.2d 550 (1977)) (“the Supreme Court has long held that ‘[u]nder our federal system, property ownership is not governed by a general federal *312 law, but rather by the laws of the several States.’”).

[9] [10] [11] In Illinois, the courts have made clear that surrender requires voluntary acceptance. *Hoerd*, 91 Ill. App. at 520; accord *Est. of Gabbett v. Ray*, 352 Ill. App. 3d 900, 903–04, 288 Ill.Dec. 274, 817 N.E.2d 924 (2004) (finding that conveyance of real property requires delivery by the grantor and acceptance by the grantee). Illinois law therefore requires the recipient's willingness to accept such a transfer. A wholesale abandonment of state law by using “the Code to unilaterally vest title in a secured creditor by fiat” would, on the other hand, “eviscerate ... accepted state law requirements.” *In re Rose*, 512 B.R. 790, 795 (Bankr. W.D.N.C. 2014). It could only be done with clear intent by Congress. See *In re Hicks*, 653 B.R. 562, 567 (Bankr. N.D. Ill. 2023) (Barnes, J.). For the Bankruptcy Code to alter such rights or preempt applicable state law, there must be a clear indication of Congress's intent to do so. *Id.* The court finds no evidence of such an intent by Congress. In fact, the Bankruptcy Code as a whole presents a scheme of preserving creditors' rights. *Zair*, 550 B.R. at 203–04; *Watt*, 2015 WL 1879680 at *6. Nothing in the Bankruptcy Code suggests that a debtor has the right to forcibly vest title of surrendered property in the secured creditor, and this court is not inclined “to graft into the Code a right or remedy not granted by Congress.” *In re Cano*, 410 B.R. 506, 518 (Bankr. S.D. Tex. 2009); see also *In re Franklin*, 284 B.R. 739, 745 (Bankr. D.N.M. 2002) (“As previously observed, a bankruptcy court cannot create substantive rights beyond the parameters of the Bankruptcy Code.”).

[12] When a debtor invokes section 1325, therefore, the debtor is using a claims mechanism to address a creditor's claim. 11 U.S.C. § 1325(a)(5)(C). When invoked, the debtor is free to treat the secured creditor's claim as satisfied. *In re Dennett*, 548 B.R. 733, 738 (Bankr. N.D. Tex. 2016) (“Surrendering the property under § 1325(a)(5)(C) must, therefore, by definition satisfy the secured claim.”). However, as surrender is a claims mechanism, any additional effect such as a transfer should only occur with the creditor's consent. Such is the law of surrender, both in and out of bankruptcy.

[13] [14] This means that a debtor who surrenders a car, such as happened in *Ware*, to a secured creditor is free to treat the creditor's claim as satisfied thereby. Assuming the Debtor also obtains a discharge, such a creditor's claims may thereafter only be satisfied from the car itself. That creditor might overtly accept the surrender or accept it through conduct, such as repossession and foreclosure, but is not required to do so. The creditor is free not to accept the surrender, in which case the collateral remains the debtor's. Assuming the plan is confirmed and the discharge results, the claim, on the other hand, may only be satisfied from the collateral. *Davis v. U.S. Bank (In re Davis)*, 778 F.3d 809, 813 (9th Cir. 2015) (“A creditor retains a right to payment, enforceable *in rem*, on the unsecured portion of a loan for which *in personam* liability may have been discharged.”). Put another way, surrender is a claims resolution mechanism that, without acceptance by the creditor, does nothing to transfer the collateral.

[15] It is not consistent with the definition of surrender both under state law and federal usage for such acceptance to be imposed on the creditor. Surrender simply is not a transfer mechanism unless a creditor accepts it as such. As such, implied acceptance by failure to object would be deemed acceptance only to the claims treatment aspect of the claim, not the *313 transfer. To hold otherwise would permit a debtor to treat surrender as a more powerful mechanism than it actually is and to cause it to operate in ways contrary to its state law analog.

This court therefore agrees that surrender alone does not transfer a debtor's interests, for a variety of reasons.

First, as discussed above, for surrender to transfer an interest, the transfer must be agreed upon by the parties. It requires both a debtor's intention to give up its interests *and* the recipient's agreement to take on those very same interests. Without both, surrender does not transfer anything. This does not mean that a debtor may not continue to treat the claim as satisfied by the surrender.

Second, as is also noted above, transfer by forced surrender as a transfer mechanism is simply inconsistent with the law of surrender. It is also anathema to the way that the Bankruptcy Code treats secured creditors generally. As one court has held, compelling a secured creditor to accept surrendered property does not work for multiple reasons. First, forcing a secured creditor to accept title to real property would open “a Pandora’s box of possible injuries to lenders.” *Rose*, 512 B.R. 790 at 795. It would compel the creditor to assume the debtor’s existing burdens of ownership, including insurance and property taxes. *Id.* at 795. “Second, if the property is subject to multiple encumbrances, requiring a senior lender to accept title to its collateral would destroy that lender’s priority lien position vis a vis junior mortgages, liens, and accrued HOA obligations.” *Id.* Finally, if the property is subject to environmental contamination, or is “dilapidated, damaged, or otherwise a public nuisance,” the creditor could inherit these personal liabilities as well. *Id.*

[16] Forcing a secured creditor through surrender to take on the debtor’s liabilities incident to ownership contradicts the purpose of section 1325—to protect and preserve the full value of the secured creditor’s interest in collateral. See *In re Bulson*, 327 B.R. 830, 847 (Bankr. W.D. Mich. 2005) (“Section 1325(a)(5) protects secured creditors who...are to have their rights modified by the debtor’s plan pursuant to Section 1322(b)[]”); *In re Owens*, 120 B.R. 487, 490 (Bankr. E.D. Ark. 1990) (“Section 1325 entitles a creditor to protection of the value of its allowed secured claim.”); *In re Graham*, 123 B.R. 330, 332 (Bankr. W.D. Mo. 1990) (“Section 1325 recognizes and preserves the rights of secured creditors.”).

[17] Third, treating section 1325 as a transfer mechanism flies in the face of the structure and express provisions of the Bankruptcy Code. Section 1325 is, by its own express terms, a provision directing how a plan must treat the claims of secured creditors. It sets conditions on what treatments are available. It does not, in and of itself, effectuate that treatment. When Congress addressed a transfer of an interest under a chapter 13 plan, it did so with the term “vest.”

Bankruptcy courts have defined “vesting” as a transfer of ownership. See *In re Tosi*, 546 B.R. 487, 493 (Bankr. D. Mass. 2016) (“[T]o vest property in another...is to effect a transfer of ownership of that property from the estate to another person or entity.”); *Bank of New York Mellon v. Watt (In re Watt)*, No. 3:14-CV-02051-AA, 2015 WL 1879680, at *4 (D. Or. Apr. 22, 2015) (“Unlike surrender, ‘vesting...includes a present transfer of ownership.’”) (quoting *Rosa*, 495 B.R. at 524); *Rosa*, 495 B.R. at 524 (“The plain meaning of ‘vesting’ includes a present transfer of ownership.”). This is consistent with the common legal usage of the term vest. The Oxford English Dictionary defines the transitive *314 verb “to vest” as “to place, settle, or secure (something) in the possession of a person or persons.” OXFORD ENGLISH DICTIONARY (online version, 2026), <https://www.oed.com> (last visited March 18, 2026). Meanwhile, Black’s Law Dictionary provides alternative definitions for the term “vest,” including “to confer ownership (of property) on a person,” “to invest (a person) with the full title to property,” and “to give (a person) an immediate, fixed right of present or future enjoyment.” BLACK’S LAW DICTIONARY 1673 (12th ed. 2024).

[18] Thus, Congress uses vest to describe a transfer. For example, in section 1327 of the Bankruptcy Code, Congress provides that “the confirmation of a plan vests all of the property of the estate in the debtor.” 11 U.S.C. § 1327(b) (emphasis added); *In re Forte*, 341 B.R. 859, 865 (Bankr. N.D. Ill. 2005) (Black, J.) (finding that, without an additional mechanism, “upon confirmation all property of the estate would appear to vest in the debtor and not be available to creditors.”). Similarly, under section 1322 of the Bankruptcy Code, which governs the contents of a chapter 13 plan, Congress states that “subject to subsections (a) and (c) of this section, the plan may provide for the vesting of property of the estate, on confirmation of the plan or at a later time, in the debtor or in any other entity.” 11 U.S.C. § 1322(b)(9) (emphasis added).²

It is clear, therefore, that Congress intended for debtors to invoke section 1322(b)(9), not section 1325(a)(5)(C), when attempting to transfer an interest in property.

B. Application to the Issue at Bar

The Debtors’ 2010 Plan sought only to surrender the Property under section 1325(a)(5)(C) and that surrender was not accepted by the City. The result is that the Property remained owned by the Debtors even after the 2010 Plan was confirmed the Debtors received their discharge.

That continued ownership might result *in personam* liability for the Debtors as it *315 changes neither the incidents nor obligations of ownership. *Canning*, 442 B.R. at 172 (such as “accruing real estate taxes and the desirability of maintaining liability insurance for the premises.”); see also *In re Sciarrino*, Case No. 9:11-BK-05881-FMD, 2013 WL 3465920, at *6 (Bankr. M.D. Fla. July 10, 2013) (“[U]ntil a debtor no longer owns the property in question, he remains liable for ... accruing real estate taxes, insurance premiums, and postpetition association fees.”).

[19] [20] The Debtor's discharge does not change the result. A discharge in bankruptcy only extinguishes a debtor's *in personam* liability on a claim; it does not affect a creditor's *in rem* rights against property. See *Johnson v. Home State Bank*, 501 U.S. 78, 83–84, 111 S.Ct. 2150, 115 L.Ed.2d 66 (1991). “The discharge injunction prohibits a creditor from enforcing a discharged claim against a debtor *in personam*, but the discharge injunction does not prohibit the creditor from enforcing an *in rem* claim against the debtor's property.” *In re Parkland Props., LLC*, 605 B.R. 509, 525 (Bankr. N.D. Ill. 2019) (Cassling, J.).

[21] Further, a claim against the bankruptcy estate can be either *in personam* or *in rem*. *In re Smith*, 675 B.R. 878, 892 (Bankr. N.D. Ill. 2025) (Barnes, J.) (“[A] claim against property, even if exclusively *in rem*, is a valid basis for asserting a claim in a debtor's bankruptcy[.]”). Thus, to the extent the City has valid *in rem* claims against the Property, those claims must be addressed in the Debtors' bankruptcy case. To the extent that the City has *in personam* claims against the Debtors arising out of their continued ownership of the Property, assuming such claims arose after the Debtors received their discharge in 2010, they too are potentially valid claims. It is tautological that those postpetition claims were not discharged and can be asserted. *In re Tolbert*, No. 13BK06829, 2022 WL 2126970, at *2 (Bankr. N.D. Ill. June 13, 2022) (Hunt, J.) (“It is well-established that the discharge order applies to debts arising *before* the filing of bankruptcy in a bankruptcy case and does not discharge postpetition debts.”). That means that the Debtors may remain liable for whichever claims by the City that might have arisen since the 2010 Bankruptcy Case. The City's Objection, insofar as it challenges the Plan's treatment of the Property and the City's claims, is well taken.

It should also be noted that the City is correct that the Debtors' Plan attempts to treat the Property as property of the estate, subject to the protections of the automatic stay, while at the same time the Debtors argue that they have no interest in the Property as a result of the 2010 Plan. Were the Debtors to be successful in extending the protections of the automatic stay to the Property as property of the estate, they would be judicially estopped from claiming that their interest in the Property was divested by the 2010 Plan. *In re Legette*, Case No. CV 15-03320-JW, 2015 WL 4507678 at *2 (Bankr. D.S.C. July 22, 2015) (“[T]he plain language of the Code requires that in order for certain property to be afforded the protections of the automatic stay, it must be shown that the debtor has a legal or equitable interest in such property.”). Both conditions cannot exist at once.

C. Application of *Midlantic*

As noted above, the court also requested that the parties address the possible application of *Midlantic* here. In *Midlantic*, the Supreme Court held that the Chapter 7 trustee could not abandon the debtor's property which stored oil contaminated by a highly toxic carcinogen. *Midlantic*, 474 U.S. at 507, 106 S.Ct. 755. In so doing, the *316 Supreme Court placed a condition on the otherwise clear statutory language in favor of the public good, finding that even express statutory language cannot be given full effect “in contravention of state or local laws designed to protect public health or safety.” *Id.* at 502, 106 S.Ct. 755; see also *Rose*, 512 B.R. at 796 (stating that a debtor cannot force a secured creditor to accept personal liability for property that is damaged or otherwise a public nuisance or accept title to a property subject to environmental contamination).

[22] The Debtors are incorrect in their contention that *Midlantic* does not apply because Congress has not limited surrender in that way. In *Midlantic*, the Supreme Court imposed a limitation on abandonment over and above the statute's express terms. *Midlantic*, 474 U.S. at 502, 106 S.Ct. 755. Thus, the presence or absence of limitations from Congress is not the point of *Midlantic*. The point is whether a debtor may shift the burdens of public health or safety violations relating to estate property to the state. The Supreme Court's answer was clear—a debtor may not. In that regard, the holding of *Midlantic* is broad enough to encompass other mechanisms in the Bankruptcy Code that might achieve that same result.

[23] [24] The Debtors are correct, however, that *Midlantic* is about abandonment, not about surrender or vesting. But that distinction does not favor the Debtors. Abandonment does not require a recipient as abandonment is not, in and of itself, a transfer. It is an extinguishment of the estate's rights in property.³ As both surrender and vesting require acceptance by the secured creditor, there should be no situation in which a debtor could force the state into the position forbidden by *Midlantic*. Thus, the court agrees with the Debtors that *Midlantic* is inapplicable here.

CONCLUSION

For the foregoing reasons, the Objection must be and is sustained. The Debtors' surrender of the Property in the 2010 Plan did not change their ownership interest. Because the Debtors own the Property, they are potentially responsible for all its accruing liabilities, including any validly asserted claims by the City arising out of their continued ownership of the Property.

All Citations

679 B.R. 304

Footnotes

- 1 While the Objection was raised with respect to the Original Plan, because the issues raised in the Objection remain unresolved by subsequent amendments, the court considers it here in respect to the Amended Plan as it presently exists.
- 2 As was the case with surrender, most courts have held that a secured lender cannot be forced to accept vesting of property. *In re Sagendorph*, 562 B.R. 545, 558–59 (D. Mass. 2017) (holding that the plain language of sections 1322(b)(8), (b)(9), and 1325(a)(5)(C) precludes forced vesting); *Sherwood*, 2016 WL 355520, at *7 (“[T]he Court is persuaded by the emerging line of cases, exemplified by *Rose*, *Malave*, *Watt II*, *Williams*, and *Weller*, which hold that a Chapter 13 plan may not be confirmed over the objection of a secured creditor where the plan proposes to vest title to surrendered property in that creditor.”); *HSBC Bank USA, N.A. v. Zair*, 550 B.R. 188, 203–04 (E.D.N.Y. 2016) (finding that forcing vesting on the secured creditor was “inherently inconsistent with and impermissibly impede[d] upon the creditor's rights sought to be preserved in § 1325(a)(5)”); *Tosi*, 546 B.R. at 490–92 (finding that lacking the creditor's consent, a Chapter 13 plan that proposes to vest title of the property in that creditor cannot be confirmed); *Williams*, 542 B.R. at 514 (“[V]esting of property in creditor over its objection would force creditor to accept title and impermissibly impose unbargained-for obligations on it ... in a manner not contemplated by the Bankruptcy Code.”); *In re Malave*, Case No. 13-13348 (ALG), 2014 Bankr. LEXIS 5383 at *3–4 (Bankr. S.D.N.Y. Apr. 11, 2014) (refusing to confirm a plan over the creditor's objection to the vesting provision, reasoning that the debtor cannot require the creditor to accept title to the surrendered property); *Watt*, 2015 WL 1879680, at *6 (finding that nonconsensual vesting frustrates the purpose of the Bankruptcy Code and erodes essential protections afforded to secured creditors). The court has found no cases that hold the opposite that have not been reversed on appeal, and only one case that might be construed to imply a creditor might be forced to accept surrender and vesting. *In re Stewart*, 536 B.R. 273, 277 (Bankr. D. Minn. 2015). Even there, as creditor did not object, the outcome can be seen more simply as in keeping with *Rosa*'s conclusion that implied acceptance may exist in the absence of an objection. *Id.*
- 3 Section 554 of the Bankruptcy Code states that “the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” 11 U.S.C. § 554(a). Such abandonment, however, simply removes the estate's interest in property of the estate. *In re Buckner*, 224 B.R. 760, 762 (Bankr. E.D. Mo. 1998). The abandoned property ceases to be property of the estate and thereby reverts to whatever party had an interest in such

property before the estate acquired its interest. See *In re Jones*, 657 B.R. 238, 252-53 (Bankr. N.D. Ill. 2024) (Cox, J.). Thus, even if a chapter 13 debtor could abandon property, which some courts have held they cannot, *In re Nordike*, Case No. 12-60037, 2013 WL 66262, at *4 (Bankr. S.D. Ill. Jan. 4, 2013) (“It is uncontroverted that the language of § 554(a) permits only a [Chapter 7] trustee to abandon property of the estate.”), abandoning property does not effectuate a transfer of the debtor's interest in such property, only an extinguishment of the estate's interests.

End of Document

© 2026 Thomson Reuters. No claim to original U.S. Government Works.

NORTHERN DISTRICT OF INDIANA
(DECISIONS ISSUED BY JUDGE GRANT)

- 1) *In re Yankey*, Case No. 10022 (Sept. 10, 2025); *In re Earl*, Case No. 23-11138 (Sept. 9, 2025); *In re Osborn*, Case No. 24-11435 (Sept. 10, 2025). The trustee objected to three unsecured claims based on unspecified documentation deficiencies. Each claim was filed on the official form, each had attached sufficient itemized support, and each satisfied the requirements of Rule 3001. Without more, mere documentation complaints do not warrant disallowance of a claim and so the objections were overruled.
- 2) *Grove v. NewRez, LLC, et al.*, Adv. Pro. No. 25-1030 (multiple orders, Oct. 2025 - April 2026). The debtor (proceeding pro se) believed that an incorrect address on the mortgage documents rendered it unenforceable and so filed an adversary complaint against the lender and title company. Most of the claims were essentially attempts to undo the state court foreclosure judgment and so were dismissed under the Rooker-Feldman doctrine. In an effort to get out the bankruptcy court (where he voluntarily subjected himself), the debtor also asked that the reference be withdrawn and for recusal of the underlying judge. Both of those requests were denied.
- 3) *In re Bondon*, Case No. 25-11555 (Nov. 26, 2025). When the case was initiated, the debtor asked for a temporary waiver of the credit counseling requirement due to exigent circumstances. Although he made some attempt to describe the exigent circumstances requiring him to file now – imminent disconnection of utilities – he said nothing about the second part of the requirement for the waiver which necessitated describing attempts to obtain the counseling. He failed to respond to the order to show cause requiring an amended certification for the waiver and so the court dismissed the case. He then asked that the dismissal be vacated and filed a certificate demonstrating completion of credit counseling after filing. The debtor's own filings established that he completed credit counseling after, rather than before, filing as required by statute and, so the motion to vacate was denied.
- 4) *Zo Peng Lian and Joseph Thang v. Erik Salinas Quijano*, Adv. Pro. No. 24-1042 (Oct. 21, 2025). Rule 4(m) requires the court to dismiss an adversary proceeding if the defendant has not been properly served with the summons and complaint within 90 days after it was filed. The plaintiff failed to properly serve the defendants. They served the first summons nearly 6 weeks after the complaint was filed and served an alias summons about 2 weeks after it was issued. Neither were served within 7 days of issuance as required. Due to a lack of activity in the case, the court issued an order to show cause for failure to prosecute. Counsel's response indicated that the latest issuance of an alias summons was missed by his office resulting in untimely service. Previous attempts were all made untimely by various means including certified mail and personal service. Finding no good cause for the delay, the court dismissed the proceeding, even though the effect of the dismissal meant it was essentially with prejudice.

- 5) *In re Powell*, Case No. 25-22570 (May 27, 2026). The debtor objected to a secured claim by arguing that the claim was filed as secured and he did not believe it was secured against the debtor's home. An objection to a claim is limited to determining the validity of the debt, its priority or the amount due as of the date of the petition. The debtor's objection did none of these. Instead, it challenged the existence of the lien itself. That requires an adversary proceeding. See, Fed. R. Bankr. P. Rule 7001; *Matter of Beard*, 112 B.R. 951 (Bankr. N.D. Ind. 1990).
- 6) *In re Sims*, Case No. 25-30727, *Decision on Motion for Relief from Stay* (June 2, 2026). The Bank of New York requested relief from the automatic stay under § 362(d)(4) alleging that the debtor's current case was part of a scheme involving multiple filings to hinder, delay, or defraud the Bank's efforts to enforce a lien on real property. At trial, the Bank pointed to the number of cases the debtor and her husband had each filed over the course of several years. What it did not do was correlate those filings to actions by the Bank to proceed against the property. Multiple filings alone don't demonstrate a scheme to hinder, delay or defraud the Bank. It was the Bank's burden to demonstrate that the filings correlated with, and disrupted, its foreclosure efforts. Reviewing the timeline of six bankruptcy filings by the debtor and her husband against the state foreclosure docket demonstrated that there was no such relationship in most of the cases and, so, the motion was denied.
- 7) *In re Sims*, Case No. 25-30727, *Decision and Order Denying Confirmation* (March 17, 2026). The debtor's plan depended on refinancing a defaulted mortgage within a year, but she offered no evidence anyone was pursuing that refinance. The court denied confirmation, holding that the "mere hope" she could obtain that financing and thereby fund the plan does not satisfy the feasibility requirement of § 1325.
- 8) *Matter of Tieman*, Case No. 25-11188 (April 20, 2026). The trustee objected to an unsecured claim on both documentation and statute-of-limitations grounds. As to why the claim might be barred by the statute of limitations, the objection did not say and should. As to the allegation that the claim did not provide the last payment and transaction dates, rule 3001 does not require that information unless the claim is based upon an open-end or revolving consumer-credit agreement or a claim secured by real property – neither of which applied.
- 9) *Matter of Shields*, Case No. 25-40423 (April 20, 2026). Debtor's counsel sought the balance of the presumptive fee after the case was dismissed prior to confirmation. The court denied the request, noting the presumptive fee is not guaranteed, and counsel's own itemization did not justify more compensation because the debtor had already paid more than the itemized billing demonstrated.
- 10) *Town & Country Sports v. Whitted*, Adv. Pro. No. 25-1042 (June 16, 2026). The debtor sought dismissal of a nondischargeability action, arguing the court lacked jurisdiction because a prior settlement had released the debt. The court denied the motion,

holding that release is an affirmative defense to be litigated on the merits, not a jurisdictional basis for dismissal.

- 11) *In re Corbett*, Case No. 26-40009 (July 20, 2026). The chapter 12 debtor's largest credit sought dismissal or conversion of the case because the debtor was not eligible for relief under chapter 12 as his debts exceeded the statutory threshold or, alternatively, because of numerous instances of fraud, including a forged check endorsement and inflated asset values. In response to the creditor's motion for summary judgment, the debtor did not rebut the eligibility issue. In response to the allegations of misconduct offered only general denials of intent or justifications that he was only trying to feed his family and save the farm. Neither were sufficient to create genuine issues of material fact and the court converted the case.
- 12) *In re Bradley*, Case No. 25-40376 (Dec. 10, 2025). The case was dismissed because the debtor failed to file the signature pages required by the court's 7th Amended Order Authorizing Electronic Case Filing. Debtor's motion to reconsider the dismissal essentially said that counsel does not normally file in this district and so was unaware of the requirement. Unfamiliarity with the local rules is not an excuse and so the motion to reconsider was, not surprisingly, denied.
- 13) *Kasco Services, Inc. v. Estate of Kasco Services, Inc.*, Adv. Pro. No. 25-1022 (July 1, 2026). The plaintiffs attempted to maintain a claim against a third-party bank that had already settled while pursuing related claims against the bankruptcy estate. Because the dispute would have no effect on the estate or creditor recoveries, the court lacks "related to" jurisdiction and dismissed the claim against the bank.
- 14) *Hurst v. Updike*, Adv. Pro. No. 26-1007 & 26-1008 (June 22, 2026). After conversion of a chapter 13 case to chapter 7 and the withdrawal of debtor's counsel, the (now) pro se debtor sued the chapter 13 trustee over her fees and communication practices. The court dismissed the action, explaining that trustee compensation is established by statute and that the trustee's fiduciary duties run to the estate rather than the debtor individually.
- 15) *In re Bennett*, Case No. 25-11640 (April 1, 2026). The debtor argued that a claim should be disallowed because the underlying debt was satisfied through the plan's surrender of the collateral. But a claim objection addresses validity or amount, not the manner in which it is ultimately paid.
- 16) *In re Ferguson*, Case No. 23-40163 (Dec. 16, 2025). After falling behind on plan payments because of illness, the debtors proposed a modification that would forgive the existing arrearage. The court held that plan modification operates prospectively and cannot erase a prior default. It therefore sustained the trustee's objection.

UPDATES TO NORTHERN DISTRICT OF INDIANA – LOCAL RULES

Rule	Summary of Change
B-1002-1	Added “Statement of Social Security Number” in individual cases to the minimum requirements to commence a case
B-1009-1	Clarified the requirements needed for amendments and updated the rule to address recent changes to the federal rules regarding electronic service
B-2002-2	Added motions to determine status under Fed. R. Bankr. P. 3002.1(f) and established a twenty-eight (28) day deadline as provided by that rule for objections.
B-2016-1	Increased the presumptive fee amount from \$4,000 to \$4,500.
B-3002.1-1	Abrogated this rule based on the changes to Fed. R. Bankr. P. 3002.1
B-7016-1	Added to paragraph (c)(8) that exhibit lists must be comprehensive and specific.

