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JUDGE HERB ROSS (Recalled)

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF ALASKA 605 West 4th Avenue, Room 138, Anchorage, AK 99501-2253 — (Website: www.akb.uscourts.gov) Clerk's Office: 907-271-2655 (1-800-859-8059 In-State) — Judge's Fax: 907-271-2692

In re

GUY CHRIS MANNINO,

Debtor(s)

Case No. F11-00859-HAR In Chapter 7

MEMORANDUM DECISION TO DEFER RULING ON TIMELINESS STATUS OF PROOF OF CLAIM NO. 8 [Meghan Johnson]

Meghan Johnson filed *pro se* a *Motion to accept late filed claim*. She filed, at about the same time, Proof of Claim No. 8 for \$2,500 as a consumer deposit claim with priority under 11 USC § 507(a)(7). She alleges no notice of the bankruptcy until September 14, 2012.

What Ms. Johnson really seeks is to have her proof of claim deemed to be *timely*. She needs no permission to file the proof of claim, *per se*. If it is untimely, however, it will be subordinated to timely claims when the trustee distributes dividends.²

The motion has not been noticed to the trustee and other creditors. It would be better, procedurally, to defer ruling until the trustee makes a report and seeks permission for a distribution. If the trustee objects to Ms. Johnson's claim as being untimely, a hearing can be held at that time. It may be that no objection will actually be necessary, depending on how much the trustee recovers and the status of other claims filed at the time of his final report.

¹ Docket No. 40, filed September 25, 2012.

² 11 USC § 726(a)(2)(C).

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There is only one claim filed with a higher priority. Proof of Claim No. 1 by the IRS claims a higher priority of just \$618.47 of its total claim. There are other unsecured claims, but it cannot be said at this time whether there will even be an issue paying a late filed claim a 100% dividend.

On the substantive issue, whether a bankruptcy court can expand the time to file a late claim for a creditor with no notice of the claims bar date (April 19, 2012 in this case), the cases are not uniform. Judge MacDonald held in a claims objection hearing in <u>In re Harp</u> that he did not have such authority.³ The rationale used for his ruling has been also been used in a decision by an Idaho bankruptcy court.⁴

On constitutional grounds, however, the district court in the Central District of California, in <u>In re Barsky</u>, held that a creditor who was not given adequate notice of the claims bar date was not precluded from filing a late claim which could be deemed timely.⁵ In <u>In re Coastal Alaska Lines, Inc.</u> the 9th Circuit criticized the "lack of due process" reasoning of <u>In re Barsky</u>, but the facts before it did not present the same factual framework relied upon by the <u>Barsky</u> court in its due process ruling, so it did not overrule <u>Barsky</u>.⁶

This conflict can be addressed, if necessary, at the time of any objection to Proof of Claim No. 8 on timeliness grounds.

³ A copy of Judge MacDonald's decision is attached. A10-00021-DMD, <u>In re Steve W. Harp and Teresa E. Harp</u>, Docket No. 93, filed December 7, 2011, discussing FRBP 3002(c) and FRBP 9006(b)(3).

⁴ <u>In re Moniz</u>, 2007 WL 2225926 (Bankr.D. Ida. 2007).

⁵ <u>In re Barsky</u>, 85 B.R. 550, 553 (C.D. Cal. 1988), *aff'd.*, 933 F.2d 1013 (9th Cir. 1989) (the unpublished decision of the circuit did rule on the constitutional issue).

⁶ In re Coastal Alaska Lines, Inc., 926 F.2d 1428, 1430-31 (9th Cir. 1990).

1	DATED: September 27, 2012
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3	/a/ Harl Dans
4	/s/ Herb Ross HERB ROSS
5	U.S. Bankruptcy Judge
6	Serve:
7	Meghan Johnson, <i>pro se</i> POC # 8 claimant, 201 Hamilton Ave., Unit #20, Fairbanks, AK 99701 Larry Compton, trustee
8	Larry Compton, trustee James DeWitt, Esq., attorney for the trustee U.S. Trustee's Office - Anchorage
9	Case Manager
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27	MEMORANDUM DECISION TO DEFER RULING ON TIMELINESS STATUS OF
28	PROOF OF CLAIM NO. 8 [Meghan Johnson] Page 3 of 3

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF ALASKA

In re:	Case No. A10-00021-DMD Chapter 13	
STEVE W. HARP and TERESA E. HARP,	Filed On 12/7/11	
Debtors.		

ORDER ON TRUSTEE'S OBJECTIONS TO CLAIMS AND ON THE DEBTOR'S MOTION TO ALLOW LATE FILED CLAIMS

A hearing on the trustee's objections Claim Nos. 17, 18, 19, 20, and 21, all filed by Valley Collections, Inc., and the debtor's motion to allow these late filed claims was held before the undersigned on December 6, 2011. Larry Compton, chapter 13 trustee, appeared on his own behalf. Louis Breuer appeared by telephone on behalf of the debtors, and debtor Steve Harp also was present by telephone. Kathy Simpson appeared by telephone for Valley Collections, Inc. For the reasons stated in this court's Memorandum on Debtor's Motion to Allow Late Filed Claims, dated December 7, 2011,

IT IS ORDERED:

- 1) The trustee's claim objections are sustained. Claim Nos. 17, 18, 19, 20, and 21, filed by Valley Collections, Inc., are disallowed, in full.
 - 2) The debtor's motion to allow late filed claims is denied.

Case 10-00021 Doc 93 Filed 12/07/11 Entered 12/07/11 14:25:39 Desc Main Document Page 2 of 2

DATED: December 7, 2011.

BY THE COURT

/s/ Donald MacDonald IV DONALD MacDONALD IV United States Bankruptcy Judge

Serve: L. Breuer, Esq.
Valley Collections, Inc., Attn: K. Simpson, P. O. Box 870670, Wasilla, AK 99687-0670
L. Compton, Trustee
U. S. Trustee

Claims Register

12/7/11