UPDATES TO FEDERAL RULES OF BANKRUPTCY PROCEDURE

<u>Effective (no earlier than) December 1, 2026</u>	
Rule	Summary
1007	Eliminating the deadline in 107(c)(4) to file a financial management certificate to receive a discharge. The debtor must still file the certificate to receive a discharge, but there is no longer a deadline to do so.
2007.1 (<i>Technical Amendment</i>)	To correct an error resulting from the restyling by deleting the references in 2007.1(b)(3)(b) and (c) to (i)-(vi) as the restyled rule now has bullet points.
3001 (<i>Technical Amendment</i>)	The text of Rule 3001(c)(4) and the text of Rule 3001(c)(3) dealing with sanctions in an individual-debtor case for failure to provide required information has been moved to (c)(4) and the current text of (c)(4) has been moved to (c)(3). This is a technical amendment reflecting the view that the sanctions provisions should logically follow all the substantive provisions they enforce. The first sentence of (c)(4) (former (c)(3)) is amended to replace the reference to “(1) or (2)” with a reference to “(c)” to remedy an inadvertent substantive change made by the restyled version of the rule.
3018	Authorize the court in a chapter 9 or 11 case to treat a statement on the record by a creditor or its attorney or authorized agent as an acceptance of a plan (or to change or withdraw rejection to the plan). This would include a creditor who did not timely submit a ballot to vote in favor of the plan. This change was designed to facilitate confirmation of chapter 9 and 11 plans. If the creditor wants to change or withdraw its acceptance to plan, that may only be done after notice and hearing and for cause.
5009	Requiring the Clerk to send a second notice to the debtor if a certificate of financial management has not been filed informing the debtor that the case may be closed without the entry of discharge. The clerk must send the first notice to any chapter 7 or 13 debtor for whom a certificate has not been filed within 45 days after the petition was filed (earlier than under the prior rule. For chapter 7 – if the debtor has not complied within 90 days after the petition, the clerk must send a second reminder notice. In chapter 13 cases, the clerk must send a second notice by the time the trustee files a final report and final account. Both notices must explain that the consequence of not filing the certificate is that the case is subject to being closed without a discharge being entered.

7043 (New), 9014 and 9017	Amended Rule 7043 incorporates FRCP 43 for adversary proceedings, meaning the court may allow testimony by remote means for good cause and with appropriate safeguards. New subsection 9014(d) imports this same framework into contested matters, requiring that disputed material facts be resolved through open-court testimony absent a statute or rule providing otherwise, while preserving the court's discretion to decide contested matters on affidavits, depositions or oral testimony. The court has discretion under Rule 9014(d) to deny a request to testify remotely.
9006	Eliminating the deadline for filing a certificate of financial management.
Form 101	To include language advising the debtor not to include the Employer Identification Number (EIN) of its employer or a corporation, partnership, etc. which is not filing the petition. This is designed to eliminate problems caused by debtors including their employer's tax identification number.
Form 106	To provide for the total value of the debtor's interest in property for which exemptions are claimed (new sections 2.1 and 2.2). This is to assist with preparation of the trustee's final reports in accordance with guidelines from the U.S. Trustee's office.

Effective (no earlier than) December 1, 2027	
Rule	Summary
2002(o)	Eliminating the requirement that notices given under this rule comply with the caption requirements imposed by Rule 1005. The caption will need to include the information required by Form 416(b) – i.e. the name of the court, title of the case, case number and chapter and brief description of the document. <i>Rule 1005 currently requires identifying information, such as the last four digits of the debtor's social security number, EIN, other names used by the debtor in the past 8 years and other tax identification information to be included in the caption.</i>
45 (Civil)	Specifying methods of service of subpoenas, including adding a default 14-day notice period and providing that tender of witness fees is not required to effect service of the subpoena. Adding that “place of compliance” for remote testimony is the “location where the person is commanded to appear in person.”
707 (New) (Evidence)	Machine-generated evidence offered without an expert witness which would otherwise be subject to Rule 702 may be admitted only if it satisfies the requirements of Rule 702(a)-(d), except for the output of

	simple scientific instruments or when the court can take judicial notice that the machine output is reliable. This rule is created to address evidence generated by AI.
--	---

<u>Published for public comment: August 14, 2026 – February 15, 2027</u>	
2003	Extending the maximum time to convene the § 341 after the order for relief in chapter 12 and 13 to 60 days. Clarifying that the § 341 meeting may be held remotely.
5005, 8011, 9036	Permitting electronic filing and service by unrepresented litigants/individuals/entities. These rules will be published in tandem with publication of parallel proposed Appellate, Civil and Criminal rules. The rules will expressly require the court to permit electronic filing by unrepresented parties unless local rules restrict such filings or the court orders otherwise. If the court restricts electronic filing via the court's ECF system, it must permit another means by which the unrepresented party can submit the documents such as email.
55 (Civil)	Changing the commandment for the Clerk to enter a default or default judgment to one which is permissive and permitting the Clerk to refer the matter to the presiding judge.
104 (Evidence)	Expressly stating that preliminary factual questions under Rule 104(a) must be decided by a preponderance of the evidence. Eliminating the concept of "conditional relevance" by replacing the "sufficient to support a finding" test with a standard asking whether the factfinder "could reasonably find" the evidence relevant.

SUPREME COURT AND SEVENTH CIRCUIT UPDATE

CHAPTER 13:

In re Falkner, 178 F.4th 385 (7th Cir. 2026).

While the disposable income test § 1325(b)(1)(B) requires 100% of debtor's disposable income to be applied to make payments to unsecured creditors, paying the fees of debtor's counsel before making distributions to general unsecured claims does not violate that rule.

The City of Chicago appealed confirmation of two plans that paid attorneys' fees ahead of unsecured claims, arguing that attorneys are not "unsecured creditors" entitled to projected disposable income and, alternatively, that they forfeited any share by never filing a proof of claim. The Seventh Circuit read the Bankruptcy Code as a whole and found no error noting: allowed attorney fees are priority claims, which § 1322(a)(2) requires to be paid in full; § 1326(b)(1) mandates that priority claims be paid "before or at the same time as each payment to creditors;" bankruptcy attorneys "often count as unsecured creditors who can receive disposable income;" and counsel's fees are sought through an administrative for expenses under § 503(a), not a proof of claim.

Hooper v. Crawford, 184 F.4th 913 (7th Cir. 2026).

Debtor's confirmed plan provided for Bank of America as a secured creditor and was confirmed without objection. After the bank failed to file a proof of claim (and no one filed a claim on its behalf), the trustee sought a post confirmation modification that would reallocate the payments designated for the bank's claim to other creditors. Although no one objected to modification, the bankruptcy court denied the motion, relying on its own previous decisions, and the district court affirmed. On appeal the circuit framed the issue as whether "a creditor [is] entitled to receive distributions as directed by the terms of a confirmed plan notwithstanding the fact that the creditor has not filed a proof of claim?" The answer was yes.

The court reasoned that "by listing a secured creditor in the proposed plan, the debtor effectively admits the creditor's secured claim to the extent the plan provides" so confirmation "allows" the secured claim to the extent it has been provided for." Once confirmed the plan became binding (§ 1327) and "the trustee must distribute funds according to the plan as written." (§ 1326(a) (N.B. This is the same argument the court rejected in Matter of Greening, 152 F.3d 631, 635 (7th Cir. 1998), a chapter 12 case, when it was advanced by an unsecured creditor whose untimely claim the debtors sought to disallow.) Pajian, which held that secured creditors are bound by the claims bar date, was distinguished because that creditor was trying to assert a claim the confirmed plan did not address.

In re Romero, 182 F.4th 560 (7th Cir. 2026).

The purchaser of property at an Illinois tax sale held a tax claim within the meaning of 11 U.S.C. § 511(a) and, as such, was entitled to receive interest on that claim based on Illinois law which was 18% for delinquent taxes.

Jurisdiction/Rooker-Feldman:

T.M. v. University of Maryland Medical System Corp., 608 U.S. ___, 145 S.Ct. ___ (2026).

Only the Supreme Court has the power to review state court decisions. Based on this proposition, Rooker-Feldman bars federal district courts from exercising jurisdiction over suits by state-court losers seeking review and rejection of state-court judgments rendered before the federal suit began. That bar applies even if the state-court judgment is subject to review on appeal in the state courts. The Court rejected the argument Rooker-Feldman applies only to “final judgments rendered by the highest court of a State.”

When plaintiffs “essentially invite federal courts of first instance to review and reverse unfavorable state-court judgments,” regardless of the judgment’s posture in the state appellate system, they are seeking an exercise of appellate jurisdiction which is lodged exclusively in the Supreme Court.

Standing:

Gomez v. Weisenthal, 2026 WL 446973 (7th Cir. Feb. 17, 2026).

The court overruled a chapter 7 debtor’s objection to the trustee’s settlement of a claim for converting debtor’s property for \$3,750. On appeal, the Seventh Circuit affirmed, reiterating the position that a chapter 7 debtor “has standing to challenge a bankruptcy court’s order only if there is a reasonable expectation that a surplus will revert to the debtor after all creditors are paid in full.” “With liabilities vastly exceeding assets,” there was “no reasonable prospect of generating a surplus for distribution to the debtor.”

Judicial Estoppel:

Keathley v. Buddy Ayers Construction, Inc., 608 U.S. ___, 146 S.Ct. 1532 (2026):

After filing a Chapter 13, the debtor was involved in an accident and sued the tortfeasor without amending the schedules to disclose the (post-petition) claim to the bankruptcy court. (Whether or not the debtor was actually required to do so was presumed by all.) The defendant filed a motion for summary judgment based on judicial estoppel, which was granted because the debtor knew the underlying facts and had a hypothetical motive to conceal the claim; so, the omission was not “inadvertent or mistaken”. The Supreme Court vacated the decision. It assumed,

without deciding, that judicial estoppel could be used in a bankruptcy context, but held that the test used by the lower courts was too rigid because it considered only knowledge and a motive to lie.

Equitable estoppel is an equitable doctrine and whether an omission from schedules was due to inadvertence or mistake must be assessed based on the totality of the circumstances. “Equity eschews mechanical rules; it depends on flexibility.” Interestingly, Justice Thomas concurred to express doubt about the foundation of the entire doctrine – observing it had no basis in any statute, rule, or traditionally inherent power of the court – and suggested the Court should reexamine it.

Federal Procedure:

Berk v. Choy, 607 U.S. 187, 140 S.Ct 546 (2026):

The Federal Rules of Procedure govern proceedings in federal courts and additional pleading requirements imposed by state law do not apply. In determining whether a particular rule is a matter of substance or procedure what matters is what the rule regulates. If it governs only the manner and the means by which a litigant’s rights are enforced, it is valid.

Coney Island Auto Parts Unlimited, Inc. v. Burton, 607 U.S. 155, 146 S.Ct. 579 (2026):

Rule 60(b) allows a party to seek relief from a final judgment for various reasons, including that the judgment is void. Rule 60(c)(1) requires that such a motion be filed within a “reasonable time.” “Because a motion for relief from a void judgment is a ‘motion under Rule 60(b),’ the reasonable-time limit applies.”

State Law Issues:

Merchants Bank of Indiana v. Craik, __ F.4th __, 2026 WL 2427616 (7th Cir. 2026):

Indiana has a “one action” statute, I.C. 32-30-10-10, that prohibits a lender from (a) foreclosing a mortgage while prosecuting any other action for the same debt or (b) prosecuting any other action for the same matter while foreclosing the mortgage. At the bank’s request the circuit certified two questions to the Indiana Supreme Court: “Does I.C. 32-30-10-10 prohibit a mortgagee from foreclosing on a mortgage while simultaneously, in a separate proceeding, suing on guaranties securing the mortgage.” and “If the answer to [that] question is yes, may guarantors waive the protection of the statute?”

Artificial Intelligence:

Jones v. Kankakee County Sheriff’s Department, 164 F.4th 967 (7th Cir 2026).

In response to an order to show cause, a pro se litigant denied using generative AI

to prepare a reply brief containing hallucinated case citations and quotes. Although doubting the truth of that representation and continuing to believe AI was used, the Seventh Circuit stopped short of imposing sanctions because it had “no reason to believe [the] misstatements were knowing or intentional” and no reason to believe the pro se litigant “ha[d] the training or resources available to check the accuracy of legal citations.” The court was also “mindful that it [had] not supplied any guidance on the use of AI by pro se litigants.” It then proceeded to remind pro se litigants that accuracy and honesty matter and the certifications required by Rule 11(b) apply to both attorneys and pro ses, so that all litigants must read their filings and take reasonable care to avoid factual and legal misrepresentations. “[A]lthough the inquiry may be different for pro se and represented parties . . . in no way will we allow a court filing to include misrepresentations on legal or factual points that an unrepresented party reasonably knows or should know exist.”

Perez-Castillo v. Blanche, 177 F.4th 837 (7th Cir. 2026).

Responding to a brief containing numerous false quotations and citations, erroneous statements of law, and factual misrepresentations, counsel disclosed that the preparation of the brief had been farmed out to another attorney and filed without counsel reviewing it. This occurred twice! First with the original brief and then with a “corrected brief” filed after the court noted the errors and ordered them fixed. The attorney to whom the brief was outsourced admitted using AI but claimed only it was only for stylistic and grammatical review; something the court doubted.

Counsel of record was sanctioned \$5,000 under Appellate Rule 46, stating “attorneys practicing before this court should never sign and submit a brief they have not reviewed.” As for the attorney who actually prepared the brief and who was not an attorney of record or admitted to practice before the circuit, the court stated:

Federal courts have inherent authority to “punish the full range of litigation abuses. That power is not limited to attorneys who practice before this court; it reaches anyone who engages in bad faith conduct impacting our ability to manage and decide cases. “No matter who allegedly commits a fraud on the court – a party, an attorney, or a non-party witness – the court has the inherent power to conduct proceedings to investigate that allegation and, if proven, to punish that conduct.”

The court then proceeded to refer the matter to the state bar disciplinary commission and held its sanctions inquiry in abeyance pending the conclusion of those proceedings.

Discharge Violations:

Covington v. Illinois American Water Co., 2026 WL 184217 (7th Cir. Jan. 23, 2026).

A water company continued billing a debtor for pre-petition charges for months following his Chapter 7 discharge and was found in civil contempt for violating the discharge injunction. The bankruptcy court awarded only nominal damages of \$100 and declined to award damages for emotional distress (or punitive damages). The Seventh Circuit affirmed, holding that while damages for emotional distress may sometimes be supported solely by a plaintiff's testimony, "when that is the only evidence the injured party must reasonably and sufficiently explain the circumstances of the injury rather than relying on mere conclusory statements." Assertions about sleepless nights, an upset stomach, and other emotional harm" were not sufficient.

See also, Aiello v. Providian Financial Corp., 239 F.3d 876 (7th Cir. 2001) (without a financial loss a debtor cannot recover emotional damages for violations of the automatic stay).

Miscellaneous:

Pung v. Isabella County Michigan, 146 S.Ct. 1964 (2026).

The baseline for measuring the receipt of just compensation in the context of a tax sale is the sale price, not the property's hypothetical market value, when the sale is fairly conducted.

See also, BFP v. Resolution Trust Corp., 511 U.S. 531, 114 S.Ct. 1757 (1994) (As long as the requirements of a state's foreclosure laws were met, the price received at a foreclosure sale are conclusively established as the property's reasonable equivalent value.).

CASE HIGHLIGHTS/REMINDERS

I. Service of Process

A. Contested Matters or Adversary Proceedings

Service of an adversary proceeding and motions which initiate a contested matter, under Fed. R. Bankr. P. 9014 (i.e., motions to avoid liens), must comport with Fed. R. Bankr. P. 7004. If service is made upon a “domestic or foreign corporation or upon a partnership or other incorporated association” then the summons and complaint (or motion) must be directed to the attention of “an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process.”

Under Fed. R. Bankr. P. 7004(h), service on a federally insured depository institution must be by certified mail addressed to an officer of the institution (limited exceptions).

II. Motion Practice (N.D. Ind. L.B.R. B-7007-1)

Any motion filed within a contested matter, or an adversary proceeding, (i.e. motions filed pursuant to Fed. R. Bankr. P. 7012, 7037 and 7056) shall be accompanied by a separate supporting brief.

Unless the court orders otherwise, the opposing party has 30 days after service to file a response, and the moving party has 14 days thereafter to file a reply. “The failure to respond or reply within the time required will be deemed a waiver of the opportunity to do so and may subject the motion to a ruling without further submissions.”

See also, Initial Enlargement of Time (N.D. Ind. L.B.R. B-9006-1).

III. Motions for Summary Judgment (Local Rule 7056-1)

All motions shall be accompanied by a “Statement of Material Facts” which can either be filed separately or a part of the movant’s initial brief. The statement shall identify those facts which the moving party contends there is no genuine issue and should be supported with citations to discovery responses, depositions, affidavits, and other admissible evidence. The party opposing the motion shall serve and file a “Statement of Genuine Issues” 30 days thereafter setting forth all material facts which it contends there exists a genuine issue. This statement must be supported with citations to discovery responses, depositions, affidavits, and other admissible evidence (may be filed separately or as a part of the response brief).

In determining the motion, the court will assume that the facts as claimed and supported by admissible evidence by the moving party are admitted to exist without controversy, except to the extent controverted in the “Statement of Genuine Issues” (as supported by the record and any other admissible evidence on file).

If a party is proceeding pro se and a represented party files a motion for summary judgment, counsel for the moving party must also simultaneously serve all unrepresented parties using Local Bankruptcy Form B-7056-1.

IV. Proposed Orders

- The proposed order must match the relief requested in the motion. For instance, under Bankruptcy Rule 6004(h), the execution of an order authorizing the sale of property is stayed for 14 days. Any request to waive that period must be requested in the motion. (Same applies with respect to Rule 4001(a)(4)).
- Amending an agreed order, or any order, requires a motion.

V. Case Update

A. Removal (*Perez v. Lake Falls, LLC*, Adv. No. 25-02043)

- A case pending in state court is potentially subject to removal directly to the bankruptcy court pursuant to 28 U.S.C. § 1452.
- The Notice of Removal must be timely. *See* Fed. R. Bankr. P. 9027. A Notice of Removal is filed with the clerk of the bankruptcy court, along with the pleadings and an adversary proceeding is opened.
- Removal is effective when the Notice of Removal is filed with the clerk of the court from which the action was removed. The court can require the filing of the records from the state court proceedings and can take steps to bring the proper parties before the court.
- Under 28 U.S.C. 1452(b), the case can be remanded back to state court on any equitable ground. For instance, if the removed action is a non-core proceeding that does not invoke a right created by the Bankruptcy Code, it can be remanded.
- If the court determines that the case should be remanded, under 28 U.S.C. §1447 a certified copy of the remand order is mailed by the clerk of the bankruptcy court to the clerk of the state court.

- Remand is effective on the day that the order is mailed. An order of remand may require the payment of costs and expenses (including attorney fees) if the removal was improper.
- An order entered by the district court remanding a case back to state court is generally not reviewable on appeal.

B. Excusable Neglect (*In re 381 Investments, Inc.*, Case No. 25-21809)

- The “excusable neglect” standard is found throughout the Code. For instance, a party can be relieved from a final judgment or order pursuant to Bankruptcy Rule 9024/F.R.C.P. 60(b)(1) for mistake, surprise, or excusable neglect.
- Appears also in Bankruptcy Rule 8002(d)(1) and Bankruptcy Rule 9006(b)(1)(B). Generally, a request for an extension of time under the foregoing rules should be filed prior to the expiration of the applicable period; however, the time can still be extended if there is a showing of excusable neglect.
- The Supreme Court in *Pioneer Inv. v. Brunswick*, 507 U.S. 380, set forth the standard for “excusable neglect” and the Seventh Circuit discusses this standard in *United States v. Cates*, 716 F.3d 445, 448 (7th Cir. 2013). The burden of proving that the neglect was excusable rests with the movant. *Helm v. Resolution Trust Corp.*, 84 F.3d 874, 878 (7th Cir. 1996).
- It is an equitable test, and the movant must first show that its actions constituted “neglect.” “Neglect can be established either by (1) circumstances otherwise beyond the movant’s control; or (2) the movant’s inadvertence, mistake or carelessness.”
- The factors to be balanced in making the determination of whether the omission was excusable include the: (1) danger of prejudice to the non-moving party; (2) length of the delay and its potential impact on judicial proceedings; (3) reason for the delay, including whether it was within the reasonable control of the movant; and (4) whether the movant acted in good faith.

C. Surrendering Property (*In re Jones*, 679 B.R. 304 (Bankr. N.D. Ill. 2026))

- A bankruptcy court sitting in the Northern District of Illinois found that surrendering property in a plan, pursuant to 11 U.S.C. § 1325(a)(5)(C), does not on its own effect a debtor’s ownership interest in the property or operate to release the debtor with respect to any liability associated with the property.
- Surrender under this provision is a claims mechanism and not a transfer mechanism.

Instead, under the facts of this case, a creditor must voluntarily accept the transfer of the interest (or repossess, foreclose, etc.) and cannot be forced to take on a debtor's liabilities that are incident to the ownership of property.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:	)	
	)	
Michael Perez,	)	Case No. 23-21541
	)	Chapter 13
Debtor.	)	
*****	)	
Michael Perez,	)	
Plaintiff,	)	
	)	
v.	)	Adversary No. 25-02043
	)	
Lake Falls, LLC,	)	
Defendant.	)	

**ORDER REGARDING REMAND
TO THE LAKE SUPERIOR COURT**

On October 8, 2025, plaintiff, Michael Perez ("Perez"), filed a Notice of Removal, pursuant to 11 U.S.C. § 1452 and Federal Rule of Bankruptcy Procedure 9027, with respect to the case of *Lake Falls, LLC v. Perez, et al.*, cause number 45D01-2309-TP-001126, pending in the Lake Superior Court (Indiana). Shortly thereafter, the defendant, Lake Falls, LLC ("Lake Falls") filed a Motion to Remand on October 10, 2025, and the Clerk of this Court opened an adversary proceeding (Adversary No. 25-02043).

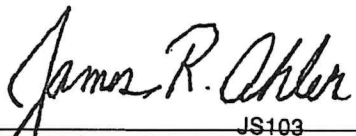
On November 6, 2025, the Court held a hearing at which Lake Falls appeared by counsel and Perez appeared pro se. Based upon the arguments made on the record, the Court determined that Perez untimely filed his Notice of Removal and entered an order on November 14, 2025, remanding the case back to state court. (Dkt. No. 25). In the Order of Remand, the Court also determined that the removed case was a non-core proceeding, as it did not invoke a substantive right created by federal bankruptcy law and should be litigated before a state court not a federal

bankruptcy court.

Subsequently, Perez filed several motions seeking, among other things, reconsideration of the Order of Remand. (See Dkt. Nos. 31, 32, 34, 35, and 39). As a part of his requested relief, and at the hearings the Court held with respect to his various motions, Perez seeks clarification concerning the precise date on which the case of *Lake Falls, LLC v. Perez, et al.* was removed and the precise date that it was remanded back to the state court.

The Court finds that the case of *Lake Falls, LLC v. Perez, et al.*, cause number 45D01-2309-TP-001126, pending in the Lake Superior Court (Indiana), was removed to this Court, pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027(c), on October 8, 2025. This is the date that Perez filed the Notice of Removal with the state court and is also the date that Perez filed the foregoing notice with the clerk of this court. Next, the Clerk of the Bankruptcy Court mailed the Order of Remand (dated November 14, 2025) to the state court on November 17, 2025 (Dkt. No. 41). Therefore, the Court finds that pursuant to 28 U.S.C. section 1447(c), remand was effective on November 17, 2025.

SO ORDERED this 22nd day of December 2025.


JS103
James R. Ahler, Chief Judge
United States Bankruptcy Court

Distribution: Michael Perez (pro se), all counsel of record,
and the Lake Superior Court (via Certified Mail).

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION**

IN RE:

381 Investments, Inc.,

Debtor.

)
)
)
)
)

Cause No. 25-21809-jra

ORDER DENYING REINSTATEMENT OF CASE

This matter is before the Court on a Motion to Reinstate Case (the “Motion”) filed by the debtor, 381 Investments, Inc. (“Debtor”) on November 14, 2025. (Dkt. No. 32). For the reasons stated below, Debtor’s Motion is denied.

On September 5, 2025, Debtor filed a petition for relief under Chapter 11 (Subchapter V) of the United States Bankruptcy Code. Subsequently, the Court entered an order on September 17, 2025, finding that Tremaine Hemingway, the principal and CEO of Debtor, signed and filed the petition for relief on behalf of Debtor. (Dkt. No. 15). However, the Local Rules of this Court and federal law provide that a corporation cannot appear pro se (without an attorney) and, therefore, the Court gave Debtor until September 24, 2025 to appear by counsel or else the case would be dismissed (the “September Order”). No attorney timely appeared and on October 3, 2025, the Court entered an order of dismissal. (Dkt. No. 29).

On November 14, 2025, Debtor, by counsel, filed its Motion requesting that the order of dismissal be vacated pursuant to Federal Rule of Civil Procedure 60(b) and that the case be reinstated. On December 21, 2025, creditors Lake Falls, LLC and Miller Revitalize, LLC (the “Creditors”), by counsel, filed an

objection to the Motion. The Court held a final hearing with respect to the Motion on January 8, 2026. At that hearing, Debtor appeared by attorney Shawn Cox and the creditors appeared by attorney Richard Dawson. Arguments were heard and Debtor's president and CEO, Tremaine Hemingway, testified.

The sole issue before the Court is whether Debtor's failure to timely comply with the September Order is excusable. According to Debtor's schedules, Debtor owns approximately 31 parcels of real estate. Prior to filing its chapter 11 petition for relief, Debtor fell in arrears on its property tax obligations with respect to a number of these properties. On or about September 10, 2024, the Lake County (Indiana) Auditor held a tax sale, at which time a number of these properties were ostensibly sold. And, under Indiana law, the redemption period would expire one year after the sale. See Indiana Code § 6-1.1-25-4(a)(1).

Mr. Hemingway began searching for bankruptcy counsel in summer 2025. At one point, he believed that he had secured counsel for Debtor. However, within days of the redemption period expiring, prospective counsel declined representation. According to Mr. Hemingway, he then had no alternative but to file a petition for relief on Debtor's behalf. Debtor argues that its neglect in failing to secure counsel pursuant to the Court's September Order is excusable because it believed that it had retained bankruptcy counsel and should not be punished for counsel's last-minute decision to decline representation. Moreover, according to Debtor, although it could have started searching for counsel sooner, there is a dearth of chapter 11 bankruptcy practitioners that practice before this Court and it therefore took longer to find replacement counsel. Finally, Debtor asserts

that the 42 days that passed between the dismissal of this case and the filing of the Motion is not unreasonable.

The Creditors argue that Debtor failed to weigh all the relevant factors in its analysis and only focused on its difficulties in finding bankruptcy counsel. In addition, according to the Creditors, many of the properties listed by Debtor in its schedules are not owned by Debtor, and they assert that if the Motion is granted, they will be prejudiced by having to litigate the ownership of these properties and getting relief from the automatic stay. Finally, Creditors point out that Debtor failed to request an extension of time prior to the expiration of the deadline in the September Order.

Under Federal Rule of Civil Procedure 60(b)(1), made applicable to this proceeding by Federal Rule of Bankruptcy Procedure 9024, the court can relieve a party from a final order for “mistake, inadvertence, surprise, or excusable neglect.” The movant must first show that its actions constituted “neglect.” *In re O’Shaughnessy*, 252 B.R. 722, 731 (Bankr. N.D. Ill. 2000). “Neglect can be established either by (1) circumstances otherwise beyond the movant’s control; or (2) the movant’s inadvertence, mistake or carelessness.” *Id.* The test as to whether the neglect is “excusable” is an equitable one, and the court should consider all the relevant circumstances surrounding the movant’s omission. *United States v. Cates*, 716 F.3d 445, 448 (7th Cir. 2013) (internal citations omitted). The factors to be balanced in making this equitable determination include “the danger of prejudice [to the non-moving party], the length of the delay and its potential impact on judicial proceedings, the reason for the delay,

including whether it was within the reasonable control of the movant, and whether the movant acted in good faith.” *Id.* (internal citation omitted). The burden of proving that the neglect was excusable rests with the party seeking relief. *Helm v. Resolution Trust Corp.*, 84 F.3d 874, 878 (7th Cir. 1996).

First, Debtor’s stated reason for the delay in hiring an attorney and complying with the Court’s September Order is that it was difficult to secure suitable representation because there are very few chapter 11 attorneys in the area that practice before this Court. The Court agrees that there are only a handful of chapter 11 practitioners located in Northwest Indiana. In the Court’s opinion, however, this automatically narrows the prospective field considerably and, arguably, should have made it *easier* for Debtor to find a local attorney. In fact, Debtor ultimately hired Attorney Shawn Cox, a local practitioner. Further, the Court is also aware that there are plenty of chapter 11 practitioners located in the City of Chicago and the surrounding suburbs, many of whom have practiced before this Court with some frequency. Consequently, the Court fails to understand why locating counsel took so long (approximately two months).

The record also reflects the fact that Debtor, through its president and CEO, waited until summer 2025 to begin its search for bankruptcy counsel. Although the Court is sympathetic to the fact that Debtor’s prospective counsel declined representation at the last minute, this delay was completely within Debtor’s control, as Debtor could have begun its search sooner. Finally, Debtor did not explain, in the Motion or at the final hearing, why it failed to respond to the September Order or request an extension of time to comply with that order

prior to the deadline expiring. Therefore, the Court finds that Debtor's reason for the delay, and whether that delay was within the reasonable control of Debtor (the movant), weighs against the Court granting the Motion.

The next factors the Court will consider are the length of the delay, along with its potential impact on these proceedings, and the danger of prejudice. Debtor states in its proposed findings that "42 days between dismissal [of this case] and the filing of the Motion to Reinstate is not an unreasonable amount of time to seek reinstatement of this case." (Dkt. No. 45). Debtor further states that "[t]he reinstatement of this case, and the reimposition of the automatic stay, will create claims of prejudice by 381's creditors and novel issues of law may arise due to reinstatement at this point, given the dismissal order was entered more than three months ago" (Dkt. No. 45). The Court agrees.

Several threshold Subchapter V deadlines have expired in the time since Debtor filed this case. 11 U.S.C § 1188(a) requires the court to hold a status conference not later than 60 days after the entry of the order for relief to "further the expeditious and economical resolution of a case under this subchapter." In addition, pursuant to § 1188(c), the debtor is required to file a report, no later than 14 days prior to the foregoing status conference, detailing the efforts it has undertaken or plans to undertake to attain a consensual plan of reorganization. Next, § 1189(b) provides that the debtor shall file a plan no later than 90 days after the petition for relief is filed. All these deadlines have expired, and the Court is unaware of any procedure by which it can reinstate these deadlines.

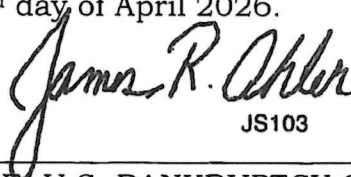
Notably, Debtor did not address this issue either in its Motion or at the final hearing.

The purpose of Subchapter V is to streamline the bankruptcy process; unfortunately, the deadlines that accomplish this goal have all expired and if reinstated, the case would potentially be subject to immediate dismissal by a creditor. Obviously, the length of the delay and its impact on these proceedings is substantial. But equally important, the Court finds that the reinstatement of this case would not only confuse creditors but may dissuade them from participating in this case altogether. The bottom line is that considering both the length of delay and the fact that this is a Subchapter V case, the Court finds that vacating the order of dismissal and reinstating the case is both impractical and prejudicial to the creditors of this estate. Obviously, these factors weigh against the Court granting Debtor's Motion.

Finally, although the record does not suggest that Debtor acted in bad faith in filing the Motion, this factor does not outweigh the other factors that all weigh against the finding of excusable neglect. For the reasons stated, the Court finds that Debtor failed to carry its burden and the Motion should be denied.

IT IS THEREFORE ORDERED that Debtor's Motion to Reinstate Case is DENIED.

Dated at Hammond, Indiana, this 3rd day of April 2026.


JS103

JUDGE, U.S. BANKRUPTCY COURT

679 B.R. 304
United States Bankruptcy Court, N.D. Illinois, Eastern Division.

IN RE: Willie J JONES and Peggy A Rodger-Jones, Debtors.

Case No. 25bk10807

I

Signed April 10, 2026

Synopsis

Background: Debtors filed Chapter 13 bankruptcy case and proposed plan that purported to surrender real property they previously had surrendered in prior Chapter 13 case, claiming surrender in prior case absolved them of continuing ownership liability for property. City objected to confirmation of plan, arguing that debtors' surrender of property in prior bankruptcy case did not divest debtors of ownership interest or absolve them of prospective liability, and that plan should not be confirmed.

[Holding:] The Bankruptcy Court, [Timothy A. Barnes, J.](#), held that debtors continued to own real property that they previously had sought to surrender to city, as creditor, under their prior Chapter 13 plan.

Objection sustained.

Procedural Posture(s): Objection to Confirmation of Plan.

West Headnotes (24)

[1] **Bankruptcy** ➡ Bankruptcy judges

Bankruptcy judge must have constitutional authority to hear and determine a matter.

[1 Case that cites this headnote](#)

[2] **Bankruptcy** ➡ Bankruptcy Jurisdiction

Bankruptcy ➡ Core, Non-Core, or Related Proceedings in General; Nexus

Bankruptcy ➡ Consent to or Waiver of Objections to Jurisdiction or Venue

Constitutional authority for a bankruptcy judge to hear and determine a matter exists when a matter originates under the Bankruptcy Code or, in non-core matters, where the matter is either one that falls within the public rights exception, or where the parties have consented, either expressly or impliedly, to the bankruptcy court hearing and determining the matter.

[1 Case that cites this headnote](#)

[3] **Bankruptcy** ➡ Particular proceedings or issues

Plan confirmation and objections thereto may arise in case only under Title 11 of the Bankruptcy Code and are specified as core matters in which bankruptcy court has jurisdiction to enter final orders; such matters, thus, are within the court's constitutional authority. [28 U.S.C.A. § 157\(b\)\(2\)\(B\)](#), [157\(b\)\(2\)\(E\)](#), [157\(b\)\(2\)\(L\)](#).

[1 Case that cites this headnote](#)

[4] **Bankruptcy** ➡ Evidence

Did court take judicial notice of contents of its own docket? **Yes**

Bankruptcy court would take judicial notice of contents of its own docket, in response to city's objection to confirmation of Chapter 13 plan. [Fed. R. Evid. 201](#).

[More cases on this issue](#)

[5] **Bankruptcy** ➡ Surrender of property

Bankruptcy ➡ Property of estate

Debtors continued to own real property that they previously had sought to surrender to city, as creditor, under their prior Chapter 13 plan; although plan was confirmed and debtors received their discharge, surrender was not accepted by city and, absent vesting title of property in third party, debtors' continued ownership could result in personam liability for debtors as surrender did not change either incidents or obligations of ownership. [11 U.S.C.A. § 1325\(a\)\(5\)\(C\)](#).

[6] **Bankruptcy** ➡ Surrender of property

In bankruptcy, surrender properly is seen as a claims mechanism, not a transfer one. [11 U.S.C.A. § 1325](#).

[7] **Bankruptcy** ➡ Surrender of property

For surrender of collateral to act as transfer mechanism in a bankruptcy case, creditor must accept it as such. [11 U.S.C.A. § 1325](#).

[8] **Bankruptcy** ➡ Effect of state law in general

State law governs interests in property in a bankruptcy case.

[9] **Property** ➡ Manner and Modes of Transfer in General

Illinois law requires the recipient's willingness to accept a transfer of collateral.

[10] **Bankruptcy** ➡ Application of state or federal law in general

Congress must clearly indicate an intent in the Bankruptcy Code to alter rights or preempt applicable state law in bankruptcy cases.

[11] **Bankruptcy** ➡ Surrender of property

The Bankruptcy Code does not give a debtor the right to forcibly vest title of surrendered property in the secured creditor.

[12] **Bankruptcy** ➡ Effect

Bankruptcy ➡ Property of estate

When a debtor invokes the section of the Bankruptcy Code governing confirmation of Chapter 13 plans, the debtor is using a claims mechanism to address a creditor's claim; when invoked, the debtor is free to treat the secured creditor's claim as satisfied, but any additional effect such as a transfer of property should occur only with the creditor's consent.

11 U.S.C.A. § 1325(a)(5)(C).

[13] **Bankruptcy** ➡ Surrender of property

Bankruptcy ➡ Property of estate

A Chapter 13 debtor in bankruptcy who surrenders a car to a secured creditor that overtly accepts the surrender or accepts it through conduct, such as repossession and foreclosure, is free to treat the creditor's claim as satisfied thereby; however, a creditor is free to not accept surrender of a car, in which case the collateral remains the debtor's.

11 U.S.C.A. § 1325.

[14] **Bankruptcy** ➡ Surrender of property

“Surrender” is a bankruptcy claims resolution mechanism that, without acceptance by the creditor, does nothing to transfer the collateral. 11 U.S.C.A. § 1325.

[15] **Bankruptcy** ➡ Surrender of property

In a bankruptcy case, implied acceptance by failure to object to Chapter 13 plan that includes collateral surrender provision would be deemed acceptance only to the claims treatment aspect of the claim, not the transfer. 11 U.S.C.A. § 1325.

[16] **Bankruptcy** ➡ Acceptance and Confirmation

The purpose of Bankruptcy Code provision governing confirmation of Chapter 13 plans is to protect and preserve full value of secured creditor's interest in collateral. 11 U.S.C.A. § 1325.

[17] **Bankruptcy** ➡ Secured Claims; Cram Down

The Bankruptcy Code provision directing how a plan must treat the claims of secured creditors and setting conditions on what treatments are available does not, in and of itself, effectuate that treatment; when Congress addressed a transfer of an interest under a Chapter 13 plan, it did so with the term “vest.” 11 U.S.C.A. § 1325.

[18] **Bankruptcy** ➡ Construction and Operation

In the Bankruptcy Code, Congress uses “vest” to describe a transfer. 11 U.S.C.A. §§ 1322(b)(9), 1327(b).

[19] **Bankruptcy** ➡ Effect as to Securities and Liens

Discharge in bankruptcy only extinguishes debtor's in personam liability on claim; it does not affect creditor's in rem rights against property.

[20] **Bankruptcy** ➡ Effect as to Securities and Liens

The discharge injunction prohibits a creditor from enforcing a discharged claim against a debtor in personam, but does not prohibit the creditor from enforcing an in rem claim against the debtor's property. 11 U.S.C.A. § 524(a)(2).

[21] **Bankruptcy** ➡ Claims allowable; what constitutes "claim."

Claim against bankruptcy estate can be either in personam or in rem.

[22] **Bankruptcy** ➡ Public health and safety considerations

A debtor in bankruptcy may not shift the burdens of public health or safety violations relating to estate property to the state.

[23] **Bankruptcy** ➡ Effect

"Abandonment" is extinguishment of bankruptcy estate's rights in property; it does not require a recipient as abandonment is not, in and of itself, a transfer. 11 U.S.C.A. § 554.

[24] **Bankruptcy** ➡ Effect

Abandoned property ceases to be property of the bankruptcy estate and thereby reverts to whatever party had an interest in such property before the estate acquired its interest. 11 U.S.C.A. § 554.

Attorneys and Law Firms

Attorney for Debtors: [Ross H Briggs](#), Firm 13, Chicago, Illinois

Attorneys for Creditor: [Jaime Dowell](#) and [David Paul Holtkamp](#), City of Chicago Department of Law, Chicago, Illinois

MEMORANDUM DECISION AND ORDER

[TIMOTHY A. BARNES](#), Judge.

*306 The matter before the court arises out of the Objection to Confirmation of Plan [Dkt. No. 32] (the "Objection"), filed by the City of Chicago (the "City"), objecting to the Chapter 13 Plan (Official Form 113) *307 [Dkt. No. 2] (the "Original Plan") of Willie J Jones and Peggy A Rodger-Jones (the "Debtors").

The Debtors assert that their surrender of the real property located at 6000 S. Paulina St. (the "Property") in their previous chapter 13 case, *In re Jones*, Case No. 10bk04352 (the "2010 Bankruptcy Case"), absolved them of continuing liability related to the Property. The City argues that the Debtors' surrender of the Property in the 2010 Bankruptcy Case did not divest the Debtors of their ownership interest nor absolve them of prospective liability on the Property, and the Plan (defined below) in this case should not be confirmed.

For the reasons stated below, the Objection is sustained.

JURISDICTION

The federal district courts have “original and exclusive jurisdiction” of all cases under title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”). 28 U.S.C. § 1334(a). The federal district courts also have “original but not exclusive jurisdiction” of all civil proceedings arising under the Bankruptcy Code or arising in or related to cases under the Bankruptcy Code. 28 U.S.C. § 1334(b). District courts may refer these cases to the bankruptcy judges for their districts. 28 U.S.C. § 157(a). In accordance with section 157(a), the District Court for the Northern District of Illinois has referred all its bankruptcy cases to the Bankruptcy Court for the Northern District of Illinois. N.D. Ill. Internal Operating Procedure 15(a).

A bankruptcy judge to whom a case has been referred has statutory authority to enter final judgment on any proceeding arising under the Bankruptcy Code or arising in a case under the Bankruptcy Code. 28 U.S.C. § 157(b)(1). Bankruptcy judges must therefore determine, on motion or *sua sponte*, whether a proceeding is a core proceeding or is otherwise related to a case under the Bankruptcy Code. 28 U.S.C. § 157(b)(3). As to the former, the bankruptcy court may hear and determine such matters. 28 U.S.C. § 157(b)(1). As to the latter, the bankruptcy court may hear the matters but may not decide them without the consent of the parties. 28 U.S.C. §§ 157(b)(1), (c). Absent consent, the bankruptcy court must “submit proposed findings of fact and conclusions of law to the district court, and any final order or judgment shall be entered by the district judge after considering the bankruptcy judge’s proposed findings and conclusions and after reviewing *de novo* those matters to which any party has timely and specifically objected.” 28 U.S.C. § 157(c)(1).

[1] [2] In addition to the foregoing considerations, a bankruptcy judge must also have constitutional authority to hear and determine a matter. *Stern v. Marshall*, 564 U.S. 462, 131 S.Ct. 2594, 180 L.Ed.2d 475 (2011). Constitutional authority exists when a matter originates under the Bankruptcy Code or, in noncore matters, where the matter is either one that falls within the public rights exception, *id.*, or where the parties have consented, either expressly or impliedly, to the bankruptcy court hearing and determining the matter. *See, e.g., Wellness Int’l Network, Ltd. v. Sharif*, 575 U.S. 665, 669, 135 S.Ct. 1932, 191 L.Ed.2d 911 (2015) (parties may consent to a bankruptcy court’s jurisdiction); *Richer v. Morehead*, 798 F.3d 487, 490 (7th Cir. 2015) (noting that “implied consent is good enough.”).

[3] Plan confirmation and objections thereto may arise in a case only under title 11 and are specified as core matters in which this court has jurisdiction to enter final orders. 28 U.S.C. § 157(b)(2)(B), (E) and (L); *308 *Schiff, Hardin & Waite v. Schuster*, 978 F.2d 1261 (7th Cir. 1992) (“plan confirmation is a core proceeding”); *In re Nicola*, 244 B.R. 795, 796 (Bankr. N.D. Ill. 2000) (Lefkow, J.). Such matters, thus, are within the court’s constitutional authority. *Stern*, 131 564 U.S. at 500–01, 131 S.Ct. 2594.

Accordingly, final judgment is within the scope of the court’s jurisdictional and constitutional authority.

PROCEDURAL HISTORY

[4] In considering the Objection, the court has reviewed and considered the Original Plan and the Objection and the following filed documents in the bankruptcy proceeding:

- (1) Schedules (Official Forms 106, *et seq.*) [Dkt. No. 1] (the “Schedules”);
- (2) Amended Chapter 13 Plan (Official Form 113) [Dkt. No. 24] (the “Amended Plan”);
- (3) Debtor’s Response to Objection to Confirmation of Plan Filed by Creditor City of Chicago [Dkt. No. 39] (the “Response”);

- (4) Amended Chapter 13 Plan (Official Form 113) [Dkt. No. 40] (the “Further Amended Plan” and, together with the Original Plan and the Amended Plan, the “Plan”);
- (5) The City of Chicago's Reply in Support of its Objection to Confirmation of Plan [Dkt. No. 47] (the “Reply”);
- (6) The City of Chicago's Supplemental Brief in Support of its Objection to Confirmation [Dkt. No. 56] (the “City's Brief”);
- (7) Debtor's Brief in Response to the City of Chicago's Supplemental Brief in Support of its Objection to Confirmation [Dkt. No. 58] (the “Debtors' Brief”); and
- (8) The City of Chicago's Reply in Support of its Supplemental Brief to its Objection to Confirmation [Dkt. No. 62] (the “City's Reply Brief”).

Though the foregoing items do not constitute an exhaustive list of the filings in the bankruptcy case, the court has taken judicial notice of the contents of the dockets in each of these cases. *See Levine v. Egidio*, No. 93C188, 1993 WL 69146, at *2 (N.D. Ill. Mar. 8, 1993) (authorizing a bankruptcy court to take judicial notice of its own docket); *In re Brent*, 458 B.R. 444, 455 n.5 (Bankr. N.D. Ill. 2011) (Goldgar, J.) (recognizing same).

BACKGROUND

On February 4, 2010, the Debtors commenced the 2010 Bankruptcy Case, in which case the Debtors presented their Chapter 13 Plan [Case No. 10bk04352, Dkt. No. 24] (the “2010 Plan”). In the 2010 Plan, the Debtors surrendered their interest in the Property to IndyMac Bank and the City of Chicago Water Department. Specifically, the 2010 Plan stated:

[T]he debtors surrender their interest in the property commonly known as 6000 S. Paulina, Chicago, Illinois to the secured lenders thereon (the mortgagee IndyMac Bank or its successor and the City of Chicago Water Department), and said creditors shall look solely to said collateral in payment of their secured claim.

2010 Plan, ¶ G.

Neither IndyMac Bank nor the City of Chicago objected to the 2010 Plan, and, on April 5, 2010, the court entered an order confirming the 2010 Plan. Order Confirming Chapter 13 Plan [Case No. 10bk04352, Dkt. No. 26]. On December 27, 2013, the court granted the Debtors a discharge in the 2010 Bankruptcy Case. Discharge of Joint Debtors after Completion of Chapter 13 Plan [Case No. 10bk04352, Dkt. No. 113].

On July 16, 2025, the Debtors filed the above-captioned chapter 13 bankruptcy case. In section 3.5 of the Original Plan, the Debtors elected to surrender the “lot only” of the Property and explained that while they had previously surrendered the Property in the 2010 Plan, the “Debtors’ names remain on title because no lien holder has foreclosed on the property. Debtors hold bare legal title and claim no interest in said property.” Original Plan, § 3.5. The Debtors also listed the lot of the Property in their Schedules, explaining that: “Debtors’ names remain on title because no lien holder has foreclosed on the property. Debtors hold bare legal title and claim no interest in said property.” Schedule A/B.

On November 10, 2025, the City filed the Objection to the Original Plan.¹ In the Objection and its subsequent filings, the City argues that the Debtors purport to shift the burdens of property ownership onto the local government. The City has filed three claims in this case against the Debtors relating to health and safety violations on the Property.

On December 10, 2025, the Debtors amended the Original Plan but made no material change to their treatment of the Property therein. *See* Amended Plan, § 3.5. Thereafter, the Debtors further amended the Amended Plan, this time no longer treating the Property in any fashion. Further Amended Plan, § 3.5.

Also on December 10, 2025, the Debtors filed the Debtors' Response to the City's Objection. The Debtors' Response asserts, among other things, that because the Debtors surrendered the Property in their 2010 Plan, because the City failed to object to the 2010 Plan and because the Debtors were granted a discharge, the City is now precluded from asserting new claims related to the Property.

On January 15, 2026, the City filed its Reply. In the Reply, the City argues that the Debtors are taking contradictory positions as the Debtors claim they do not own the Property but at the same time, they no longer surrender any interest in the Property in the Further Amended Plan, the result of which being that the Property remains in the estate and protected by the automatic stay in this case.

At a hearing on the confirmation of the Debtor's Plan on January 29, 2026 (the "Confirmation Hearing"), the court heard the parties' arguments. At that hearing, the court requested additional briefing specifically on the effect of the Debtors' surrender of real property in the 2010 Plan. In particular, the court directed the parties to address the possible effect of *Midlantic Nat. Bank v. New Jersey Dep't of Env't Prot.*, 474 U.S. 494, 106 S.Ct. 755, 88 L.Ed.2d 859 (1986).

As a result, on February 11, 2026, the City filed the City's Brief, again arguing that surrender alone under [section 1325\(a\)\(5\)\(C\) of the Bankruptcy Code](#) does not affect a debtor's ownership of real property, and unless that debtor attempts to vest title in another entity under section 1322(b)(9), title remains with the debtor. The City's Brief also asserted that *Midlantic* placed further restrictions on the Debtors such that they cannot divest themselves of ownership of the Property in the manner in which they have sought to do so.

***310** On March 5, 2026, the Debtors filed the Debtors' Brief in response. In the Debtors' Brief, the Debtors argue, among other things, that the City's discussion of "vesting" is immaterial and the Debtors cannot be held personally liable for any violations related to a property after they have surrendered it and received a discharge. The Debtors also assert that *Midlantic* has no application to the Debtors' right to surrender property to a secured creditor under [section 1325](#), because Congress has not expressed such a limitation.

On March 19, 2026, the City filed its reply in support of its supplemental brief. In the City's Reply Brief, the City argues that the Debtors have not cited authority holding that surrender transfers ownership or absolves debtors of ownership liability, and that the Debtors' discharge in the 2010 Bankruptcy Case did not shield them from future claims. The City's Reply Brief also introduced new arguments beyond the scope of the specific question presented by the court at the Confirmation Hearing. Those arguments will not be addressed in this Memorandum Decision. *U.S. v. Scott*, 784 F.2d 787, 789 n.1 (7th Cir. 1986) ("[N]ew issues cannot be raised in a reply brief.").

At the Confirmation Hearing, the court noted that at the conclusion of the aforementioned briefing, the matter would be taken under advisement. This Memorandum Decision resolves the matter under advisement—the narrow issue described below.

DISCUSSION

[5] In this case, the narrow issue is whether the Debtors' surrender of the Property in the 2010 Plan, combined with their discharge from the 2010 Bankruptcy Case, changed their ownership status and released them from any liabilities associated with owning the Property. Put differently, absent vesting title of the Property in a third party, are the Debtors responsible for

in personam liabilities incident to ownership stemming from the Property after their surrender of the Property in the 2010 Plan and receipt of their discharge?

This, first and foremost, calls into question the effect of the surrender in the 2010 Plan.

A. The Effect of Surrender

The term “surrender” is a not defined term in the Bankruptcy Code but is used in [section 1325 of the Bankruptcy Code](#) as one of the options for disposition of estate property. [11 U.S.C. § 1325](#). [Section 1325](#) governs the confirmation of a chapter 13 plan and directs the court to confirm a plan if, with respect to each allowed secured claim provided for by the plan, one of three requirements is met: (A) “the holder of such claim has accepted the plan;” (B) if the secured lienholder retains its lien and the plan provides certain protections; and (C) “the debtor *surrenders* the property securing such claim to such holder.” *Id.* (emphasis added).

As surrender is not defined in the Bankruptcy Code, the use of the term in [section 1325](#) has given rise to much understandable confusion. Outside of bankruptcy, surrender is considered to be a method of resolving contractual liability, governed by state law. *See Ervan v. Axos Bank*, Case No. 25-CV-05180, 2026 WL 821955 at *5 (N.D. Ill. Mar. 25, 2026); *see also In re Robertson*, 72 B.R. 2, 4 (Bankr. D. Colo. 1985) (stating that ‘surrender’ is a contractual act and occurs as a result of the consent of both parties); *In re Zak*, 361 B.R. 481, 486 (Bankr. N.D. Ohio 2007) (relying on *Robertson*). The *Robertson* court noted the similarity between abandonment and surrender, noting that while “an abandonment may include a surrender” [*311](#) ..., a surrender may not necessarily constitute a total abandonment.” *Robertson*, 72 B.R. at 4. In Illinois, at least one court has observed that a “surrender must be by mutual agreement of the parties.” *Hoerd v. Hahne*, 91 Ill. App. 514, 520 (Ill. App. Ct. 1900).

This court previously attempted to dispel some of that confusion in *In re Ware*, 533 B.R. 701 (Bankr. N.D. Ill. 2015) (Barnes, J.). There, the court found that the Oxford English Dictionary defined “surrender” as “[t]he giving up by a bankrupt of his property to his creditors or their assignees,” and that Black’s Law Dictionary defined it as, among other things, the “giving up of a right or claim.” *Id.* at 706. In *Ware*, the court defined “surrender” as the relinquishment of all the rights the debtor has in the collateral, thereby allowing the creditor to take possession of the property, but not requiring delivery of the collateral to the creditor. *Id.*

Other bankruptcy courts have similarly defined “surrender.” *See In re Sherwood*, Case No. 15-10637 (JLG), 2016 WL 355520 at *3 (Bankr. S.D.N.Y. Jan. 28, 2016) (“In order to surrender property under [section 1325\(a\)\(5\)\(C\)](#), a debtor does not need to deliver physical possession of the collateral; instead, the debtor need only ‘make the collateral available to the secured creditor.’”); *In re Williams*, 542 B.R. 514, 518 (Bankr. D. Kan. 2015) (“‘Surrender’ has been described as the relinquishment of all rights in property, including the right to possess the collateral.”); *In re Rosa*, 495 B.R. 522, 523 (Bankr. D. Haw. 2013) (“Rather, ‘surrender’ means only that the debtor will make the collateral available so the secured creditor can, if it chooses to do so, exercise its state law rights in the collateral.”).

[6] In bankruptcy, surrender is properly seen as a claims mechanism, not a transfer one. *See, e.g., In re Redante*, 579 B.R. 354, 364 (Bankr. E.D. Pa. 2018) (“Surrender merely opens the door, but does not change property rights.”); *In re Gollnitz*, 456 B.R. 733, 736 (Bankr. W.D.N.Y. 2011) (“Authorization for surrender does not constitute a transfer of title. Rather, transfer requires both the surrender of an interest and its acceptance.”); *Vlasic v. Equifax Credit Info. Servs.*, Case No. 03 C 4044, 2004 WL 1381031 at *3 (N.D. Ill. May 11, 2004) (holding that a debtor’s intent to surrender real property, on its own, does not transfer title in that property.).

[7] For surrender to also act as a transfer mechanism, the creditor in question must accept it as such. *See Sherwood*, 2016 WL 355520, at *3; *In re Canning*, 442 B.R. 165, 172 (Bankr. D. Me. 2011) (“Though the Code provides debtors with a surrender option, it does not force creditors to assume ownership or take possession of collateral.”); *In re White*, 282 B.R. 418, 423 (Bankr. N.D. Ohio 2002) (“The Code does not provide for the court or the debtor to direct the means by which the secured creditor deals with the surrendered property.”); *In re Service*, 155 B.R. 512, 515 (Bankr. E.D. Mo. 1993) (“The Court cannot compel acceptance of surrendered property.”).

[8] This is in keeping with applicable state law, which the Supreme Court has made clear governs interests in property. *Butner v. U.S.*, 440 U.S. 48, 55, 99 S.Ct. 914, 59 L.Ed.2d 136 (1979); *Willut v. Heuer*, Case No. 21-CV-1147-PP, 2022 WL 2657136 at *2 (E.D. Wis. July 8, 2022) (quoting *Oregon ex rel. State Land Bd. v. Corvallis Sand & Gravel Co.*, 429 U.S. 363, 378, 97 S.Ct. 582, 50 L.Ed.2d 550 (1977)) (“the Supreme Court has long held that ‘[u]nder our federal system, property ownership is not governed by a general federal *312 law, but rather by the laws of the several States.’”).

[9] [10] [11] In Illinois, the courts have made clear that surrender requires voluntary acceptance. *Hoerd*, 91 Ill. App. at 520; accord *Est. of Gabbett v. Ray*, 352 Ill. App. 3d 900, 903–04, 288 Ill.Dec. 274, 817 N.E.2d 924 (2004) (finding that conveyance of real property requires delivery by the grantor and acceptance by the grantee). Illinois law therefore requires the recipient's willingness to accept such a transfer. A wholesale abandonment of state law by using “the Code to unilaterally vest title in a secured creditor by fiat” would, on the other hand, “eviscerate ... accepted state law requirements.” *In re Rose*, 512 B.R. 790, 795 (Bankr. W.D.N.C. 2014). It could only be done with clear intent by Congress. See *In re Hicks*, 653 B.R. 562, 567 (Bankr. N.D. Ill. 2023) (Barnes, J.). For the Bankruptcy Code to alter such rights or preempt applicable state law, there must be a clear indication of Congress's intent to do so. *Id.* The court finds no evidence of such an intent by Congress. In fact, the Bankruptcy Code as a whole presents a scheme of preserving creditors' rights. *Zair*, 550 B.R. at 203–04; *Watt*, 2015 WL 1879680 at *6. Nothing in the Bankruptcy Code suggests that a debtor has the right to forcibly vest title of surrendered property in the secured creditor, and this court is not inclined “to graft into the Code a right or remedy not granted by Congress.” *In re Cano*, 410 B.R. 506, 518 (Bankr. S.D. Tex. 2009); see also *In re Franklin*, 284 B.R. 739, 745 (Bankr. D.N.M. 2002) (“As previously observed, a bankruptcy court cannot create substantive rights beyond the parameters of the Bankruptcy Code.”).

[12] When a debtor invokes section 1325, therefore, the debtor is using a claims mechanism to address a creditor's claim. 11 U.S.C. § 1325(a)(5)(C). When invoked, the debtor is free to treat the secured creditor's claim as satisfied. *In re Dennett*, 548 B.R. 733, 738 (Bankr. N.D. Tex. 2016) (“Surrendering the property under § 1325(a)(5)(C) must, therefore, by definition satisfy the secured claim.”). However, as surrender is a claims mechanism, any additional effect such as a transfer should only occur with the creditor's consent. Such is the law of surrender, both in and out of bankruptcy.

[13] [14] This means that a debtor who surrenders a car, such as happened in *Ware*, to a secured creditor is free to treat the creditor's claim as satisfied thereby. Assuming the Debtor also obtains a discharge, such a creditor's claims may thereafter only be satisfied from the car itself. That creditor might overtly accept the surrender or accept it through conduct, such as repossession and foreclosure, but is not required to do so. The creditor is free not to accept the surrender, in which case the collateral remains the debtor's. Assuming the plan is confirmed and the discharge results, the claim, on the other hand, may only be satisfied from the collateral. *Davis v. U.S. Bank (In re Davis)*, 778 F.3d 809, 813 (9th Cir. 2015) (“A creditor retains a right to payment, enforceable *in rem*, on the unsecured portion of a loan for which *in personam* liability may have been discharged.”). Put another way, surrender is a claims resolution mechanism that, without acceptance by the creditor, does nothing to transfer the collateral.

[15] It is not consistent with the definition of surrender both under state law and federal usage for such acceptance to be imposed on the creditor. Surrender simply is not a transfer mechanism unless a creditor accepts it as such. As such, implied acceptance by failure to object would be deemed acceptance only to the claims treatment aspect of the claim, not the *313 transfer. To hold otherwise would permit a debtor to treat surrender as a more powerful mechanism than it actually is and to cause it to operate in ways contrary to its state law analog.

This court therefore agrees that surrender alone does not transfer a debtor's interests, for a variety of reasons.

First, as discussed above, for surrender to transfer an interest, the transfer must be agreed upon by the parties. It requires both a debtor's intention to give up its interests *and* the recipient's agreement to take on those very same interests. Without both, surrender does not transfer anything. This does not mean that a debtor may not continue to treat the claim as satisfied by the surrender.

Second, as is also noted above, transfer by forced surrender as a transfer mechanism is simply inconsistent with the law of surrender. It is also anathema to the way that the Bankruptcy Code treats secured creditors generally. As one court has held, compelling a secured creditor to accept surrendered property does not work for multiple reasons. First, forcing a secured creditor to accept title to real property would open “a Pandora’s box of possible injuries to lenders.” *Rose*, 512 B.R. 790 at 795. It would compel the creditor to assume the debtor’s existing burdens of ownership, including insurance and property taxes. *Id.* at 795. “Second, if the property is subject to multiple encumbrances, requiring a senior lender to accept title to its collateral would destroy that lender’s priority lien position vis a vis junior mortgages, liens, and accrued HOA obligations.” *Id.* Finally, if the property is subject to environmental contamination, or is “dilapidated, damaged, or otherwise a public nuisance,” the creditor could inherit these personal liabilities as well. *Id.*

[16] Forcing a secured creditor through surrender to take on the debtor’s liabilities incident to ownership contradicts the purpose of section 1325—to protect and preserve the full value of the secured creditor’s interest in collateral. See *In re Bulson*, 327 B.R. 830, 847 (Bankr. W.D. Mich. 2005) (“Section 1325(a)(5) protects secured creditors who...are to have their rights modified by the debtor’s plan pursuant to Section 1322(b)[]”); *In re Owens*, 120 B.R. 487, 490 (Bankr. E.D. Ark. 1990) (“Section 1325 entitles a creditor to protection of the value of its allowed secured claim.”); *In re Graham*, 123 B.R. 330, 332 (Bankr. W.D. Mo. 1990) (“Section 1325 recognizes and preserves the rights of secured creditors.”).

[17] Third, treating section 1325 as a transfer mechanism flies in the face of the structure and express provisions of the Bankruptcy Code. Section 1325 is, by its own express terms, a provision directing how a plan must treat the claims of secured creditors. It sets conditions on what treatments are available. It does not, in and of itself, effectuate that treatment. When Congress addressed a transfer of an interest under a chapter 13 plan, it did so with the term “vest.”

Bankruptcy courts have defined “vesting” as a transfer of ownership. See *In re Tosi*, 546 B.R. 487, 493 (Bankr. D. Mass. 2016) (“[T]o vest property in another...is to effect a transfer of ownership of that property from the estate to another person or entity.”); *Bank of New York Mellon v. Watt (In re Watt)*, No. 3:14-CV-02051-AA, 2015 WL 1879680, at *4 (D. Or. Apr. 22, 2015) (“Unlike surrender, ‘vesting...includes a present transfer of ownership.’”) (quoting *Rosa*, 495 B.R. at 524); *Rosa*, 495 B.R. at 524 (“The plain meaning of ‘vesting’ includes a present transfer of ownership.”). This is consistent with the common legal usage of the term vest. The Oxford English Dictionary defines the transitive *314 verb “to vest” as “to place, settle, or secure (something) in the possession of a person or persons.” OXFORD ENGLISH DICTIONARY (online version, 2026), <https://www.oed.com> (last visited March 18, 2026). Meanwhile, Black’s Law Dictionary provides alternative definitions for the term “vest,” including “to confer ownership (of property) on a person,” “to invest (a person) with the full title to property,” and “to give (a person) an immediate, fixed right of present or future enjoyment.” BLACK’S LAW DICTIONARY 1673 (12th ed. 2024).

[18] Thus, Congress uses vest to describe a transfer. For example, in section 1327 of the Bankruptcy Code, Congress provides that “the confirmation of a plan vests all of the property of the estate in the debtor.” 11 U.S.C. § 1327(b) (emphasis added); *In re Forte*, 341 B.R. 859, 865 (Bankr. N.D. Ill. 2005) (Black, J.) (finding that, without an additional mechanism, “upon confirmation all property of the estate would appear to vest in the debtor and not be available to creditors.”). Similarly, under section 1322 of the Bankruptcy Code, which governs the contents of a chapter 13 plan, Congress states that “subject to subsections (a) and (c) of this section, the plan may provide for the vesting of property of the estate, on confirmation of the plan or at a later time, in the debtor or in any other entity.” 11 U.S.C. § 1322(b)(9) (emphasis added).²

It is clear, therefore, that Congress intended for debtors to invoke section 1322(b)(9), not section 1325(a)(5)(C), when attempting to transfer an interest in property.

B. Application to the Issue at Bar

The Debtors’ 2010 Plan sought only to surrender the Property under section 1325(a)(5)(C) and that surrender was not accepted by the City. The result is that the Property remained owned by the Debtors even after the 2010 Plan was confirmed the Debtors received their discharge.

That continued ownership might result *in personam* liability for the Debtors as it *315 changes neither the incidents nor obligations of ownership. *Canning*, 442 B.R. at 172 (such as “accruing real estate taxes and the desirability of maintaining liability insurance for the premises.”); see also *In re Sciarrino*, Case No. 9:11-BK-05881-FMD, 2013 WL 3465920, at *6 (Bankr. M.D. Fla. July 10, 2013) (“[U]ntil a debtor no longer owns the property in question, he remains liable for ... accruing real estate taxes, insurance premiums, and postpetition association fees.”).

[19] [20] The Debtor's discharge does not change the result. A discharge in bankruptcy only extinguishes a debtor's *in personam* liability on a claim; it does not affect a creditor's *in rem* rights against property. See *Johnson v. Home State Bank*, 501 U.S. 78, 83–84, 111 S.Ct. 2150, 115 L.Ed.2d 66 (1991). “The discharge injunction prohibits a creditor from enforcing a discharged claim against a debtor *in personam*, but the discharge injunction does not prohibit the creditor from enforcing an *in rem* claim against the debtor's property.” *In re Parkland Props., LLC*, 605 B.R. 509, 525 (Bankr. N.D. Ill. 2019) (Cassling, J.).

[21] Further, a claim against the bankruptcy estate can be either *in personam* or *in rem*. *In re Smith*, 675 B.R. 878, 892 (Bankr. N.D. Ill. 2025) (Barnes, J.) (“[A] claim against property, even if exclusively *in rem*, is a valid basis for asserting a claim in a debtor's bankruptcy[.]”). Thus, to the extent the City has valid *in rem* claims against the Property, those claims must be addressed in the Debtors' bankruptcy case. To the extent that the City has *in personam* claims against the Debtors arising out of their continued ownership of the Property, assuming such claims arose after the Debtors received their discharge in 2010, they too are potentially valid claims. It is tautological that those postpetition claims were not discharged and can be asserted. *In re Tolbert*, No. 13BK06829, 2022 WL 2126970, at *2 (Bankr. N.D. Ill. June 13, 2022) (Hunt, J.) (“It is well-established that the discharge order applies to debts arising *before* the filing of bankruptcy in a bankruptcy case and does not discharge postpetition debts.”). That means that the Debtors may remain liable for whichever claims by the City that might have arisen since the 2010 Bankruptcy Case. The City's Objection, insofar as it challenges the Plan's treatment of the Property and the City's claims, is well taken.

It should also be noted that the City is correct that the Debtors' Plan attempts to treat the Property as property of the estate, subject to the protections of the automatic stay, while at the same time the Debtors argue that they have no interest in the Property as a result of the 2010 Plan. Were the Debtors to be successful in extending the protections of the automatic stay to the Property as property of the estate, they would be judicially estopped from claiming that their interest in the Property was divested by the 2010 Plan. *In re Legette*, Case No. CV 15-03320-JW, 2015 WL 4507678 at *2 (Bankr. D.S.C. July 22, 2015) (“[T]he plain language of the Code requires that in order for certain property to be afforded the protections of the automatic stay, it must be shown that the debtor has a legal or equitable interest in such property.”). Both conditions cannot exist at once.

C. Application of *Midlantic*

As noted above, the court also requested that the parties address the possible application of *Midlantic* here. In *Midlantic*, the Supreme Court held that the Chapter 7 trustee could not abandon the debtor's property which stored oil contaminated by a highly toxic carcinogen. *Midlantic*, 474 U.S. at 507, 106 S.Ct. 755. In so doing, the *316 Supreme Court placed a condition on the otherwise clear statutory language in favor of the public good, finding that even express statutory language cannot be given full effect “in contravention of state or local laws designed to protect public health or safety.” *Id.* at 502, 106 S.Ct. 755; see also *Rose*, 512 B.R. at 796 (stating that a debtor cannot force a secured creditor to accept personal liability for property that is damaged or otherwise a public nuisance or accept title to a property subject to environmental contamination).

[22] The Debtors are incorrect in their contention that *Midlantic* does not apply because Congress has not limited surrender in that way. In *Midlantic*, the Supreme Court imposed a limitation on abandonment over and above the statute's express terms. *Midlantic*, 474 U.S. at 502, 106 S.Ct. 755. Thus, the presence or absence of limitations from Congress is not the point of *Midlantic*. The point is whether a debtor may shift the burdens of public health or safety violations relating to estate property to the state. The Supreme Court's answer was clear—a debtor may not. In that regard, the holding of *Midlantic* is broad enough to encompass other mechanisms in the Bankruptcy Code that might achieve that same result.

[23] [24] The Debtors are correct, however, that *Midlantic* is about abandonment, not about surrender or vesting. But that distinction does not favor the Debtors. Abandonment does not require a recipient as abandonment is not, in and of itself, a transfer. It is an extinguishment of the estate's rights in property.³ As both surrender and vesting require acceptance by the secured creditor, there should be no situation in which a debtor could force the state into the position forbidden by *Midlantic*. Thus, the court agrees with the Debtors that *Midlantic* is inapplicable here.

CONCLUSION

For the foregoing reasons, the Objection must be and is sustained. The Debtors' surrender of the Property in the 2010 Plan did not change their ownership interest. Because the Debtors own the Property, they are potentially responsible for all its accruing liabilities, including any validly asserted claims by the City arising out of their continued ownership of the Property.

All Citations

679 B.R. 304

Footnotes

- 1 While the Objection was raised with respect to the Original Plan, because the issues raised in the Objection remain unresolved by subsequent amendments, the court considers it here in respect to the Amended Plan as it presently exists.
- 2 As was the case with surrender, most courts have held that a secured lender cannot be forced to accept vesting of property. *In re Sagendorph*, 562 B.R. 545, 558–59 (D. Mass. 2017) (holding that the plain language of sections 1322(b)(8), (b)(9), and 1325(a)(5)(C) precludes forced vesting); *Sherwood*, 2016 WL 355520, at *7 (“[T]he Court is persuaded by the emerging line of cases, exemplified by *Rose*, *Malave*, *Watt II*, *Williams*, and *Weller*, which hold that a Chapter 13 plan may not be confirmed over the objection of a secured creditor where the plan proposes to vest title to surrendered property in that creditor.”); *HSBC Bank USA, N.A. v. Zair*, 550 B.R. 188, 203–04 (E.D.N.Y. 2016) (finding that forcing vesting on the secured creditor was “inherently inconsistent with and impermissibly impede[d] upon the creditor's rights sought to be preserved in § 1325(a)(5)”); *Tosi*, 546 B.R. at 490–92 (finding that lacking the creditor's consent, a Chapter 13 plan that proposes to vest title of the property in that creditor cannot be confirmed); *Williams*, 542 B.R. at 514 (“[V]esting of property in creditor over its objection would force creditor to accept title and impermissibly impose unbargained-for obligations on it ... in a manner not contemplated by the Bankruptcy Code.”); *In re Malave*, Case No. 13-13348 (ALG), 2014 Bankr. LEXIS 5383 at *3–4 (Bankr. S.D.N.Y. Apr. 11, 2014) (refusing to confirm a plan over the creditor's objection to the vesting provision, reasoning that the debtor cannot require the creditor to accept title to the surrendered property); *Watt*, 2015 WL 1879680, at *6 (finding that nonconsensual vesting frustrates the purpose of the Bankruptcy Code and erodes essential protections afforded to secured creditors). The court has found no cases that hold the opposite that have not been reversed on appeal, and only one case that might be construed to imply a creditor might be forced to accept surrender and vesting. *In re Stewart*, 536 B.R. 273, 277 (Bankr. D. Minn. 2015). Even there, as creditor did not object, the outcome can be seen more simply as in keeping with *Rosa*'s conclusion that implied acceptance may exist in the absence of an objection. *Id.*
- 3 Section 554 of the Bankruptcy Code states that “the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” 11 U.S.C. § 554(a). Such abandonment, however, simply removes the estate's interest in property of the estate. *In re Buckner*, 224 B.R. 760, 762 (Bankr. E.D. Mo. 1998). The abandoned property ceases to be property of the estate and thereby reverts to whatever party had an interest in such

property before the estate acquired its interest. See *In re Jones*, 657 B.R. 238, 252-53 (Bankr. N.D. Ill. 2024) (Cox, J.). Thus, even if a chapter 13 debtor could abandon property, which some courts have held they cannot, *In re Nordike*, Case No. 12-60037, 2013 WL 66262, at *4 (Bankr. S.D. Ill. Jan. 4, 2013) (“It is uncontroverted that the language of § 554(a) permits only a [Chapter 7] trustee to abandon property of the estate.”), abandoning property does not effectuate a transfer of the debtor's interest in such property, only an extinguishment of the estate's interests.

End of Document

© 2026 Thomson Reuters. No claim to original U.S. Government Works.

Admitting an Exhibit into Evidence

Rule 9017 of the Federal Rules of Bankruptcy Procedure provides that the Federal Rules of Evidence apply in a bankruptcy case. There are several procedural steps that must be followed before an exhibit may be entered into evidence. Unless the authenticity of your exhibit has been stipulated to by opposing counsel, you may need a witness to testify, who is knowledgeable about the exhibit.

Simple steps to admitting your exhibit into evidence:

Step 1. Mark your exhibits

Every exhibit must be marked so it can be distinguished from all others.

Step 2. Show the exhibit to opposing counsel.

It is good practice to have an extra copy to provide to opposing counsel.

“Your Honor, let the record reflect I am handing to opposing counsel what has been marked as [party’s name here] Exhibit A, for purposes of the record.”

Step 3. Ask the Court for permission to approach the witness.

Step 4. Show the exhibit to the witness.

“Let the record reflect that I am handing [witness name here] what has been marked as [party’s name here] Exhibit A, for purposes of the record.”

Step 5. Lay the foundation for the exhibit.

“[witness name here], you have in front of you what has been marked as [party’s name here] Exhibit A, for purposes of the record.

Do you recognize it?

What is it?

Are you familiar with it?

Is Exhibit “A” a true and accurate copy of _____?

If you are admitting a business record, FRE 803(6), requires testimony by the custodian, or other qualified witness, or by certification that complies with FRE 902(11) or (12) or with a statute permitting certification, and the opponent does not show that the source of information or the method or circumstances of preparation indicate a lack of trustworthiness. If you intend to “self-authenticate” your business record with the certification as provided for in FRE 902(11), the requirements set out in FRE 803(6)(A) – (C) must be set out in your certification, you must give the adverse party reasonable written notice of the intent to offer the record, and you must make

the record and certification available for inspection, so that the opposing party has a fair opportunity to challenge them.

If you are authenticating your business record with the custodian, the following testimony must be elicited pursuant to FRE 803(6):

“Was the record made at or near the time by — or from information transmitted by — someone with knowledge?”

Was the record kept in the course of a regularly conducted activity of a business, organization, occupation, or calling, whether or not for profit?

Was the record made as a regular practice of that activity?”

Step. 6. Move for admission of exhibit into evidence. Do Not Forget this Step.

“Your Honor, I move to admit [party’s name here] Exhibit “A”, for purposes of the record, into evidence.”

Simple steps to laying the foundation to establish your witness.

If it is the debtor, or other lay witness, elicit his or her name, address, and a little background to establish credibility, which is also based on what he or she says and his or her demeanor in how he or she testifies. If the lay witness is a records custodian and appears for the purpose of entering into evidence business records or testifying as to record keeping, include questions addressing the witness’ present employment, duties involved in the employment, prior relevant employment, educational background, specialized training etc. to bolster credibility.

If the witness is an appraiser, lay the foundation to establish your witness as an “expert”.

In Federal Court, qualifying a vehicle appraiser as an expert is governed primarily by Federal Rule of Evidence 702. The goal is to establish that the witness has knowledge, skill, experience, training, or education necessary to offer a reliable opinion regarding the vehicle’s value, that will assist the trier of fact in understanding the evidence.

Begin by eliciting the appraiser's qualifications:

1. Please state your name and occupation.
2. What is your educational background?
3. Do you have any specialized training in vehicle valuation?
4. Have you completed any appraisal certification programs?

Continue with the appraiser's experience:

1. How long have you worked in the automotive industry?
2. What positions have you held?
3. How long have you performed vehicle appraisals?
4. Approximately how many vehicles have you appraised?

Proceed with identifying any certifications and/or memberships:

1. Are you certified by any appraisal organizations?
2. Do you hold any dealer, auction, or valuation credentials?
3. Are you a member of any professional appraisal associations?

Inquire about the use of valuation resources:

1. What valuation methods do you use?
2. Are you familiar with NADA, Black Book, Kelley Blue Book, and auction data?
3. Do you regularly rely upon those sources in your work?

Connect the witness' experience to the issue before the court:

1. Have you previously determined fair market values of used vehicles?
2. Is determining vehicle value a regular part of your profession?
3. Have your valuation opinions been used by lenders, insurers, dealers, or courts?

Establish Reliability of Methodology:

Because Rule 702 requires reliable principles and methods, establish how the witness reached his opinion.

1. What factors do you consider when determining vehicle value?
2. Do you consider mileage?
3. Do you consider vehicle condition?
4. Do you consider market sales data?
5. Do you consider NADA valuations?

6. Is this methodology commonly used in the automotive appraisal industry?

Tie the expert to the vehicle at issue:

1. Did you inspect the vehicle involved in this case?
2. What information did you review?
3. Did you prepare a valuation opinion?
4. Did you apply the same methodology you regularly use in your profession?

Move to qualify the witness:

After the foundation is complete, formally tender the witness.

“Your Honor, based upon the witness' education, training, experience, and specialized knowledge in vehicle valuation, I offer [Name] as an expert in motor vehicle appraisal and valuation.”

Address voir dire by opposing counsel:

The court may permit opposing counsel to question the witness regarding qualifications.

Common areas of attack include:

1. Lack of formal certification
2. Limited experience
3. Failure to inspect the vehicle personally
4. Reliance on incomplete records
5. Bias from compensation

After voir dire, renew your request and obtain the Court's ruling.

You may now ask the witness further questions which prove up your case, including his or her opinion as to value and the basis, therefore.

Amy Godshalk
Staff Attorney for Paul R. Chael
Standing Chapter 13 Trustee

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION

IN RE:)
)
) CASE NO.
) CHAPTER 13
Debtor.)

OBJECTION TO POST PETITION FEES CLAIMED BY
SERVIS ONE, INC DBA BSI FINANCIAL SERVICES ON OCTOBER 22, 2025

COMES NOW Debtor, by counsel, and hereby filed their Objection to the Notice of Post Petition Mortgage Fees, Expenses, and Charges, claimed by Servis One, Inc. dba BSI Financial Services, and filed on or about October 22, 2025. In support therefore, the undersigned now states:

1. Secured creditor Servis One, Inc. dba BSI Financial Services is the secured creditor on debtor's home.
2. On or about October 22, 2025, this creditor filed its Notice of Post Petition Mortgage Fees with the Court. In this Claim, creditor seeks payment of three additional, post-filing costs related to their claim:
 - a. \$875 for "Bankruptcy/Proof of claim fees" on October 1, 2025; and
 - b. \$325 for "POC 410a History" on October 1, 2025; and
 - c. \$150 for "Plan Review" on October 9, 2025.
3. No invoice was attached to the Notice explaining the fees incurred – no hourly rate and hours spent on each task was noted, no explanation of the task performed was made.
4. Debtors believe that FRBP 3002.1(c) requires more than a mere mention of the fees sought, but some explanation such that debtors can reasonably determine whether the charges are just and proper.
5. Accordingly, debtor must object to this additional fee under Claim 19 as not compliant with the Rule, as well as excessive.
6. Debtor therefore requests the Court disallow these additional fees.

WHEREFORE, Debtor prays that Servis One, Inc. dba BSI Financial Services additional fee request as noted in its Notice of Post Petition Mortgage Fees, Expenses, and Charges be disallowed at this time and as filed as not compliant with FRBP 3002.1, as well as for being excessive, and for all other proper relief in the premises.

Respectfully submitted,

/s/ Jeffrey S. Arnold
Jeffrey S. Arnold #19743-02
209 W. Van Buren St.
Columbia City IN 46725
(260) 248-2169
Attorney for the Debtor

CERTIFICATE OF SERVICE

COMES NOW the undersigned, and hereby certifies that a true and correct copy of the above and foregoing, was served upon the following:

US Trustee USTPRegion10.SO.ECF@usdoj.gov
Tracy L Updike trustee@southbend13.com

Linda St. Pierre
Attorney for Servis One, Inc. dba BSI Financial Services
McCalla Raymer Leibert Pierce, LLP
1544 Old Alabama Road
Roswell, GA 30076

Said service was made by electronic filing.

Dated: 10/22/2025

/s/ Jeffrey S Arnold
Jeffrey S Arnold

Fill in this information to identify the case:

Debtor 1 [REDACTED]

Debtor 2 [REDACTED]
(Spouse, if filing)

United States Bankruptcy Court for the: NORTHERN District of INDIANA
(State)

Case number [REDACTED]g

Official Form 410S2

Notice of Postpetition Mortgage Fees, Expenses, and Charges 12/16

If the debtor's plan provides for payment of postpetition contractual installments on your claim secured by a security interest in the debtor's principal residence, you must use this form to give notice of any fees, expenses, and charges incurred after the bankruptcy filing that you assert are recoverable against the debtor or against the debtor's principal residence.

File this form as a supplement to your proof of claim. See Bankruptcy Rule 3002.1.

Name of creditor: SERVIS ONE, INC. DBA BSI FINANCIAL SERVICES Court claim no. (if known) 19

Last four digits of any number you use to identify the debtor's account: [REDACTED]

Does this notice supplement a prior notice of postpetition fees, expenses, and charges?

- ☒ No
☐ Yes. Date of the last notice:

Part 1: Itemize Postpetition Fees, Expenses, and Charges

Itemize the fees, expenses, and charges incurred on the debtor's mortgage account after the petition was filed. Do not include any escrow account disbursements or any amounts previously itemized in a notice filed in this case or ruled on by the bankruptcy court.

Description	Dates incurred	Amount
1. Late charges	(1)	\$ 0.00
2. Non-sufficient funds (NSF) fees	(2)	\$ 0.00
3. Attorney fees	(3)	\$ 0.00
4. Filing fees and court costs	(4)	\$ 0.00
5. Bankruptcy/Proof of claim fees	10/1/2025, (5)	\$ 875.00
6. Appraisal/Broker's price opinion fees	(6)	\$ 0.00
7. Property inspection fees	(7)	\$ 0.00
8. Tax advances (non-escrow)	(8)	\$ 0.00
9. Insurance advances (non-escrow)	(9)	\$ 0.00
10. Property preservation expenses. Specify: _____	(10)	\$ 0.00
11. Other. Specify: <u>POC 410a History</u>	10/1/2025 (11)	\$ 325.00
12. Other. Specify: <u>Plan Review</u>	10/9/2025 (12)	\$ 150.00

The debtor or trustee may challenge whether the fees, expenses, and charges you listed are required to be paid. See 11 U.S.C. § 1322(b)(5) and Bankruptcy Rule 3002.1.

If the court has previously approved an amount, indicate that approval in parentheses after the date the amount was incurred.

Debtor 1

First Name Middle Name Last Name

Case number (if known)

2

Part 2: Sign Here

The person completing this Notice must sign it. Sign and print your name and your title, if any, and state your address and telephone number if different from the notice address listed on the proof of claim to which this Supplement applies.

Check the appropriate box.

☐ I am the creditor.

☒ I am the creditor's authorized agent.

I declare under penalty of perjury that the information provided in this Notice is true and correct to the best of my knowledge, information, and reasonable belief.

X /s/Linda St. Pierre
Signature

Date 10/20/2025

Print: Linda St. Pierre
First Name Middle Name Last Name

Title Authorized Agent

Company McCalla Raymer Leibert Pierce, LLP

Address 1544 Old Alabama Road
Number Street
Roswell GA 30076
City State ZIP Code

Contact phone 860-240-9156

Email Linda.St.Pierre@mccalla.com

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF INDIANA

In re:	)	
	)	Case No. 25-11067-reg
Samantha K Mapes	)	Chapter 13
	)	
	)	JUDGE: Robert E. Grant

EXHIBIT B

ITEMIZATION OF CLAIM

Bankruptcy/Proof of Claim Fees			\$875.00
10/01/2025	Preparation and Filing of Proof of Claim	\$875.00	
Other			\$325.00
10/01/2025	Preparation of the POC 410A History	\$325.00	
Other			\$150.00
10/09/2025	Review and Analysis of Schedules, Plan, Docket, Loan Docs	\$150.00	
• TOTAL POSTPETITION FEES, EXPENSES, AND CHARGES:			\$1,350.00

The debtor or trustee may challenge whether the fees, expenses, and charges you listed are required to be paid. See 11 U.S.C. § 1322 (b)(5) and Bankruptcy Rule 3002.1

In Re:

Samantha K Mapes

Bankruptcy Case No.: 25-11067-reg

Chapter: 13

Judge: Robert E. Grant

CERTIFICATE OF SERVICE

I, Linda St. Pierre, of McCalla Raymer Leibert Pierce, LLP, 1544 Old Alabama Road, Roswell, GA 30076, certify:

That I am, and at all times hereinafter mentioned, was more than 18 years of age;

That on the date below, I caused to be served a copy of the within NOTICE OF POSTPETITION MORTGAGE FEES, EXPENSES, AND CHARGES filed in this bankruptcy matter on the following parties at the addresses shown, by regular United States Mail, with proper postage affixed, unless another manner of service is expressly indicated:

Samantha K Mapes
9324 N Oak Shore Drive
Rome City, IN 46784

Jeffrey S. Arnold
Jeffrey S. Arnold
209 W. Van Buren Street
Columbia City, IN 46725

(Served via ECF Notification)

Tracy L. Updike
Office of the Chapter 13 Trustee
PO Box 11550
South Bend, IN 46634

(Served via ECF Notification)

Nancy J. Gargula
100 East Wayne Street, 5th Floor
South Bend, IN 46601-2349

(Served via ECF Notification)

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed on: 10/22/2025
(date)

By: /s/Linda St. Pierre

Linda St. Pierre
Authorized Agent for Creditor

[CAPTION]

:

**MOTION TO APPROVE SALE OF REAL PROPERTY PURSUANT TO
11 U.S.C. §363(b) AND APPROVE DISTRIBUTION OF PROCEEDS**

The Motion of _____ (hereinafter "Debtor"), by and through her attorneys, _____, to Approve the Sale of Real Property Pursuant to 11 U.S.C. §363(b) and Approve Distribution of Proceeds is as follows:

1. On _____, the Debtor filed her Petition under Chapter 13 of the United States Bankruptcy Code to the above case number in the within Court.

2. The Debtor and non-filing party _____ ("Mr. _____") are the joint owners of certain real estate located at _____ (the "Real Property").

3. The Debtor and Mr. _____ have entered into an Agreement for the sale of the Real Property (the "Agreement") to _____ (the "Buyers"). The Agreement provides for the total consideration of \$ _____ for the purchase of the Real Property [with \$ _____ in Seller Assist]. A true and correct copy of the Agreement is attached hereto and labeled Exhibit "A". The Buyers are an unrelated third party.

4. Debtor believes that the purchase price offered sets forth fair consideration given the current market conditions.

5. The Real Property may be subject to the following liens:

(a) A mortgage lien in favor of Wells Fargo Bank, N.A. ("Wells Fargo") securing a debt in the current amount of approximately \$134,433.10 recorded in the Office of the Recorder of Deeds in and for _____ County.

6. The Debtor and Mr. _____ propose to pay costs and expenses associated with the sale of the Real Property at closing as follows:

(a) Any notary or incidental recording fees required to be paid by the Debtor and Mr. _____ as Sellers;

(b) Any costs associated with the preparation of the deed or normal services with respect to closing;

(c) From Debtor's half share of the net proceeds only, attorney fees to _____ in the amount of \$ _____ for services in

connection with this transaction as it relates to this Chapter 13 case. All fees and expenses payable to _____ shall be subject to such approval as the Bankruptcy Court may require.

- (d) Realty transfer tax, if any, required to be paid by Debtor and Mr. _____, as Sellers;
- (e) Any present and past due real estate taxes owed on the Real Property, prorated to the date of sale; and
- (f) Real Estate Commission to _____ in the amount of _____ percent (____%) of the total sales consideration [and a broker's fee of \$____.00 for services rendered to Sellers by _____ in connection with this sale].

7. Subsequent to the payment of the costs of the sale as set forth above, the following items shall be paid from the proceeds of the sale of the Real Property:

- (a) Payment to Wells Fargo on account of the mortgage in an amount sufficient to pay off the loan secured by the mortgage;
- (b) Payment to Mr. _____ of fifty percent (50%) of net proceeds thereafter;
- (c) Payment to the Debtor of fifty percent (50%) of net proceeds after deduction of the cost set forth above in Paragraph 6(c), up to the full amount of her claimed exemption, as allowed under _____; and
- (d) Thereafter, payment to the Chapter 13 Trustee of the remaining balance of Debtor's 50% interest in the net proceeds.

8. The Debtor and Mr. _____ believe that the consideration payable by the Buyers under the Agreement for the purchase of the Real Property is fair and reasonable.

9. Code Section 363(b)(1) provides that a debtor "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate". Section 105(a) provides, in relevant part, that "[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title".

10. Code Section 363(m) provides:

- (m) The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. §363(m).

11. While the Bankruptcy Code does not define “good faith”, the Court of Appeals for the Third Circuit ruling in *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3rd Cir. 1986), and since cited by _____ within this circuit, held that:

[t]he requirement that a purchaser act in good faith...speaks for the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would destroy a purchaser’s good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

788 F.2d at 147 (citations omitted).

The Debtor and Mr. _____ submit that the Agreement is a negotiated, arm’s length transaction in which the Buyers have at all times acted in good faith under the *Abbotts Dairies* standards. The Debtor and Mr. _____ thus request that the Court make a finding that the Buyers will have purchased the Real Property in good faith within the meaning of Section 363(m).

12. The Debtor and Mr. _____ also request that the order approving the sale be effective immediately upon entry and the stay of ten (10) days provided for in Bankruptcy Rule 6004(h) not be applicable hereto.

WHEREFORE, Debtor and Mr. _____ respectfully request that the Court enter an Order:

- (a) Approving the sale of the Real Property located at and known as _____;
- (b) Allowing and directing payment of the costs and expenses involved with the sale of the Real Property as set forth above;
- (c) Allowing attorney fees to _____ from Debtor’s half share of the net proceeds only in the amount of \$_____ for services in

connection with this transaction as it relates to this Chapter 13 case. All fees and expenses payable to _____ shall be subject to such approval as the Bankruptcy Court may require.

- (d) Providing for payment of realty transfer tax, if any, required to be paid by Debtor and Mr. _____, as Sellers;
- (e) Providing for any present and past due real estate taxes owed on the Real Property, prorated to the date of sale;
- (f) Providing for payment of real estate commission of ____ percent (____%) of the sale consideration [and a fee of \$____ to _____];
- (g) Providing for payment of net proceeds to Wells Fargo in an amount sufficient to pay off the debt secured by the mortgage;
- (h) Providing for payment to Mr. _____ of fifty percent (50%) of net proceeds thereafter;
- (i) Providing for payment to Debtor of fifty percent (50%) of net proceeds, after deduction of cost for attorney's fees, up to the full amount of her claimed exemption as allowed under _____; and
- (j) Providing for payment to the Chapter 13 Trustee of the remaining balance of Debtor's fifty percent (50%) interest in the net proceeds.
- (k) That the sale is to a good faith purchaser and for fair market value within the meaning of 11 U.S.C. §363(m) and In re Abbotts Dairies of Pennsylvania, Inc., 788 F 2nd 142(3rd Cir. 1986).
- (l) That provides that the Debtor is empowered to execute any and all documents necessary to effectuate the sale of the Real Property;
- (m) That provides that Fed. R. BankR. P. Rule 6004(h) is not applicable, and the Real Property may be sold and purchased properly; and
- (n) That provides for such other and further relief as is just and proper.

Respectfully submitted,

[CAPTION]

**MOTION TO APPROVE SALE OF REAL PROPERTY
FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES
AND APPROVING DISTRIBUTION OF PROCEEDS**

The Motion of _____ (hereinafter "Debtor"), by and through his attorneys, _____, to Approve the Sale of Real Property Free and Clear of Liens, Claims and Encumbrances and Approving Distribution of Proceeds, is as follows:

1. On _____, the Debtor filed his Petition under Chapter 13 of the United States Bankruptcy Code to the above case number in the within Court.

2. The Debtor is an owner of certain real estate located at _____ (the "Real Property").

3. The Debtor has entered into an Agreement for the sale of the Real Property (the "Agreement") to _____ (the "Buyers"). The Agreement provides for the total consideration of \$ _____ for the purchase of the Real Property. A true and correct copy of the Agreement is attached hereto and labeled Exhibit "A". The Buyers are an unrelated third party.

4. The Debtor believes that the purchase price offered sets forth fair consideration given the current market conditions.

5. The Real Property may be subject to the following liens:

(a) A mortgage lien in favor of U.S. Bank, N.A. as serviced by Select Portfolio Servicing, Inc. ("SPS") securing a debt in the current amount of approximately \$ _____ recorded in the Office of the Recorder of Deeds in and for _____ (the "First Mortgage"); and

(b) A mortgage lien in favor of Specialized Loan Servicing, LLC ("Specialized") securing a debt in the current amount of approximately \$ _____ recorded in the Office of the Recorder of Deeds in and for _____ (the "Second Mortgage").

6. The Debtor proposes to pay costs and expenses associated with the sale of the Real Property at closing as follows:

(a) Any notary or incidental recording fees required to be paid by the Debtor as Seller;

(b) Any costs associated with the preparation of the deed or normal services with respect to closing;

- (c) Attorney fees to _____ in the amount of \$ _____ for services in connection with this transaction. All fees and expenses payable to _____ shall be subject to such approval as the Bankruptcy Court may require.
- (d) Realty transfer tax, if any, required to be paid by Debtor, as Seller;
- (e) Any present and past due real estate taxes owed on the Real Property, prorated to the date of sale; and
- (f) Real Estate Commission to _____ in the amount of _____ percent (___%) of the total sales consideration for services rendered to Seller by _____ in connection with this sale.

7. Subsequent to the payment of the costs of the sale as set forth above, the following items shall be paid from the proceeds of the sale of the Real Property:

- Payment to SPS on behalf of U.S. Bank, N.A. on account of the First Mortgage up to an amount sufficient to payoff the loan secured by the First Mortgage; in all events the amount will be no less than the \$ _____ agreed to in SPS's short sale approval, but is expected to be approximately \$ _____.

8. The Debtor requests that this sale be free and clear of all liens, claims and encumbrances, with such liens, claims and encumbrances to be payable and paid as set forth in Paragraphs 6 and 7.

9. The Debtor believes that the consideration payable by the Buyers under the Agreement for the purchase of the Real Property is fair and reasonable.

10. Code Section 363(b)(1) provides that a debtor "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate". Section 105(a) provides, in relevant part, that "[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title".

11. Code Section 363(f) provides:

- (f) The [Debtor] may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if B B
 - (1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;

- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. §363(f).

12. Code Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the Debtor's sale of the Real Property free and clear of all liens, claims, interests, and encumbrances (collectively, the "Liens and Claims") as required by the Agreement.

13. The Debtor submits that this Motion satisfies at least one of the five conditions of Code §363(f) and that the Liens and Claims will be adequately protected by having them attach to the net proceeds of sale, subject to any claims and defenses the Debtor may possess with respect thereto.

14. Code Section 363(m) provides:

- (m) The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. §363(m).

15. While the Bankruptcy Code does not define "good faith", the Court of Appeals for the Third Circuit ruling in *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3rd Cir. 1986), and since cited by _____ within this circuit, held that:

[t]he requirement that a purchaser act in good faith...speaks for the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would

destroy a purchaser's good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

788 F.2d at 147 (citations omitted).

The Debtor submits that the Agreement is a negotiated, arm's length transaction in which the Buyers have at all times acted in good faith under the Abbotts Dairies standards. The Debtor thus requests that the Court make a finding that the Buyers will have purchased the Real Property in good faith within the meaning of Section 363(m).

16. The Debtor also requests that the order approving the sale be effective immediately upon entry and the stay of ten (10) days provided for in Bankruptcy Rule 6004(h) not be applicable hereto.

WHEREFORE, _____, Debtor herein, respectfully requests that the Court enter an Order:

- (a) Approving the sale of the Real Property located at and known as _____ free and clear of all liens, claims and encumbrances, except for those claims which consist of easements for utilities and rights of way of record, or as may exist and are visible on the Real Property;
- (b) Allowing and directing payment of the costs and expenses involved with the sale of the Real Property as set forth above;
- (c) Allowing attorney fees to _____ in the amount of \$_____ for services in connection with this transaction. All fees and expenses payable to _____ shall be subject to such approval as the Bankruptcy Court may require;
- (d) Providing for payment of realty transfer tax, if any, required to be paid by Debtor, as Seller;
- (e) Providing for any present and past due real estate taxes owed on the Real Property, prorated to the date of sale;
- (f) Providing for payment of real estate commission of ____ percent (____%) of the sale consideration to _____;

- (g) Providing for payment of any remaining net proceeds to Select Portfolio Servicing, Inc. on behalf of U.S. Bank up to an amount sufficient to pay off the debt secured by the First Mortgage;
- (h) That the sale is to a good faith purchaser and for fair market value within the meaning of 11 U.S.C. §363(m) and In re: Abbotts Dairies of Pennsylvania, Inc., 788 F 2nd 142 (3rd Cir. 1986);
- (i) That provides that the Debtor is empowered to execute any and all documents necessary to effectuate the sale of the Real Property;
- (j) That provides that Fed. R. BankR. P. Rule 6004(h) is not applicable, and the Real Property may be sold and purchased promptly; and
- (k) That provides for such other and further relief as is just and proper.

Respectfully submitted,

Slide Information

Slide 1: Introduction

- Evidence: You be the Judge
- By Hon. Paul E. Singleton
- Special Thanks to Philip Martin and Bradley Shanker (Law Clerks) & Brett Bishop (IT Director)

Slide 2: Objectives

- Objectives: After this session, attendees will be able to:
 - o Explain when a court should (and should not) take judicial notice.
 - o Explain the subparts of FRE 201.
 - o Identify practice pointers/best practices

Slide 3: Agenda

- Agenda:
 - o Discuss judicial notice with hypotheticals
 - o Leave with practice pointers/best practices
 - o Ask questions

Slide 4: Slides Will Be Interactive

It will be interactive. Why is it interactive?

Slide 5: Historical Evidence



Slide 6: Question

- Must a court take judicial notice of a fact?
 - o A: Yes
 - o B: No
 - o C: Depends

Slide 7: Results

- Polling results to be shared at CLE.

Slide 8: Answer

C: The Court **may** judicially notice...FRE 201(b) (emphasis added). Then, consider FRE 201(c): The Court **may** take judicial notice “on its own.” FRE 201(c)(1) (emphasis added). But **must** take notice “if a party requests it **and** the court is supplied with the necessary information.” FRE 201(c)(2) (emphasis added).

Slide 9: Question

- At the first confirmation hearing for a chapter 13 plan, Debtor asks the Court to take judicial notice of a particular fact. It is undisputed, the fact is a fact that may be judicially noticed. May the court take judicial notice?

Slide 10: Question Continued

- A: No, a court should only take judicial notice at a trial.
- B: No, a court may take judicial notice but only at a trial or an evidentiary hearing but not at a confirmation hearing.
- C: Yes, the court may take judicial notice at any stage of the proceeding.

Slide 11: Results

- Polling results to be shared at CLE.

Slide 12: Answer

- Correct answer to be shared at CLE.

Slide 13: Question: Judicial Notice

- The case is an adversary proceeding, and the event in question happened in the Northern District of Indiana in the spring. Lawyer asks the judge: Judge, I would like you to take judicial notice that sunrise happened at 6:15 a.m. on the day in question (and presents Exhibit 1, a local newspaper showing the sun rose at 6:15 a.m. on the day in question).

Slide 14: Question Continued

- Should the Judge take judicial notice that the sun rose on that day and time?
 - o A: Yes
 - o B: No

Slide 15: Results

- Polling results to be shared at CLE.

Slide 16: Answer

- Correct answer to be shared at CLE.

Slide 17: Answer Continued

- The previous example was a classic example of when it is appropriate to take judicial notice.

Slide 18: Answer Continued, Bonus

- Exhibit 1: Was a newspaper, so under FRE 902(6), as a newspaper, it's self authenticating and requires "no extrinsic evidence of authenticity in order to be admitted.

Slide 19: Definitions/Rule

- FRE 201(a): Scope
 - o This rule governs judicial notice of adjudicative facts only.
- What is an adjudicative fact?
 - o the facts of the particular case—the who did what, where, when, how and with what motive or intent.
 - o Adjudicative facts relate to the parties, their activities, their properties, their businesses.

Slide 20: Definitions Continued

- FRE 201(b)
 - o The court may judicially notice a fact that is not subject to reasonable dispute because it:
 - (1) is generally known within the trial court's territorial jurisdiction; or
 - (2) can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned.

Slide 21: Definitions Continued

- Key takeaway: What is Judicial Notice?
- "Judicial notice is a doctrine that authorizes the finder of fact **to waive proof of facts that cannot reasonably be contested.**" *United States v. Arroyo*, 310 F. App'x 928, 929 (7th Cir. 2009)

Slide 22: Question: Judicial Notice

- Should the Court take judicial notice that Notre Dame is a better football team than Indiana University?
 - o A: Yes
 - o B: No
 - o C: It may depend if you are appearing before the Judge that sits in the Hammond Division.

Slide 23: Results

- A: Polling results to be shared at CLE.

Slide 24: Answer

- Correct answer to be shared at CLE.

Slide 25: More Bonus Materials: Things Like Dockets

- At an evidentiary hearing, Attorney says, “Judge – I’d like you to take judicial notice of the docket.”
- **Look at FRE 902(1) and (2): Self authenticating dockets for domestic documents sealed and signed & documents that are sealed but are not signed and certified.

Slide 26: Things Like Dockets Cont.

- court records that are not self-authenticating must be properly authenticated before they are noticed. *Powers v. Dole*, 782 F.2d 689, 695 n.2 (7th Cir. 1986).
- *In the Matter of Lisse*, 905 F.3d 495, 496 (7th Cir. 2018) (explaining that “The fact that a document is in a state court’s record does not make it an appropriate subject of notice, however, because its provenance may be disputed” and among the problems are authentication, its status under the original writings rule, and its relevance).

Slide 27: More Bonus Materials

- What if something is true; no one is really objecting to it, but it is not a fact that should be judicially noticed?
- **Practice pointer/best practice: Stipulation!!**

Slide 28: Question

- When may the Court take Judicial Notice?
 - o A: On its own
 - o B: Only when a party requests it and the court is supplied with the necessary information
 - o C: Both of the above

Slide 29: Results

- Polling results to be shared at CLE.

Slide 30: Answer

- Correct answer to be shared at CLE.

Slide 31: Question

- 523(a)(9): Non-dischargeability adversary proceeding involving operating motor vehicle while intoxicated

- A critical issue will be the amount of traffic on a Notre Dame home football game.

Slide 32: Question Continued

- May the Court take judicial notice that there is more traffic on a Notre Dame home football game than when there is no football game or Notre Dame plays away?
 - o A: Yes
 - o B: No
 - o C: Maybe

Slide 33: Results

- Polling results to be shared at CLE.

Slide 34: Answer

- Correct answer to be shared at CLE.

Slide 35: Answer Continued

- Correct answer to be shared at CLE.

Slide 36: Judicial Notice and Documents

- Practice pointer/best practice: Parties may want to consider: FREs concerning hearsay
 - o 801: hearsay
 - o 801(d): statements that are not hearsay
 - o 803: hearsay exceptions

Slide 37: Judicial Notice and Documents Continued

- Practice pointer/best practice: Parties may want to consider: FREs concerning authentication
 - o 901: Authenticating, esp. 901(b)(7): Public Records
 - o 902: Self authenticating documents

Slide 38: Question

- At a hearing on an evidentiary hearing, creditor asks the Court to take judicial notice of the docket. There is no objection from debtor or trustee. Should the court take judicial notice?
 - o A: Yes
 - o B: No
 - o C: Depends

Slide 39: Results

- Polling results to be shared at CLE.

Slide 40: Answer

- Correct answer to be shared at CLE.

Slide 41: Definition/Answer Continued

- Judicial notice and documents
 - o Judicial notice is limited to the existence and filing of a document, and not the “truth or falsity [of the] contents of any such document. *In re Earl*, 140 B.R. 728, 730 n.2 (Bankr. N.D. Ind. 1992).
 - o Practice pointer/best practice: Ind. Evidence Rule 201 – different

Slide 42: Question

- Debtor objects to Creditor’s proof of claim.
- At the evidentiary hearing, Creditor asks the Court to take judicial notice of the proof of the proof of claim.
- Should the Court take judicial notice?

Slide 43: Question Continued

- A: Yes
- B: No
- C: I object to the question, the answer is more nuanced. *See, e.g.*, Judge Grant’s Opinion in *In re Tieman*, No. 25-11188, 2026 Bankr. LEXIS 1610, at *2 (Bankr. N.D. Ind. Apr. 20, 2026)

Slide 44: Results

- Polling results to be shared at CLE.

Slide 45: Answer

- Correct answer to be shared at CLE.

Slide 46: Answer Continued

- “A proof of claim signed and filed in accordance with these rules is *prima facie* evidence of the claim’s validity and amount.” FRBP 3001(f)
- “[A] properly filed proof of claim “constitute[s] prima facie evidence of the validity and the amount of the claim.” *In re Tieman*, No. 25-11188, 2026 Bankr. LEXIS 1610, at *2 (Bankr. N.D. Ind. Apr. 20, 2026) (citing FRBP 3001(f))

Slide 47: Answer Continued

- Practice pointer/best practice:
 - o Consider the context of when the document is being offered.

Slide 48: Question

- In an adversary proceeding, in a 523(a)(9) action (drunk driving), Creditor asks the Court to take judicial notice of a police report. Debtor does not object and agrees – the police report should be admitted. Should the Court take judicial notice?
 - o A: Yes
 - o B: No
 - o C: Depends

Slide 49: Results

- Polling results to be shared at CLE.

Slide 50: Question Part 2

- Police reports are hearsay. *Miller v. Field*, 35 F.3d 1088, 1089 (6th Cir. 1994) (reversing trial court judgement and remanding case where trial court inappropriately admitted police reports as evidence)

Slide 51: Question Part 2 Continued

- Now, knowing police reports are hearsay. Let us see if your answer changes. Should the court take judicial notice of the police reports?
 - o A: Yes
 - o B: No
 - o C: Depends

Slide 52: Answer

- Correct answer to be shared at CLE.

Slide 53: Question

- You are in an adversary proceeding. The reference has been withdrawn, and now the district court presides over a jury trial. The Court takes judicial notice of a fact.

Slide 54: Question Continued

- **After** the close of evidence, defendant, creditor, and the court realize that the court should not have taken judicial notice of that fact. What instruction should the district court give the jury?

Slide 55: Question Continued

- A: The court must instruct the jury to accept the noticed fact as conclusive.
- B: The court must instruct the jury that it may or may not accept the noticed fact as conclusive.

- C: It depends.

Slide 56: Results

- Polling results to be shared at CLE.

Slide 57: Answer

- Correct answer to be shared at CLE.

Slide 58: Definitions/Rule

- Contrast civil cases with criminal case: FRE 201(f): “In a criminal case, the court must instruct the jury that it **may or may not accept** the noticed fact as conclusive.”

Slide 59: Question (Same Question, but at a Bench Trial)

- (Judge erroneously takes judicial notice of a fact at a **bench trial** immediately after the moving party requests the judge do so). Ninety seconds later, the opposing party objects and says, “I want to be heard!”

Slide 60: Question Continued

- Should the judge entertain the request?

Slide 61: Results

- Polling results to be shared at CLE.

Slide 62: Answer

- Correct answer to be shared at CLE.

Slide 63: Answer Continued

- Correct answer to be shared at CLE.

Slide 64: Practice Pointers /Best Practices

- Only use judicial notice for proving facts that cannot reasonably be contested.
- For documents, be mindful of hearsay and authentication.
- Consider having the opposing party stipulate to either facts or documents.

Slide 65: Questions???

Client Interviews

If they have a brief case, look out, they are probably trouble.

If they come in bashing another local bankruptcy attorney, I usually see that as a sign of trouble.

Multiple prior bankruptcies with multiple different attorneys this also may be a sign of trouble.

Most clients are embarrassed to be meeting with us in the first place so when they seem difficult I remind myself financial trouble can happen to anyone and I may be seeing a very kind a reasonable person at one of the lowest moments of their life.

Probably a good idea to have staff tell prospective client to bring with them for the initial meeting proof of income from past 6 months, most recent tax returns, list of creditors (preferably not a shoe box or grocery bag full of bills), last bank statement, any court documents they may have received.

1. Good Morning Mr. Debtor, I see we are meeting to discuss some financial issues, what brings you here?

- Knowing if they have a foreclosure, wage garnishment, tax problems may help you figure out if the person is going to need a Ch 7 or 13, or if bankruptcy is even the best solution.

- often only have a foreclosure, so maybe helping with filing an answer, requesting a settlement conference may help client achieve a better outcome than they could achieve through bankruptcy.

- Knowing how much debt a client has is helpful to know as soon as possible because non-bankruptcy assistance like helping with debt settlement or getting them on a payment plan with a judgment creditor may be a better course of action.

- if doing settlements always warn about forgiveness of debt income

- It seems some clients think just because they are feeling “broke” they need to file bankruptcy, but often bankruptcy may not fix their problem.

2. Have you ever had to file for bankruptcy relief before?
3. What is your current source of income?
 - a. If SSD, perhaps uncollectible and a bankruptcy is really not necessary.
4. Do you own your house or any other real estate?

-Often referring to a bank to consider a 2nd mortgage or refinance may be an option because if they have too much equity they may not be able to afford the Ch 13 plan payment needed to satisfy the Best Interest Test.

-a quick check on the County Treasurer or Recorders site is free and probably a good idea to make sure they may not be listed on a property they are not disclosing, possibly innocently.

-What do you think that house is worth? When did you buy it? When was it last appraised.

-I always pull the tax assessment and look at Zillow for every case I am appointed Trustee or I am meeting with someone in a client interview.

-If the equity in the house exceeds the exemption, I often start thinking Ch 13 to repay a portion of the debt to protect the equity in RE. If a Ch 7 is really needed, I usually encourage D to get a CMA.

-important to figure out how property is titled and how long it has been that way. (as a Trustee I ALWAYS check the Recorder's site to look for transfers.

5. Is your name on any real estate other than your home?

-A lot of people seem to have "family homes" titled in a lot of peoples' names

-Also see houses still titled in a late relative's name but Debtor clearly has an ownership interest that could become an issue in bankruptcy.

6. What assets do you own or have an ownership interest in that we need to make sure we can protect? Money in the bank, investments, crypto, Zelle, Paypal, claims etc.

a. Do you have a right to sue anyone or inherit from anyone who has passed away?

i. Claims against any 3rd parties accounts receivables, contracts, work comp claims, class action claims.

b. Does anyone owe you any money for any reason?

7. When was the last time you used a credit card or took out a personal loan?

a. It is always good to know if an AP can be avoided by waiting to file for a month or 2.

8. Have you transferred any property in the last 2 years?

9. Have you made any payments on Debts in past 90 days or 1 year if to a friend/ family member?

10. Is anyone joint with you on any of your debts?
 - a. A lot of people think if they include a debt it can relieve a co-debtor of their obligation. Important to evaluate what impact the Ch 13 Co-Debtor Stay might have.
11. Have you filed all the tax returns for 2025 and all previous years? Did you receive a tax refund for the most recent year? How much did you receive, what happened to the refund.
 - a. If giant refund should we counsel them to re-evaluate their W-4?
12. Do you own any vehicles?
 - a. Year, make, model, outstanding loan
 - b. When did you buy the car
 - i. If too soon to filing can have issues with title or dealer being forced to buy back the loan from a lender.
 - ii. We all have horror stories about car dealerships that do not understand bankruptcy law.
 - iii. Whose name is on the car title and loan, Ch 13 Co-Debtor Stay may be beneficial
 - c. If you do not own a vehicle, how are you getting around?
13. Who lives with you, do any of the other people in your house contribute to your household income and expenses?
14. Are you married? Do you have any joint debt with your spouse?
 - a. If going through a divorce or separated what is the status of that process?
 - b. Is it better to file after the divorce?
 - i. I always discuss the “Super Discharge Light” of Ch 13 where we may be able to eliminate debt from an unfavorable property division
 - ii. Filing a 7 too soon and discharging a joint debt as to D only can lead to them getting stuck with the debt through the divorce due to Ex still being liable.
15. Have you transferred or sold any real estate or personal property worth more than 1000 in the past year?
 - a. We know the Trustee will ask, so it is a good idea to have this information for the beginning. Sometimes people who made a gift to a family member will gladly file Ch 13 to protect the family member and repay the value of the transfer over the term of their plan.
16. What are you hoping to be able to achieve by filing?

- a. If their mortgage and car payments are more than they can afford, bankruptcy may not fix the problem. It is probably best to have a candid conversation about what their situation will look like after filing.
- b. Probably not a great idea to file a Ch 7 for someone going through a medical hardship when we know more bills are coming
 - i. If immediate relief is needed, is filing a 13 with an eye towards future conversion a sound strategy?
- c. Is it a good idea to wait until the hardship has passed to file?
 - i. Wait for divorce to be over?
 - ii. Return to work?
 - iii. Medical hardship finished?

14. Lawsuits:

-Foreclosure, Collections, Accidents,.

Fill in this information to identify your case and this filing:

Debtor 1 _____
First Name Middle Name Last Name

Debtor 2 _____
(Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: _____ District of _____

Case number _____

☐ Check if this is an amended filing

Official Form 106A/B

Schedule A/B: Property

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- ☐ No. Go to Part 2.
- ☐ Yes. Where is the property?

1.1. _____
Street address, if available, or other description

City State ZIP Code

County

What is the property? Check all that apply.

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other _____

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? \$ _____

Current value of the portion you own? \$ _____

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

☐ Check if this is community property (see instructions)

Other information you wish to add about this item, such as local property identification number: _____

If you own or have more than one, list here:

1.2. _____
Street address, if available, or other description

City State ZIP Code

County

What is the property? Check all that apply.

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other _____

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? \$ _____

Current value of the portion you own? \$ _____

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

☐ Check if this is community property (see instructions)

Other information you wish to add about this item, such as local property identification number: _____

1.3. _____
Street address, if available, or other description

City State ZIP Code

County

What is the property? Check all that apply.

- ☐ Single-family home
☐ Duplex or multi-unit building
☐ Condominium or cooperative
☐ Manufactured or mobile home
☐ Land
☐ Investment property
☐ Timeshare
☐ Other _____

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number: _____

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____

\$ _____

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

☐ **Check if this is community property** (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here. _____ →

\$ _____

Part 2: Describe Your Vehicles

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

3. **Cars, vans, trucks, tractors, sport utility vehicles, motorcycles**

- ☐ No
☐ Yes

3.1. Make: _____
 Model: _____
 Year: _____
 Approximate mileage: _____
 Other information:

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____

\$ _____

If you own or have more than one, describe here:

3.2. Make: _____
 Model: _____
 Year: _____
 Approximate mileage: _____
 Other information:

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____

\$ _____

3.3. Make: _____
 Model: _____
 Year: _____
 Approximate mileage: _____
 Other information:

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____ \$ _____

3.4. Make: _____
 Model: _____
 Year: _____
 Approximate mileage: _____
 Other information:

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____ \$ _____

4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories

Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

- ☐ No
☐ Yes

4.1. Make: _____
 Model: _____
 Year: _____
 Other information:

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____ \$ _____

If you own or have more than one, list here:

4.2. Make: _____
 Model: _____
 Year: _____
 Other information:

Who has an interest in the property? Check one.

- ☐ Debtor 1 only
☐ Debtor 2 only
☐ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property? **Current value of the portion you own?**

\$ _____ \$ _____

5. Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here



\$

Part 3: Describe Your Personal and Household Items**Do you own or have any legal or equitable interest in any of the following items?****Current value of the portion you own?**

Do not deduct secured claims or exemptions.

6. Household goods and furnishings*Examples:* Major appliances, furniture, linens, china, kitchenware☐ No☐ Yes. Describe.....

\$ _____

7. Electronics*Examples:* Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games☐ No☐ Yes. Describe.....

\$ _____

8. Collectibles of value*Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles☐ No☐ Yes. Describe.....

\$ _____

9. Equipment for sports and hobbies*Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments☐ No☐ Yes. Describe.....

\$ _____

10. Firearms*Examples:* Pistols, rifles, shotguns, ammunition, and related equipment☐ No☐ Yes. Describe.....

\$ _____

11. Clothes*Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories☐ No☐ Yes. Describe.....

\$ _____

12. Jewelry*Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver☐ No☐ Yes. Describe.....

\$ _____

13. Non-farm animals*Examples:* Dogs, cats, birds, horses☐ No☐ Yes. Describe.....

\$ _____

14. Any other personal and household items you did not already list, including any health aids you did not list☐ No☐ Yes. Give specific information.

\$ _____

15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here →

\$ _____

Part 4: Describe Your Financial Assets**Do you own or have any legal or equitable interest in any of the following?****Current value of the portion you own?**

Do not deduct secured claims or exemptions.

16. Cash*Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition☐ No☐ Yes Cash: \$**17. Deposits of money***Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.☐ No☐ Yes Institution name:

17.1. Checking account: \$

17.2. Checking account: \$

17.3. Savings account: \$

17.4. Savings account: \$

17.5. Certificates of deposit: \$

17.6. Other financial account: \$

17.7. Other financial account: \$

17.8. Other financial account: \$

17.9. Other financial account: \$

18. Bonds, mutual funds, or publicly traded stocks*Examples:* Bond funds, investment accounts with brokerage firms, money market accounts☐ No☐ Yes Institution or issuer name:

..... \$

..... \$

..... \$

19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture☐ No

Name of entity:	% of ownership:	
.....	0% %	\$
.....	0% %	\$
.....	0% %	\$

20. Government and corporate bonds and other negotiable and non-negotiable instruments

Negotiable instruments include personal checks, cashiers' checks, promissory notes, and money orders.
Non-negotiable instruments are those you cannot transfer to someone by signing or delivering them.

☐ No☐ Yes. Give specificinformation about
them.....

Issuer name:

\$ _____
 \$ _____
 \$ _____

21. Retirement or pension accounts

Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☐ No☐ Yes. List each

account separately.

Type of account:

Institution name:

401(k) or similar plan: _____

\$ _____

Pension plan: _____

\$ _____

IRA: _____

\$ _____

Retirement account: _____

\$ _____

Keogh: _____

\$ _____

Additional account: _____

\$ _____

Additional account: _____

\$ _____

22. Security deposits and prepayments

Your share of all unused deposits you have made so that you may continue service or use from a company

Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☐ No☐ Yes

Institution name or individual:

Electric: _____

\$ _____

Gas: _____

\$ _____

Heating oil: _____

\$ _____

Security deposit on rental unit: _____

\$ _____

Prepaid rent: _____

\$ _____

Telephone: _____

\$ _____

Water: _____

\$ _____

Rented furniture: _____

\$ _____

Other: _____

\$ _____

23. Annuities (A contract for a periodic payment of money to you, either for life or for a number of years)☐ No☐ Yes

Issuer name and description:

\$ _____
 \$ _____
 \$ _____

24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☐ No☐ Yes Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

_____ \$ _____

_____ \$ _____

_____ \$ _____

25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit☐ No☐ Yes. Give specific information about them....

_____ \$ _____

26. Patents, copyrights, trademarks, trade secrets, and other intellectual property*Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements☐ No☐ Yes. Give specific information about them....

_____ \$ _____

27. Licenses, franchises, and other general intangibles*Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses☐ No☐ Yes. Give specific information about them....

_____ \$ _____

Money or property owed to you?**Current value of the portion you own?**
Do not deduct secured claims or exemptions.**28. Tax refunds owed to you**☐ No☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.

Federal: \$ _____

State: \$ _____

Local: \$ _____

29. Family support*Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement☐ No☐ Yes. Give specific information.....

Alimony: \$ _____

Maintenance: \$ _____

Support: \$ _____

Divorce settlement: \$ _____

Property settlement: \$ _____

30. Other amounts someone owes you*Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else☐ No☐ Yes. Give specific information.....

_____ \$ _____

31. Interests in insurance policies*Examples: Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance*☐ No

☐ Yes. Name the insurance company of each policy and list its value. ...

Company name:	Beneficiary:	Surrender or refund value:
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

32. Any interest in property that is due you from someone who has died

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☐ No

☐ Yes. Give specific information.....

\$ _____

33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment*Examples: Accidents, employment disputes, insurance claims, or rights to sue*☐ No

☐ Yes. Describe each claim.

\$ _____

34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims☐ No

☐ Yes. Describe each claim.

\$ _____

35. Any financial assets you did not already list☐ No

☐ Yes. Give specific information.....

\$ _____

36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here

\$ _____

Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**37. Do you own or have any legal or equitable interest in any business-related property?**☐ No. Go to Part 6.☐ Yes. Go to line 38.**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

38. Accounts receivable or commissions you already earned☐ No

☐ Yes. Describe.....

\$ _____

39. Office equipment, furnishings, and supplies*Examples: Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones, desks, chairs, electronic devices*☐ No

☐ Yes. Describe.....

\$ _____

40. Machinery, fixtures, equipment, supplies you use in business, and tools of your trade

☐ No

☐ Yes. Describe..... \$ _____

41. Inventory

☐ No

☐ Yes. Describe..... \$ _____

42. Interests in partnerships or joint ventures

☐ No

☐ Yes. Describe..... Name of entity: _____ % of ownership: _____ % \$ _____

_____ % \$ _____

_____ % \$ _____

43. Customer lists, mailing lists, or other compilations

☐ No

☐ Yes. **Do your lists include personally identifiable information** (as defined in 11 U.S.C. § 101(41A))?

☐ No

☐ Yes. Describe..... \$ _____

44. Any business-related property you did not already list

☐ No

☐ Yes. Give specific information \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have attached for Part 5. Write that number here →

\$ _____

Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.
 If you own or have an interest in farmland, list it in Part 1.
46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?

☐ No. Go to Part 7.

☐ Yes. Go to line 47.

Current value of the portion you own?
 Do not deduct secured claims or exemptions.

47. Farm animals

Examples: Livestock, poultry, farm-raised fish

☐ No

☐ Yes \$ _____

48. Crops—either growing or harvested☐ No☐ Yes. Give specific information.

\$ _____

49. Farm and fishing equipment, implements, machinery, fixtures, and tools of trade☐ No☐ Yes

\$ _____

50. Farm and fishing supplies, chemicals, and feed☐ No☐ Yes

\$ _____

51. Any farm- and commercial fishing-related property you did not already list☐ No☐ Yes. Give specific information.

\$ _____

52. Add the dollar value of all of your entries from Part 6, including any entries for pages you have attached for Part 6. Write that number here

\$ _____

Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**53. Do you have other property of any kind you did not already list?***Examples: Season tickets, country club membership*☐ No☐ Yes. Give specific information.

\$ _____

\$ _____

\$ _____

54. Add the dollar value of all of your entries from Part 7. Write that number here

\$ _____

Part 8: List the Totals of Each Part of this Form**55. Part 1: Total real estate, line 2**

\$ _____

56. Part 2: Total vehicles, line 5

\$ _____

57. Part 3: Total personal and household items, line 15

\$ _____

58. Part 4: Total financial assets, line 36

\$ _____

59. Part 5: Total business-related property, line 45

\$ _____

60. Part 6: Total farm- and fishing-related property, line 52

\$ _____

61. Part 7: Total other property not listed, line 54

+ \$ _____

62. Total personal property. Add lines 56 through 61.

\$ _____

Copy personal property total



+ \$ _____

63. Total of all property on Schedule A/B. Add line 55 + line 62.

\$ _____

Fill in this information to identify your case:

Debtor 1 _____
First Name Middle Name Last Name

Debtor 2 _____
(Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: _____ District of _____

Case number _____
(If known)

☐ Check if this is an amended filing

Official Form 107

Statement of Financial Affairs for Individuals Filing for Bankruptcy

04/25

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Give Details About Your Marital Status and Where You Lived Before

1. What is your current marital status?

- ☐ Married
- ☐ Not married

2. During the last 3 years, have you lived anywhere other than where you live now?

- ☐ No
- ☐ Yes. List all of the places you lived in the last 3 years. Do not include where you live now.

Debtor 1:

Dates Debtor 1 lived there

Debtor 2:

Dates Debtor 2 lived there

☐ Same as Debtor 1

☐ Same as Debtor 1

Number Street

From _____

Number Street

From _____

To _____

To _____

City State ZIP Code

City State ZIP Code

☐ Same as Debtor 1

☐ Same as Debtor 1

Number Street

From _____

Number Street

From _____

To _____

To _____

City State ZIP Code

City State ZIP Code

3. Within the last 8 years, did you ever live with a spouse or legal equivalent in a community property state or territory? (Community property states and territories include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin.)

- ☐ No
- ☐ Yes. Make sure you fill out *Schedule H: Your Codebtors* (Official Form 106H).

Part 2: Explain the Sources of Your Income

4. Did you have any income from employment or from operating a business during this year or the two previous calendar years?

Fill in the total amount of income you received from all jobs and all businesses, including part-time activities.

If you are filing a joint case and you have income that you receive together, list it only once under Debtor 1.

☐ No☐ Yes. Fill in the details.

Debtor 1		Debtor 2	
Sources of income Check all that apply.	Gross income (before deductions and exclusions)	Sources of income Check all that apply.	Gross income (before deductions and exclusions)
From January 1 of current year until the date you filed for bankruptcy: ☐ Wages, commissions, bonuses, tips ☐ Operating a business	\$ _____	☐ Wages, commissions, bonuses, tips ☐ Operating a business	\$ _____
For last calendar year: (January 1 to December 31, _____) YYYY	☐ Wages, commissions, bonuses, tips ☐ Operating a business	☐ Wages, commissions, bonuses, tips ☐ Operating a business	\$ _____
For the calendar year before that: (January 1 to December 31, _____) YYYY	☐ Wages, commissions, bonuses, tips ☐ Operating a business	☐ Wages, commissions, bonuses, tips ☐ Operating a business	\$ _____

5. Did you receive any other income during this year or the two previous calendar years?Include income regardless of whether that income is taxable. Examples of *other income* are alimony; child support; Social Security, unemployment, and other public benefit payments; pensions; rental income; interest; dividends; money collected from lawsuits; royalties; and gambling and lottery winnings. If you are filing a joint case and you have income that you received together, list it only once under Debtor 1.

List each source and the gross income from each source separately. Do not include income that you listed in line 4.

☐ No☐ Yes. Fill in the details.

Debtor 1		Debtor 2	
Sources of income Describe below.	Gross income from each source (before deductions and exclusions)	Sources of income Describe below.	Gross income from each source (before deductions and exclusions)
From January 1 of current year until the date you filed for bankruptcy: _____ _____ _____	\$ _____ \$ _____ \$ _____	_____ _____ _____	\$ _____ \$ _____ \$ _____
For last calendar year: (January 1 to December 31, _____) YYYY	\$ _____ \$ _____ \$ _____	_____ _____ _____	\$ _____ \$ _____ \$ _____
For the calendar year before that: (January 1 to December 31, _____) YYYY	\$ _____ \$ _____ \$ _____	_____ _____ _____	\$ _____ \$ _____ \$ _____

Part 3: List Certain Payments You Made Before You Filed for Bankruptcy**6. Are either Debtor 1's or Debtor 2's debts primarily consumer debts?**

- ☐ No. **Neither Debtor 1 nor Debtor 2 has primarily consumer debts.** *Consumer debts* are defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."

During the 90 days before you filed for bankruptcy, did you pay any creditor a total of \$8,575* or more?

- ☐ No. Go to line 7.

- ☐ Yes. List below each creditor to whom you paid a total of \$8,575* or more in one or more payments and the total amount you paid that creditor. Do not include payments for domestic support obligations, such as child support and alimony. Also, do not include payments to an attorney for this bankruptcy case.

* Subject to adjustment on 4/01/28 and every 3 years after that for cases filed on or after the date of adjustment.

- ☐ Yes. **Debtor 1 or Debtor 2 or both have primarily consumer debts.**

During the 90 days before you filed for bankruptcy, did you pay any creditor a total of \$600 or more?

- ☐ No. Go to line 7.

- ☐ Yes. List below each creditor to whom you paid a total of \$600 or more and the total amount you paid that creditor. Do not include payments for domestic support obligations, such as child support and alimony. Also, do not include payments to an attorney for this bankruptcy case.

	Dates of payment	Total amount paid	Amount you still owe	Was this payment for...
Creditor's Name _____	_____	\$ _____	\$ _____	☐ Mortgage
Number _____ Street _____	_____			☐ Car
_____	_____			☐ Credit card
City _____ State _____ ZIP Code _____				☐ Loan repayment
				☐ Suppliers or vendors
				☐ Other _____
Creditor's Name _____	_____	\$ _____	\$ _____	☐ Mortgage
Number _____ Street _____	_____			☐ Car
_____	_____			☐ Credit card
City _____ State _____ ZIP Code _____				☐ Loan repayment
				☐ Suppliers or vendors
				☐ Other _____
Creditor's Name _____	_____	\$ _____	\$ _____	☐ Mortgage
Number _____ Street _____	_____			☐ Car
_____	_____			☐ Credit card
City _____ State _____ ZIP Code _____				☐ Loan repayment
				☐ Suppliers or vendors
				☐ Other _____

7. Within 1 year before you filed for bankruptcy, did you make a payment on a debt you owed anyone who was an insider?

Insiders include your relatives; any general partners; relatives of any general partners; partnerships of which you are a general partner; corporations of which you are an officer, director, person in control, or owner of 20% or more of their voting securities; and any managing agent, including one for a business you operate as a sole proprietor. 11 U.S.C. § 101. Include payments for domestic support obligations, such as child support and alimony.

☐

No

☐

Yes. List all payments to an insider.

	Dates of payment	Total amount paid	Amount you still owe	Reason for this payment
Insider's Name _____ Number _____ Street _____ _____ City _____ State _____ ZIP Code _____	_____	\$ _____	\$ _____	
Insider's Name _____ Number _____ Street _____ _____ City _____ State _____ ZIP Code _____	_____	\$ _____	\$ _____	

8. Within 1 year before you filed for bankruptcy, did you make any payments or transfer any property on account of a debt that benefited an insider?

Include payments on debts guaranteed or cosigned by an insider.

☐

No

☐

Yes. List all payments that benefited an insider.

	Dates of payment	Total amount paid	Amount you still owe	Reason for this payment Include creditor's name
Insider's Name _____ Number _____ Street _____ _____ City _____ State _____ ZIP Code _____	_____	\$ _____	\$ _____	
Insider's Name _____ Number _____ Street _____ _____ City _____ State _____ ZIP Code _____	_____	\$ _____	\$ _____	

Part 4: Identify Legal Actions, Repossessions, and Foreclosures**9. Within 1 year before you filed for bankruptcy, were you a party in any lawsuit, court action, or administrative proceeding?**

List all such matters, including personal injury cases, small claims actions, divorces, collection suits, paternity actions, support or custody modifications, and contract disputes.

☐ No

☐ Yes. Fill in the details.

Nature of the case	Court or agency	Status of the case
Case title _____ _____ Case number _____	Court Name _____ Number Street _____ City State ZIP Code _____	☐ Pending ☐ On appeal ☐ Concluded
Case title _____ _____ Case number _____	Court Name _____ Number Street _____ City State ZIP Code _____	☐ Pending ☐ On appeal ☐ Concluded

10. Within 1 year before you filed for bankruptcy, was any of your property repossessed, foreclosed, garnished, attached, seized, or levied?

Check all that apply and fill in the details below.

☐ No. Go to line 11.

☐ Yes. Fill in the information below.

Describe the property	Date	Value of the property
Creditor's Name _____ Number Street _____ City State ZIP Code _____	_____	\$ _____
Explain what happened ☐ Property was repossessed. ☐ Property was foreclosed. ☐ Property was garnished. ☐ Property was attached, seized, or levied.		
Describe the property	Date	Value of the property
Creditor's Name _____ Number Street _____ City State ZIP Code _____	_____	\$ _____
Explain what happened ☐ Property was repossessed. ☐ Property was foreclosed. ☐ Property was garnished. ☐ Property was attached, seized, or levied.		

11. Within 90 days before you filed for bankruptcy, did any creditor, including a bank or financial institution, set off any amounts from your accounts or refuse to make a payment because you owed a debt?

- ☐ No
☐ Yes. Fill in the details.

		Describe the action the creditor took	Date action was taken	Amount
Creditor's Name				
Number Street				\$ _____
City State ZIP Code				
		Last 4 digits of account number: XXXX-__ __ __ __		

12. Within 1 year before you filed for bankruptcy, was any of your property in the possession of an assignee for the benefit of creditors, a court-appointed receiver, a custodian, or another official?

- ☐ No
☐ Yes

Part 5: List Certain Gifts and Contributions

13. Within 2 years before you filed for bankruptcy, did you give any gifts with a total value of more than \$600 per person?

- ☐ No
☐ Yes. Fill in the details for each gift.

Gifts with a total value of more than \$600 per person	Describe the gifts	Dates you gave the gifts	Value
Person to Whom You Gave the Gift			\$ _____
			\$ _____
Number Street			
City State ZIP Code			
Person's relationship to you			
Gifts with a total value of more than \$600 per person	Describe the gifts	Dates you gave the gifts	Value
Person to Whom You Gave the Gift			\$ _____
			\$ _____
Number Street			
City State ZIP Code			
Person's relationship to you			

14. Within 2 years before you filed for bankruptcy, did you give any gifts or contributions with a total value of more than \$600 to any charity?☐ No☐ Yes. Fill in the details for each gift or contribution.

Gifts or contributions to charities that total more than \$600	Describe what you contributed	Date you contributed	Value
Charity's Name Number Street City State ZIP Code			\$ _____
			\$ _____

Part 6: List Certain Losses**15. Within 1 year before you filed for bankruptcy or since you filed for bankruptcy, did you lose anything because of theft, fire, other disaster, or gambling?**☐ No☐ Yes. Fill in the details.

Describe the property you lost and how the loss occurred	Describe any insurance coverage for the loss Include the amount that insurance has paid. List pending insurance claims on line 33 of <i>Schedule A/B: Property</i> .	Date of your loss	Value of property lost
			\$ _____

Part 7: List Certain Payments or Transfers**16. Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone you consulted about seeking bankruptcy or preparing a bankruptcy petition?**

Include any attorneys, bankruptcy petition preparers, or credit counseling agencies for services required in your bankruptcy.

☐ No☐ Yes. Fill in the details.

	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
Person Who Was Paid Number Street City State ZIP Code Email or website address Person Who Made the Payment, if Not You			\$ _____
			\$ _____

	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
Person Who Was Paid		_____	\$ _____
Number Street		_____	\$ _____
City State ZIP Code			
Email or website address			
Person Who Made the Payment, if Not You			

17. Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone who promised to help you deal with your creditors or to make payments to your creditors?

Do not include any payment or transfer that you listed on line 16.

- ☐ No
☐ Yes. Fill in the details.

	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
Person Who Was Paid		_____	\$ _____
Number Street		_____	\$ _____
City State ZIP Code			

18. Within 2 years before you filed for bankruptcy, did you sell, trade, or otherwise transfer any property to anyone, other than property transferred in the ordinary course of your business or financial affairs?

Include both outright transfers and transfers made as security (such as the granting of a security interest or mortgage on your property). Do not include gifts and transfers that you have already listed on this statement.

- ☐ No
☐ Yes. Fill in the details.

	Description and value of property transferred	Describe any property or payments received or debts paid in exchange	Date transfer was made
Person Who Received Transfer			_____
Number Street			
City State ZIP Code			
Person's relationship to you			
Person Who Received Transfer			_____
Number Street			
City State ZIP Code			
Person's relationship to you			

19. Within 10 years before you filed for bankruptcy, did you transfer any property to a self-settled trust or similar device of which you are a beneficiary? (These are often called *asset-protection devices*.)

- ☐ No
☐ Yes. Fill in the details.

Description and value of the property transferred	Date transfer was made
Name of trust _____ _____	_____

Part 8: List Certain Financial Accounts, Instruments, Safe Deposit Boxes, and Storage Units

20. Within 1 year before you filed for bankruptcy, were any financial accounts or instruments held in your name, or for your benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; shares in banks, credit unions, brokerage houses, pension funds, cooperatives, associations, and other financial institutions.

- ☐ No
☐ Yes. Fill in the details.

	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
Name of Financial Institution _____ Number Street _____ City State ZIP Code _____	XXXX-____-____-____	☐ Checking ☐ Savings ☐ Money market ☐ Brokerage ☐ Other _____	_____	\$ _____
Name of Financial Institution _____ Number Street _____ City State ZIP Code _____	XXXX-____-____-____	☐ Checking ☐ Savings ☐ Money market ☐ Brokerage ☐ Other _____	_____	\$ _____

21. Do you now have, or did you have within 1 year before you filed for bankruptcy, any safe deposit box or other depository for securities, cash, or other valuables?

- ☐ No
☐ Yes. Fill in the details.

Who else had access to it?	Describe the contents	Do you still have it?
Name of Financial Institution _____ Number Street _____ City State ZIP Code _____	Name _____ Number Street _____ City State ZIP Code _____	☐ No ☐ Yes

22. Have you stored property in a storage unit or place other than your home within 1 year before you filed for bankruptcy?☐ No☐ Yes. Fill in the details.

Who else has or had access to it?		Describe the contents	Do you still have it?
Name of Storage Facility	Name		☐ No ☐ Yes
Number Street	Number Street		
	City State ZIP Code		
City State ZIP Code			

Part 9: Identify Property You Hold or Control for Someone Else**23. Do you hold or control any property that someone else owns? Include any property you borrowed from, are storing for, or hold in trust for someone.**☐ No☐ Yes. Fill in the details.

Where is the property?	Describe the property	Value
Owner's Name		\$ _____
Number Street		
City State ZIP Code		

Part 10: Give Details About Environmental Information

For the purpose of Part 10, the following definitions apply:

- **Environmental law** means any federal, state, or local statute or regulation concerning pollution, contamination, releases of hazardous or toxic substances, wastes, or material into the air, land, soil, surface water, groundwater, or other medium, including statutes or regulations controlling the cleanup of these substances, wastes, or material.
- **Site** means any location, facility, or property as defined under any environmental law, whether you now own, operate, or utilize it or used to own, operate, or utilize it, including disposal sites.
- **Hazardous material** means anything an environmental law defines as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, contaminant, or similar term.

Report all notices, releases, and proceedings that you know about, regardless of when they occurred.

24. Has any governmental unit notified you that you may be liable or potentially liable under or in violation of an environmental law?☐ No☐ Yes. Fill in the details.

Governmental unit	Environmental law, if you know it	Date of notice
Name of site		_____
Number Street		
City State ZIP Code		

25. Have you notified any governmental unit of any release of hazardous material?

- ☐ No
- ☐ Yes. Fill in the details.

Governmental unit		Environmental law, if you know it	Date of notice
Name of site	Governmental unit		_____
Number Street	Number Street		
City State ZIP Code	City State ZIP Code		

26. Have you been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- ☐ No
- ☐ Yes. Fill in the details.

Court or agency	Nature of the case	Status of the case
Case title		☐ Pending
Court Name		☐ On appeal
Number Street		☐ Concluded
Case number		
City State ZIP Code		

Part 11: Give Details About Your Business or Connections to Any Business**27. Within 4 years before you filed for bankruptcy, did you own a business or have any of the following connections to any business?**

- ☐ A sole proprietor or self-employed in a trade, profession, or other activity, either full-time or part-time
- ☐ A member of a limited liability company (LLC) or limited liability partnership (LLP)
- ☐ A partner in a partnership
- ☐ An officer, director, or managing executive of a corporation
- ☐ An owner of at least 5% of the voting or equity securities of a corporation

- ☐ No. None of the above applies. Go to Part 12.
- ☐ Yes. Check all that apply above and fill in the details below for each business.

Business Name Number Street City State ZIP Code	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
		EIN: ____ - ____
	Name of accountant or bookkeeper	Dates business existed From ____ To ____
Business Name Number Street City State ZIP Code	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
		EIN: ____ - ____
	Name of accountant or bookkeeper	Dates business existed From ____ To ____

Debtor 1

First Name Middle Name Last Name

Case number (if known) _____

Business Name

Number Street

City State ZIP Code

Describe the nature of the business

Name of accountant or bookkeeper

Employer Identification number

Do not include Social Security number or ITIN.

EIN: _____ - _____

Dates business existed

From _____ To _____

28. Within 2 years before you filed for bankruptcy, did you give a financial statement to anyone about your business? Include all financial institutions, creditors, or other parties.

☐

No

☐

Yes. Fill in the details below.

Date issued

Name

MM / DD / YYYY

Number Street

City State ZIP Code

Part 12: Sign Below

I have read the answers on this *Statement of Financial Affairs* and any attachments, and I declare under penalty of perjury that the answers are true and correct. I understand that making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

X

Signature of Debtor 1

X

Signature of Debtor 2

Date _____

Date _____

Did you attach additional pages to *Your Statement of Financial Affairs for Individuals Filing for Bankruptcy* (Official Form 107)?

☐

No

☐

Yes

Did you pay or agree to pay someone who is not an attorney to help you fill out bankruptcy forms?

☐

No

☐

Yes. Name of person _____ . Attach the *Bankruptcy Petition Preparer's Notice, Declaration, and Signature* (Official Form 119).

Print

Save As...

Add Attachment

Reset

Claim Objections

- ❖ The creditor filed a claim that just doesn't seem to be valid. What do I need to put in my claim objection to get the claim disallowed? *See e.g., Matter of Hicks*, 2022 WL 1008022 (Bankr. N.D. Ind. Jan. 25, 2022) (an objection to a claim must allege facts that, when accepted as true, are sufficient to overcome the prima facie validity of a proof of claim . . . Conclusory allegations do not suffice; instead, the underlying facts that justify the conclusion must be pleaded); *Matter of Tieman*, 2026 WL 1876282 (Bankr. N.D. Ind. Apr. 20, 2026). Basically, some specificity is required to overcome the prima facie validity of a claim, *see*, 11 U.S.C. § 502(b), keeping in mind that a proof of claim executed and filed in accordance with the rules constitutes prima facie evidence of the validity and amount of the claim.
- ❖ The claim doesn't have anything attached to it. What kinds of documents should be/need be attached to the claim? It depends. *See*, Fed. R. Bankr. P. Rule 3001(c).
 - If the claim is based on a writing: a copy of the writing must be filed with the proof of claim. *See*, Fed. R. Bankr. P. 3001(c)(1).
 - If the debtor is an individual and the claim includes anything beyond the principal balance (interest, fees, expenses, or other charges), it must also include an itemized statement, categorizing the additional amounts as interest, fees, expenses, or other charges. *See*, Fed. R. Bankr. P. 3001(c)(2)(A).
 - If a security interest is claimed in the debtor's property, it must include a statement of the amount necessary to cure any default as of the petition date. *See*, Fed. R. Bankr. P. 3001(c)(2)(B).
 - If the claim is based on an open-end or revolving consumer credit agreement (and not secured by the debtor's real property), it must include a statement with the information applicable to the account (the entity from whom the creditor purchased it, the entity owed at the last transaction, and the dates of the last transaction, last payment, and charge-off). *See*, Fed. R. Bankr. P. 3001(c)(3)(A).
- ❖ The local rules require a proposed form of order. What should I put in it and what shouldn't I do? *See*, *Matter of Haverstock*, Case No. 09-10915, Order to File Proposed Order dated Aug. 18, 2015); *Matter of Kawszynski*, Case No. 19-40130, Decision and order Granting Motion to Amend Order, dated May 14, 2019. *See also*, *Reytlatt v. Denton*, 812 F.2d 1042, 1043 (7th Cir. 1987) ("The final judgment in a case should be complete and self contained."); Fed. R. Civ. P. 58(a) (every judgment must be set out in a

separate document).

- ❖ What must I include in an objection to a claim filed by a taxing authority? *See, In re Stoecker*, 179 F.3d 546, 551-52 (7th Cir. 1999). How about in my proposed order? If it is alleged that the claimed amount is over-stated, then the question becomes what is owed. Likewise, if there are certain taxable periods that are not objectionable, then the allowed amount(s) should be reflected in the proposed order
- ❖ So, the debtor (or trustee) has objected to my claim. Can I just amend my claim? *See, In re Masterson*, 556 B.R. 391 (Bankr. N.D. Ind. 2016); *In re Bryant*, 397 B.R. 903 (Bankr. N.D. Ind. 2008).
- ❖ What about forms? Does it matter how I file my claim or my objection? Yes! A claim must be filed on Official Form 410 (or one that substantially complies with it). Fed. R. Bankr. P. 3001(a). Any objection to it must be filed on the court's local form and must identify the creditor and the claim. N.D. Ind. L.B.R. B-3007-1.
- ❖ The creditor's claim was paid after the petition, and I don't want the trustee to pay them again. Is this an objection to a claim in chapter 13 or is it a modification to the confirmed plan? *See, In re Shell*, 2015 WL 5602603 (Bankr. N.D. Ind. 2015); *Matter of Sensibaugh*, 2015 WL 4664441 (Bankr. N.D. Ind. 2015).
- ❖ Can a chapter 7 debtor object to a proof of claim? In general, that answer is "no" unless there would be a surplus. *See, In re Woodmar Realty Co.*, 241 F.2d 768 (7th Cir. 1957).

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:	)	
	)	
Jeffery Michael Haupt,	)	CASE NO. 25-30011
	)	Chapter 13
Debtor.	)	

ORDER REGARDING CLAIM OBJECTION

On July 9, 2025, the Chapter 13 Trustee objected to Claim #1 of Trois-Rivieres Solutions Midday Green ("Claimant"). The basis for the objection is, among other things, Claimant failed to attach an itemized statement of the interest, fees, and/or expenses which it alleges is owed, as required Federal Rule of Bankruptcy Procedure 3001(c)(2)(A). The record reflects that the foregoing is in fact not attached to the proof of claim nor was it filed as a separate exhibit.

IT IS THEREFORE ORDERED that Claimant shall have twenty-one (21) days, from the date of this order, to submit documentation in support of Claim #1 as required by Fed. R. Bankr. P. 3001(c)(2)(A). Upon the Claimant failing to do so, Claim #1 shall be denied without further notice or hearing. See Fed. R. Bankr. P. 3001(2)(D)(ii) (stating that if a holder of a claim fails to provide any information required under subdivision (c), the court may award "other appropriate relief").

Dated at Hammond, Indiana on September 17 , 2025.

/s/James R. Ahler
James R. Ahler, Chief Judge
United States Bankruptcy Court

Distribution: Claimant, Debtor, Attorney for Debtor, Trustee, US Trustee

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:	)	
	)	
David Madriz Chavez and	)	CASE NO.: 22-21799
Natalia Suyapa Madriz,	)	Chapter 7
	)	
Debtors.	)	

ORDER REGARDING CLAIM OBJECTION

On June 7, 2023, the Chapter 7 Trustee filed an objection to Claim #2 of Westerra Credit Union, along with a notice and opportunity to object. The Trustee asserts that, among other things, the creditor failed to utilize the proper proof of claim form. The Court agrees and notes that the creditor failed to file a response to the objection.

IT IS THEREFORE ORDERED that Trustee's objection is sustained. The creditor shall have 28 days from the date of this order to file an amended proof of claim that substantially complies with Official Form B410, as is required by Federal Rule of Bankruptcy Procedure 3001(a), and, if required, shall attach thereto all documentation in support of the amount claimed. Otherwise, Claim #30 shall be deemed denied without further notice or action by the Court.

SO ORDERED this 17th day of July, 2023.

/s/ James R. Ahler
James R. Ahler, Judge
United States Bankruptcy Court

Distribution:
Debtor, Debtor's counsel, Trustee,
U.S. Trustee, and the Social Security Administration.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:	)	
	)	
MATEO SINGLETON,	)	CASE NO. 21-21908
	)	Chapter 13
	)	
Debtor.	)	

ORDER DENYING OBJECTION TO CLAIM #6

On April 12, 2022, Debtor, by counsel, filed an objection to Claim #6-1 of the Internal Revenue Service (Dkt. No. 34), along with a notice and opportunity to object thereto. In the foregoing objection, Debtor contends that the claim is partially based on estimates of tax liability for certain years, but that all the required returns are now filed and, as a result, the claim should be denied.

Claims are deemed allowed unless an appropriate objection has been filed. See 11 U.S.C. § 502(a). “[T]o be proper, an objection to a proof of claim must allege facts which, if accepted as true, would trigger one of the statutory reasons for denying a claim. If it does not, the objection should not be sustained. This remains true even if the creditor lacks sufficient interest to respond.” *In re Taylor*, 289 B.R. 379, 384 (Bankr. N.D. Ind. 2003). Where, as here, the claim being objected to is a tax claim, the objector not only must demonstrate that the amount claimed due is incorrect, but also must show the correct amount of the claim. See *In re Stoecker*, 179 F.3d 546, 551-52 (7th Cir. 1999); *Matter of Carlson*, 126 F.3d 915, 921-22 (7th Cir. 1997). Debtor’s objection fails to achieve these requirements. In this case, Debtor’s objection

merely states that all the required returns have been filed, but says nothing about what those returns may disclose concerning tax liability. If what Debtor says is true – that all required returns have been filed – Debtor knows what the tax liability is, or at least what it should be, and the objection should make that allegation.

Therefore, Debtor's objection to Claim #6-1, filed by the Internal Revenue Service, is hereby OVERRULED without prejudice.

Dated at Hammond, Indiana on May 10, 2022.

/s/ James R. Ahler
James R. Ahler
United States Bankruptcy Court

Distribution:
Debtor, Attorney for Debtor
Trustee, US Trustee

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION**

IN RE:	)	
	)	
D.A.Y. Investments, LLC,	)	CASE NO. 17-22657
—	)	
Debtor.	)	Chapter 7

**ORDER DENYING ANDREW YOUNG’S
OBJECTION TO CLAIM [Dkt. No. 180]**

This matter is before the Court on an objection (the “Objection”), filed by Andrew L. Young (“Young”), pro se, to Proof of Claim #3-2 of the Lake County Treasurer (“Treasurer”). (Dkt. No. 180) Young is the sole member of D.A.Y. Investments, LLC (“DAY” or “Debtor”) and is a debtor in a separate Chapter 7 proceeding that is currently pending in the Northern District of Indiana.¹ In the Objection, Young argues that the Treasurer incorrectly calculated the amount of its claim. On February 14, 2025, the Treasurer filed a response to the Objection contending that Young does not have standing to object to the claim.² For the reasons stated herein, the Court finds that Young does not have standing to object to Claim #3-2 and determines that the Objection should be overruled.

Young argues that he has standing to file the Objection as the sole equity interest holder/shareholder of Debtor. (Dkt. No. 180, ¶ 4). Further, he contends

¹ See Case No. 17-22665, Dkt. No. 16, Schedules a/b.

² In the response, the Treasurer also addressed the substantive arguments raised by Young.

that both himself and his personal bankruptcy estate are parties in interest in this case and that they are the beneficiaries of “any surplus after payment of valid claims in this case that would flow into his [personal bankruptcy] estate and that would flow to him the individual.” (*Id.*). Based upon these assertions, Young concludes that he has a pecuniary interest in this case and, therefore, has standing to file the Objection and dispute, in his opinion, an inflated claim. (Dkt. No. 203, p. 5-8). Young further argues that he has a pecuniary interest in the outcome of the Objection because his membership interest in Debtor constitutes personal property thus, “all of the [potential] property of [Debtor] is personal property of Young” (Dkt. No. 203, p. 5). The Court disagrees with these arguments.

Under Article III of the Constitution, to have standing a party must have suffered an “injury in fact” and the injury should be one that is “concrete and particularized,” is “fairly traceable to the challenged action,” and will be “redressed by a favorable decision.” *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560-61 (1992) (internal quotations omitted); *In re Fixler*, No. 19 B 36659, 2023 WL 8011641, at *4 (Bankr. N.D. Ill. Nov. 2, 2023). “Mere speculation that a favorable decision would redress the injury is insufficient.” *Helmstetter v. Herzog, et al.* (*In re Helmstetter*), No. 20 C 5485, 2021 WL 2948912, at *10 (N.D. Ill. July 7, 2021). In bankruptcy cases standing is stricter still. *Fixler*, 2023 WL 8011641, at *4; *In re Cult Awareness Network, Inc.*, 151 F.3d 605, 607 (7th Cir.

1998). The Seventh Circuit has characterized bankruptcy standing as “a form of prudential standing which is more confined than Article III standing.” *In re Ray*, 597 F.3d 871, 875 (7th Cir. 2010); *In re Carbide Cutoff, Inc.*, 703 F.2d 259, 264 (7th Cir. 1983).³ To have standing to object to a bankruptcy court order (or objection/motion) a person must have “a pecuniary interest in the outcome of the bankruptcy proceedings.” *Fixler*, 2023 WL 8011641, at *4; *see also In re Knight-Celotex, LLC*, 695 F.3d 714, 720 (7th Cir. 2012); *In re Resource Tech. Corp.*, 624 F.3d 376, 382-83 (7th Cir. 2010); *In re Ray*, 597 F.3d 871, 874 (7th Cir. 2010); *In re Stinnett*, 465 F.3d 309, 315 (7th Cir. 2006). The person must demonstrate that the order “diminishes the person's property, increases the person's burdens, or impairs the person's rights.” *Fixler*, 2023 WL 8011641, at *4; *Cult Awareness*, 151 F.3d at 608 (internal quotation omitted).

In the specific context of a chapter 7 bankruptcy case, “[i]f the debtor can show a reasonable possibility of a surplus after satisfying all debts, the debtor has shown a pecuniary interest and has standing to object [and participate in the proceedings].” *Helmstetter*, 2021 WL 2948912, at *10. “[A] chapter 7 debtor . . . receives a distribution from the estate only after the trustee has paid all

³ There is some debate whether “bankruptcy standing” should still be categorized as a form of prudential standing. *See, e.g., Knopic v. Jayco, Inc.*, 895 F.3d 525, 529 (7th Cir. 2018) (stating that the Supreme Court has called into question the bases of prudential standing). Some courts have suggested that a debtor’s lack of pecuniary interest and potential lack of a surplus is an issue of Article III standing. *See generally, In re Helmstetter, supra*. Regardless, courts agree that a debtor lacks standing to object when there is no reasonable chance of a surplus estate.

creditors in full . . . when the case, in other words, is a surplus case.” *Fixler*, 2023 WL 8011641, at *5. When a debtor’s standing depends on recovering a surplus, the framework for assessing Article III and bankruptcy standing is the same and “[a]t its core, it asks whether that possibility is too remote to support the exercise of the court’s jurisdiction.” *Helmstetter*, 2021 WL 2948912, at *11.

Young is not a debtor in this bankruptcy case and any surplus would be distributed to Debtor (D.A.Y.), not to Young himself. On this basis alone, Young does not have the slightest prospect of a distribution from this bankruptcy estate and would typically lack standing to object. But, according to Young, he has a pecuniary interest because the surplus generated in this case will ultimately pass on to him through his individual bankruptcy case (which, according to Young, will also have a surplus). In other words, although Young is not the debtor in this case, he believes that he has standing to object because, as the sole member of Debtor, he will be the ultimate beneficiary of the surplus that will result in his individual bankruptcy case. Young also argues that he has a pecuniary interest in the outcome of this case because any property of Debtor is, by default, his individual property. Once again, this Court disagrees.

A clear distinction exists between a natural person, who owns a membership interest in an LLC, and the underlying entity; and bedrock law creates a wall between corporate entities and their owners. *See Martin v. Krise*, 184 N.E.3d 1193, 1194 (Ind. App. 2022) (“The substantive law of the State of

Indiana (and all states) shields principals and employees of a limited liability company from individual liability for the actions or failures of the company.”). “A corporation [or LLC] is an artificial and independent legal entity with an existence separate and distinct from its shareholders and officers.” *Benevolent & Protective Ord. of Elks Loc. 291 v. Mooney*, 666 N.E.2d 970, 972 (Ind. Ct. App. 1996). Young and Debtor are two separate entities. As the Seventh Circuit noted in Young’s previous challenge to the conversion of Debtor’s case that, “[u]nder Indiana law, to benefit from the corporate form, a limited liability company like D.A.Y. is distinct from its members”, “Young is not personally liable for the debts, obligations, or liabilities” of D.A.Y., and Young “directly owns none of D.A.Y.’s assets.” *Young v. Lake Cnty. Treasurer*, No. 24-1415, 2024 WL 4864447, at *2 (7th Cir. Nov. 21, 2024). Therefore, the fact that Young is the sole member of Debtor does not convert legal title of Debtor’s property in this case to him individually and give him a pecuniary interest in the outcome of *this* proceeding.

The “surplus exception” does not apply here because Young is not the Debtor. And even if there was a surplus in this case that would eventually flow to Young, that surplus would become property of the estate in Young’s personal bankruptcy case (Case No. 17-22665) and the separate trustee in that proceeding filed no objection to the instant motion in this case. See 11 U.S.C. § 541; *In re Craig*, Case No. 23-70449, 2023 WL 7009429, at *9 (Bankr. N.D. Ill. Oct. 23, 2023) (stating that debtor’s 50% membership interest in an LLC became

property of the estate upon the filing of the petition for relief); *Hönigman v. Comerica Bank (In re Van Dresser Corp.)*, 128 F.3d 945, 947 (6th Cir.1997) (“A debtor's appointed trustee has the *exclusive* right to assert the debtor's claim.”); *Bauer v. Commerce Union Bank*, 859 F.2d 438, 441 (6th Cir.1988) (property of estate includes causes of action; a “debtor has no standing to pursue such causes of action”); *Cormier*, 382 B.R. 387 (stating that once a petition for relief is filed by operation of law the trustee becomes the “shareholder” of the corporation and possessed all of a debtors' rights). In sum, Young has failed to show that he has a pecuniary interest and this Court concludes that he lacks standing to object.

For all the foregoing reasons, the Court finds that Young does not have standing to object to Claim #3-2 of the Treasurer and the Objection is hereby overruled.

All the foregoing is ordered, adjudged, and decreed this 14th day of July 2025, in Hammond, Indiana.

/s/James R. Ahler

**James R. Ahler, Chief Judge
United States Bankruptcy Court**

Distribution: All parties.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION

IN THE MATTER OF:	)	
	)	
DAVID LEE RICE	)	CASE NO. 14-10995
PATRICIA LYNN RICE	)	
	)	
Debtors	)	

DECISION AND ORDER OVERRULING OBJECTION

On August 31, 2015.

The debtors have objected to claim number 8-1 filed by the Internal Revenue Service contending that the claim is based on an estimate of the debtors' tax liability, that the debtors have since filed all of their returns, and, as a result, the IRS should amend its claim. That may all be true, but the debtors' objection seeks no relief. Do they want the claim disallowed? Do they want the court to order the IRS to amend its proof of claim?¹ Do they want the claim allowed in a different amount? The debtors do not say. See, Fed. R. Bankr. P. Rule 9013 ("A motion shall state with particularity the grounds therefor" and the relief sought). See also, N.D. Ind. L.B.R. B-3007-1(b) ("An objection to a proof of claim shall . . . state with specificity the basis for disallowance or allowance in an amount . . . other than that claimed.").

Claims are deemed allowed unless objected to. See, 11 U.S.C. § 502(a). "[T]o be proper, an objection to a proof of claim must allege facts which, if accepted as true, would trigger one of the statutory reasons for denying a claim. If it does not, the objection should not be sustained. This remains true even if the creditor lacks sufficient interest to respond." In re Taylor, 289 B.R. 379, 384 (Bankr. N.D. Ind. 2003). Where, as here, the claim being objected to is a tax claim, the objector

¹If that is what the debtors are seeking, Bankruptcy Rule 7001 requires an adversary proceeding. Fed. R. Bankr. P. Rule 7001.

must not only demonstrate that the amount claimed due is not correct, but also what the correct amount actually is. See, In re Stoecker, 179 F.3d 546, 551-52 (7th Cir. 1999); Matter of Carlson, 126 F.3d 915, 921-22 (7th Cir. 1997). Debtors' objection does not do so. It says only that they have filed all of their tax returns with the IRS, but says nothing about what those returns may disclose concerning their tax liability. The objection should do so.

Debtors' objection to claim number 8-1 filed by the Internal Revenue Service is OVERRULED, without prejudice.²

SO ORDERED.

/s/ Robert E. Grant
Chief Judge, United States Bankruptcy Court

²The court would also note that neither the objection nor the notice of the opportunity to respond have been served on the United States Attorney as required by Fed. R. Bankr. P. Rules 9013, 7004(b)(4).

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION

IN THE MATTER OF:

NICHOLAS J. HICKS
DIONNA M. HICKS

Debtors

)
)
)
)
)
)

CASE NO. 21-11223

ORDER ON OBJECTION TO CLAIM

On January 25, 2022

The debtors' objection to claim number 1 filed by Mediacom Communications Corporation is OVERRULED, without prejudice.

To be proper, an objection to a claim must allege facts that, when accepted as true, are sufficient to overcome the prima facie validity of a proof of claim. 9-3007 Collier on Bankruptcy ¶ 3007.01 (16th ed. rev.) (Objection to claim should, "at a minimum, allege those facts necessary to support the objection."). See also, Fed. R. Bankr. P. Rule 9013 (motion "shall state with particularity the grounds therefor"); N.D. Ind. L.B.R. B-3007-1(b) (objections to claims "shall state with specificity the basis for disallowance"). Conclusory allegations do not suffice; instead, the underlying facts that justify the conclusion must be pleaded. See, Ashcroft v. Iqbal, 556 U.S. 662 (2009); Bell Atlantic Corp. v. Twombly, 550 U.S. 544 (2007). Here, although the debtors allege that the claim is barred by the applicable statute of limitations, they say nothing about why or how that may be so. The debtors must have a reason for believing that to be the case; they should share it with the court by identifying the length of the relevant statute of limitations, stating when it began to run and when it expired. See, Schechter v. Comptroller of City of New York, 79 F.3d 265, 270 (2nd Cir. 1996) quoting, National Acceptance Co. of Am. v. Regal Prods., Inc., 155 F.R.D. 631, 634 (E.D.

Wis. 1994) (“[d]efenses which amount to nothing more than conclusions of law and are not warranted by any asserted facts have no efficacy.”). The present objection fails to do so and is therefore overruled without prejudice to another attempt.

SO ORDERED.

/s/ Robert E. Grant
Chief Judge, United States Bankruptcy Court

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN THE MATTER OF:

TANYA ALYSIA BRYANT

Debtor

)
)
)
)
)
)

CASE NO. 26-20454

ORDER TO AMEND

On May 19, 2026

On April 2, 2026, the debtor filed an objection to proof of claim #4 and served notice of this objection upon the creditor. This notice does not, however, comply with the requirements of Local Bankruptcy Rule B-3007-1(c) which requires the use of Local Bankruptcy Form 2 (LBF-2) to give the creditor notice of a claim objection. That form begins with: "To: [name of creditor]." Debtor's notice does not begin with that salutation and nowhere mentions the name of the creditor whose claim has been challenged. As such, the creditor has not been given the notice required by the court's local rules.

Debtor shall re-serve notice of its objection to claim #4 in accordance with the requirements of Local Bankruptcy Rule 3007-1, and file proof thereof within twenty-one (21) days of this date. The failure to do so may result in the debtor's objection being overruled without prejudice, without further notice or hearing.

SO ORDERED.

/s/ Robert E. Grant
Judge, United States Bankruptcy Court

Claims and Claim Objection Tips and Tricks from the Staff Attorney Perspective

(Prepared for September 25, 2026 Seminar)

Common Issues

Hot Tip # 1 for Creditors: include a valid and monitored email address on all proofs of claim. Our offices reach out in an attempt to resolve all issues with claims before resorting to filing objections.

Debtor Identity: Is the claim filed in the correct case? The name on the claim must match one of the debtors' names and case number. TIP for DEBTORS – many debtors still own real estate under a name they believe they have not used within the last eight years. List all potential names on the Verified Petition to avoid pitfall such as important claims being stricken for not matching a name of the debtor.

Claim Amount Issues:

1. Including post-petition fees or interest in the total of the claim or the breakdown;
2. Failing to match the claim amount to the itemized statement of the interest, fees, or other charges

Late Claims due to Lack of Notice: Including an attachment explaining that the claim is late because the creditor was not notified of the bankruptcy and had no actual notice of its existence could avoid an objection. Fed. R. Bankr.P. Rule 3002(c)(7) contemplates that the time for filing a proof of claim may be extended if the creditor did not receive sufficient notice in time to file the claim. One of our local Judges has opined in open court that the lack of a formal motion under Rule 3002(c)(7) did not preclude the Court from overruling an objection when the creditor explained in response that had no notice to file a timely claim.

Are the correct attachments filed with the claim?

We review for the following minimal documents:

1. POC Official Form 410
2. Itemized statement of the interest, fees, expenses or other charges (as long as box 7 is checked "yes")
3. Contract (unless for Consumer-Credit Agreement – see Fed. R. Bankr.P. Rule 3001(c)(1))
4. Assignments or bill of sales if the Contract and entity filing claim are different
5. Proof of perfection of any security interest. For secured claims involving titled goods - Title with the lien holder listed as the creditor

If the claim is an open ended or revolving consumer credit agreement, is the following information included, see Fed. R. Bankr.P. Rule 3001(c)(4)?

- a. Name of the Entity from whom the creditor purchased the account
- b. Name of the entity to whom the debt was owed at the time of an account holder's last transaction date on the account
- c. The date of the last transaction
- d. The date of the last payment on the account
- e. The date the account was charged to profit and loss

Is the claim based on a Judgment?

- a. Does the debtor own real estate?
- b. Is the judgment attached?
- c. From Debtor attorney perspective:
 - i. Have you addressed the judgment in your Plan (ie. as secured)?
 - ii. Has the statute of limitations run on the judgment?
 - iii. Can you check the docket to determine the status of the judgment?
 - iv. If filed as unsecured, should you object, requesting the claim be treated as secured? (If not filed at all, should you file secured claim for them?)
 - v. Consider consequences if the judgment is secured and is only paid with the unsecured creditor pool?

Hot Topic: Unsecured Claims filed by Creditors with Security Interests

If a creditor with a scheduled or documented security interest files a claim as fully unsecured, we review the attachments for the following:

1. Was the lien released prior to the date of filing?
2. If the collateral was sold and the claim represents the unsecured deficiency balance, does the claim include details about the costs of sale, proceeds received and application of the proceeds to the balance? Is the claim balance calculated correctly?
3. If creditor did not sell the vehicle because they believe the value is less than the cost of sale, did the creditor include these details as a claim attachment? Was the title subsequently released to the Trustee?

Note: Trustee Updike has filed objections to claims where these issues were not resolved, essentially asserting that a secured creditor should not be able to retain its lien while also getting the benefits of sharing in and thereby reducing the unsecured creditors' distribution. Judge Grant overruled the Objections to Claims on procedural grounds, determining that the avenue for that relief is through the filing of an adversary proceeding rather than an objection to claim. *See, e.g. In re Darr*, 24-10928-reg (Slip. Op. November 19, 2025). Trustee Updike's consolidated appeal in those matters remains under advisement as of the writing of these materials. (Lead Case # 4:25-cv-00062-PPS).

Residential Mortgage Issues

Recent recurring issue - Escrow changes

The escrow shortage as of the date of filing should be included in the pre-petition arrearage. *See, e.g. In re Breit*, 490 B.R. 821, 826 (Bankr. N.D. Ind. 2013) (alluding to that requirement in the analysis of the creditor's calculations); Fed. R. Bankr.P. Rule 3001(c)(2)(C) (requiring Form 410A filed with the proof of claim and, if an escrow account is established, then an escrow statement prepared as of the date of filing); Official Form 410A, Mortgage Proof of Claim Attachment, Part 3, Fifth Line entitled "Projected Escrow Shortage."

A handful of recent Notices of Mortgage Payment Change improperly included amounts in the ongoing escrow calculation that were more properly included in the Projected Escrow Shortage and included in the pre-petition arrearages. As a result, the ongoing monthly mortgage payment is overstated and in some cases, duplicated amounts that were actually claimed in the Proof of Claim.

An Informal Primer on Evaluating Residential Mortgage Claims

Review the overall claim for completeness of documents:

1. Claim form (Official form 410)
2. Attachment form (Official form 410a) – is this form completed?
 - a. Is the mortgage current, then no Part 5 history required
 - b. Is there a history in Part 5, explanation of why no history, or a comparable attached history with the same information?
3. Recorded Mortgage document with a short address that matches property of the Debtor or property that is being claimed.
4. Note –
 - a. is the note signed by Debtor(s)?
 - b. Who is the lender listed on the note? Is that the same name as the Claim?
 - i. If not the same name, look for assignments
 - ii. If the same name – then no other note documentation is needed.
 - c. When is the maturity and is it during the bankruptcy term?
 - d. Is the note labeled as anything special – like balloon note, Line of Credit note, or ARM (Adjustable Rate Mortgage)?
 - e. What is the Principal/Interest payment listed on the note (as long as not a special loan as listed in part d above)?
 - i. Does that payment match the Principal/interest payment in Part 4 of the 410a attachment?
 - ii. If not, is there documentation about a loan modification? Does the modified loan payment match Part 4?
 - iii. If there is no explanation to be found as to why the principal/interest payments have changed, inquire with the Creditor.
5. Assignments of the mortgage (sold from place to place)
 - a. They need to chain together how the mortgage went from the lender listed on the note to the creditor listed on the Claim form.
 - i. A stamped open endorsement as the assignment on the note is acceptable.
 - ii. An assignment may match either the Creditor listed on the claim or the entity (servicer) receiving payments.
6. Escrow statement
 - a. Only IF the loan is escrowed: is there escrow in any of Part 2, 3, or 4 of the attachment? Then it is probably escrowed.
 - b. Needs to be for the date of filing or very close to that timeframe.
 - c. If no projections on the escrow, then use a spreadsheet to calculate your own.

After above is at least verified received and quickly glanced at - then you are ready to do the calculations and really tear apart the claim.

Looking at the 410a attachment:

1. Final balance in Col P – does it match the fees listed on Line #3 of Part 2 AND Line #2 of Part 3?
 - a. Yes? – ok, no other action.
 - b. No? - Contact Creditor as they do not have full history or left something out as those amounts should be the same. All 3 should match.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
12/10/20	0.00	0.00	-14.25	Property Insp Fees	02/01/20	12000.12	0.00	0.00	0.00	-14.25	0.00	135452.50	0.00	-1299.77	-2781.41	0.00
01/01/21	1080.92	0.00	0.00	Payment Due	02/01/20	13091.04	125.94	768.36	196.62	0.00	0.00	135452.50	0.00	-1299.77	-2781.41	0.00
01/04/21	0.00	0.00	-200.00	Fc Fee/ Costs	02/01/20	13091.04	0.00	0.00	0.00	-200.00	0.00	135452.50	0.00	-1299.77	-2981.41	0.00
01/06/21	0.00	0.00	-560.00	Attorney Fee F/C Uns	02/01/20	13091.04	0.00	0.00	0.00	-560.00	0.00	135452.50	0.00	-1299.77	-3541.41	0.00
01/21/21	0.00	0.00	0.00	B/K Filed	02/01/20	13091.04	0.00	0.00	0.00	0.00	0.00	135452.50	0.00	-1299.77	-3541.41	0.00

2. Does the final balance in Col M = Line #1 of Part 2 – which is the principal balance still due?
 - a. Yes? - ok, no other action.
 - b. No? – contact Creditor to state they don't have the principal balance correct in both spots.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
12/10/20	0.00	0.00	-14.25	Property Insp Fees	02/01/20	12000.12	0.00	0.00	0.00	-14.25	0.00	135452.50	0.00	-1299.77	-2781.41	0.00
01/01/21	1080.92	0.00	0.00	Payment Due	02/01/20	13091.04	125.94	768.36	196.62	0.00	0.00	135452.50	0.00	-1299.77	-2781.41	0.00
01/04/21	0.00	0.00	-200.00	Fc Fee/ Costs	02/01/20	13091.04	0.00	0.00	0.00	-200.00	0.00	135452.50	0.00	-1299.77	-2981.41	0.00
01/06/21	0.00	0.00	-560.00	Attorney Fee F/C Uns	02/01/20	13091.04	0.00	0.00	0.00	-560.00	0.00	135452.50	0.00	-1299.77	-3541.41	0.00
01/21/21	0.00	0.00	0.00	B/K Filed	02/01/20	13091.04	0.00	0.00	0.00	0.00	0.00	135452.50	0.00	-1299.77	-3541.41	0.00

3. Does the Arrearage (part 3) Principal & Interest Due (line 1) divided by the Principal & Interest monthly payment (part 4) divide evenly? Should be a whole # with no decimals.
 - a. Yes? – ok no other action.
 - b. No? – review the history to see if Debtor made exact payments or rounded to bring the amount due to an odd figure that is not an exact # of months delinquent?
 - c. If still no – ensure the principal and interest, line 1 of Part 3 does NOT include any escrow.
 - d. Example below: \$10,731.60 divided by \$894.30 = 12 months with no decimals, this is ok.

If the debtor's principal residence, you must use this form as an attachment to your proof of claim. See separate instructions.

Part 2: Total Debt Calculation		Part 3: Arrearage as of Date of the Petition		Part 4: Monthly Mortgage Payment	
Principal balance:	\$135,452.50	Principal & Interest due:	\$10,731.60	Principal & interest:	\$894.30
Interest due:	\$9,873.64	Prepetition fees due:	\$3,541.41	Monthly escrow:	\$208.80
Fees, costs due:	\$3,541.41	Escrow deficiency for funds advanced:	\$1,299.77	Private mortgage insurance:	\$0.00
Escrow deficiency for funds advanced:	\$1,299.77	Projected escrow shortage:	\$1,258.90	Total Monthly Payment:	\$1,103.10
Less total funds on hand:	\$0.00	Less funds on hand:	\$0.00		
Total debt:	\$150,167.32	Total prepetition arrearage:	\$16,831.68		

Looking at escrow statement:

1. Find the section titled “actual history”
 - a. Look for the last history before any adjustments or estimates and the date should be in the month the case was filed or prior.
 - b. This actual balance amount is the “actual balance at filing”. If negative, then this amount should equal the “Escrow Deficiency” line on the 410a, arrearage section (part 3).
 - c. If this amount is a positive figure, then there should be NO amount on the “Escrow Deficiency” line.
 - d. Ending balance in Col O on POC should equal this balance and is the alternative place to obtain this figure if the escrow statement does not provide it.
2. Find the section titled “projected”
 - a. What is the low point they have highlighted or bolded? It should be no more than two times the monthly escrow amount in the payment.
 - i. Example, they are paying \$120 in escrow monthly – the low point cannot be more than \$240.
 - b. Using that correct low point, what do they state they must begin with to maintain that balance – it is normally the top amount and says “beginning required balance”.
 - c. This is the amount that should match the “Projected Escrow Shortage” line in the arrearage section (part 3) of the 410a --- as long as the actual balance was \$0 or less.
 - d. If the actual balance was a positive amount, then you take the required amount and subtract the actual balance to obtain the figure that is allowed on the “Projected Escrow Shortage” line. See example below.
 - i. Our example case was filed on June 6, 2024.
 - ii. Subscript 1 (red arrow) shows the low point Creditor is using is \$754.40.
 - iii. Escrow monthly payment is \$377.20. Take that x2 = \$754.40 – thus they are using the correct low point.
 - iv. The top line (red star) shows they need \$1508.87 as of 7-1-24 to maintain the low point.
 - v. Go to 2nd pic -- this is the amount they reported as the actual balance at BK filing of \$628.40 POSITIVE balance.

- vi. We then need to say, ok they need \$1508.87 but they already have \$628.40, do the subtraction to get the remaining amount they need ($1508.87 - 628.40$) = \$880.47.
- vii. In the red circle they do correctly claim \$880.47 as the Projected Escrow needed.

Projected Escrow Account Activity (Continued)

Below is a projection of escrow account activity from July 01, 2024 through June 30, 2025. These amounts may change when the actual payments become due.

Month	Escrow Deposit(s)	Tax Payment(s)	Insurance Payment(s)	Mortgage Insurance Payment(s)	Projected Balance
Beginning Escrow Balance					\$1,508.87
Jul 2024	\$377.20	\$0.00	\$0.00	\$0.00	\$1,886.07
Aug 2024	\$377.20	\$0.00	\$0.00	\$0.00	\$2,263.27
Sep 2024	\$377.20	\$0.00	\$0.00	\$0.00	\$2,640.47
Oct 2024	\$377.20	\$935.24	\$0.00	\$0.00	\$2,082.43
Nov 2024	\$377.20	\$0.00	\$0.00	\$0.00	\$2,459.63
Dec 2024	\$377.20	\$0.00	\$0.00	\$0.00	\$2,836.83
Jan 2025	\$377.20	\$0.00	\$0.00	\$0.00	\$3,214.03
Feb 2025	\$377.20	\$0.00	\$2,655.99	\$0.00	\$935.24
Mar 2025	\$377.20	\$0.00	\$0.00	\$0.00	\$1,312.44
Apr 2025	\$377.20	\$935.24	\$0.00	\$0.00	\$754.40 ¹
May 2025	\$377.20	\$0.00	\$0.00	\$0.00	\$1,131.60
Jun 2025	\$377.20	\$0.00	\$0.00	\$0.00	\$1,508.80
Ending Escrow Balance					\$1,508.80
Totals	\$4,526.40	\$1,870.48	\$2,655.99	\$0.00	

¹ Lowest projected balance.

must use this form as an attachment to your proof of claim. See separate instructions.

Part 3: Arrearage as of Date of the Petition

Part 4: Monthly Mortgage Payment

Principal due:	\$332.11	Principal & Interest	\$1,180.94
Interest due:	\$848.83	Monthly escrow:	\$377.20
Prepetition fees due	\$0.00	Private mortgage insurance:	\$0.00
Escrow deficiency for funds advanced	\$0.00	Total monthly payment:	\$1,558.14
Projected escrow shortage	\$880.47		
Less funds on hand: -	\$0.00		
Total prepetition arrearage:	\$2,061.41		

Funds Were Applied/Amount Incurred				Balance After Amount Received or Incurred			
I. Unit to Principal	J. Amount to Interest	K. Amount to Escrow	L. Amount to fees or charges	M. Unapplied Funds	N. Principal Balance	O. Accrued interest balance	P. Escrow balance
					\$226,405.26	\$628.40	\$0.00
					\$226,405.26	\$628.40	\$0.00

- Compare your calculations here to the total included in the POC If they are claiming MORE – inquire with creditor.