**United States Bankruptcy Court**
**Northern District of Illinois**
**Eastern Division**

**Transmittal Sheet for Opinions for Posting**

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| **Judge:** | David D. Cleary |

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

| | | |
|---|---|---|
| In re: | ) | Case No. 25 B 12789 |
| | ) | |
| SURESHKUMAR RAMAJAYAM, | ) | Chapter 13 |
| | ) | |
| Debtor. | ) | Judge David D. Cleary |

**ORDER GRANTING AND CONTINUING MOTION FOR SANCTIONS AGAINST KALPANA GANESAN AND THE BARHAUGH LAW FIRM, P.C. FOR VIOLATION OF THE AUTOMATIC STAY, SUSTAINING DEBTOR'S OBJECTION TO CLAIM 13-1 AND DENYING KALPANA GANESAN'S MOTION FOR LEAVE TO ALLOW LATE CLAIM FILING**

These matters come before the court on the motion for sanctions ("Sanctions Motion") filed by Sureshkumar Ramajayam ("Debtor"), Debtor's objection to claim 13-1 ("Claim Objection"), and the motion of Kalpana Ganesan ("Ganesan") for leave to allow her late claim ("Motion to Allow"). Having reviewed the papers filed on these matters as well as the case docket, the court will grant the Sanctions Motion, continue it for further hearing on actual damages, sustain the Claim Objection and deny the Motion to Allow.

## I. BACKGROUND

Debtor filed a voluntary petition for relief under chapter 13 of the Bankruptcy Code on August 20, 2025. He filed his schedules and Statement of Financial Affairs ("SOFA") on the same date. At line 2.4 of Schedule E, Debtor listed Ganesan with a priority claim described as "[d]omestic support obligations" in the amount of $0.00. *See* EOD 1.

Debtor also listed Ganesan at line 4.30 of Schedule F, with a general unsecured claim in the amount of $31,500 described as "debt." When asked in Question 10 on the SOFA whether any of his property was repossessed in the year prior to filing, Debtor checked "yes" and indicated that Ganesan had garnished property with a value of $0. *Id.*

On August 23, 2025, the court sent notice of Debtor's bankruptcy case to Ganesan at the address listed in the schedules and SOFA. *See* EOD 9.

Debtor and Ganesan are parties to a pending domestic relations proceeding in the Circuit Court of DuPage County ("State Court"). Debtor's counsel sent emails to Ganesan's State Court counsel Darran Barhaugh ("Barhaugh") following the filing of the bankruptcy petition, asking Ganesan to cease collection efforts. On August 25, 2025, Barhaugh acknowledged notice of the bankruptcy petition but asserted that any garnishments concerned maintenance and child support. In response, Debtor's counsel wrote:

> My bad. Our legal team confirmed that the garnishment is for child support.
>
> We will inform our client that he has to be a good father.

Answer to Motion for Sanctions ("Sanctions Response"), Ex. A.

On October 15, 2025, Barhaugh served Debtor with a Third Petition for Rule to Show Cause ("Show Cause Petition") in the State Court proceeding. The Show Cause Petition alleged, among other items, that Debtor failed to pay Ganesan $31,500 from the sale of property located in India ("Peninsula Property"), as required by the parties' Marital Settlement Agreement ("MSA"). In the Show Cause Petition, Ganesan requested that the State Court enter a rule to show cause ordering Debtor to appear, setting a purge equal to $31,500 plus interest, award attorney's fees and require Debtor to surrender his passport until the judgment had been paid *See* Sanctions Motion, Ex. A.

According to the Sanctions Motion, Debtor's counsel emailed Barhaugh on October 22, 2025, to advise him that the Show Cause Petition violated the automatic stay. *See id.*, ⁋ 7. The same day, Barhaugh emailed Debtor's counsel, writing:

> As I explained to your client's first representative, there is a dissolution judgment that has multiple domestic support obligations required by your client. I am not

> terminating enforcement of same, the income withholding will remain in effect until support has been modified and your client will still pay what is owed my client under the dissolution judgment. Your client's bankruptcy does not have any effect on his obligations as we both know domestic support obligations are immune from bankruptcy proceedings. However, if you would like to enter an appearance on behalf of Mr. Ramajayam in the dissolution matter we can gladly discuss your client's position with the court.

Sanctions Motion, Ex. B.

The bar date for non-governmental creditors to file a proof of claim passed on October 29, 2025 ("Claims Bar Date"). Ganesan did not file a proof of claim before the Claims Bar Date.

Debtor filed the Sanctions Motion on November 4, 2025, seeking an award of damages under 11 U.S.C. § 362(k). On November 20, 2025, he filed an amended Schedule B, adding at line 17.2 a bank account with a value of $12.00 described as "HDFC Checking (Indian Checking account)." *See* EOD 30.

On November 21, 2025, Ganesan filed Claim 13-1 in the amount of $31,500 ("Claim"). Three days later, Debtor filed the Claim Objection. *See* EOD 35.

On December 10, 2025, Ganesan filed the Motion to Allow. She did not deny receiving notice of the bankruptcy case but instead stated that "being unaware of the implications of said [bankruptcy] filing, [she] did not file a claim in this matter for a DSO until November 21, 2025." Motion to Allow, ⁋ 4.

Ganesan attached a copy of the Judgment for Dissolution of Marriage ("JDOM") and the MSA to the Motion to Allow. In relevant part, Section 10.3 of the MSA states:

> The parties acknowledge that KALPANA has filed a claim for dissipation or [sic] marital assets. Based upon the parties' agreement, SURESH hereby agrees that the sum of $90,000 represents the agreed upon compromise between the parties, which would entitle KALPANA to the sum of $45,000 from SURESH's share of the marital estate. The parties agree that the amount due to SURESH from the following marital assets shall be offset from the amount due to SURESH:

A. From the marital residence, SURESH's share of the equity in the amount of $13,500 shall be reduced from the $45,000, leaving a balance due to KALPANA in the amount of 31,500;
B. From the sale of the Property in India, KALPANA shall receive SURESH's share of the proceeds up to the balance due on the dissipation claim of $31,500.

Motion to Allow, Ex. B.

The court[1] entered three scheduling orders on January 9, 2026:

--Debtor was allowed until January 23, 2026 to reply in support of the Sanctions Motion;

--Debtor was allowed until January 23 to respond and Ganesan was allowed until February 6, 2026, to reply in support of the Motion to Allow; and

--Ganesan was allowed until January 23 to respond and Debtor was allowed until February 6, 2026 to reply in support of the Claim Objection.

*See* EOD 53-55.

Debtor filed a reply in support of the Sanctions Motion and a response to the Motion to Allow. *See* EOD 56, 57. Ganesan filed nothing further.

## II. DISCUSSION

### A. Sanctions Motion

Debtor contends that Ganesan violated the automatic stay by filing the Show Cause Petition. The automatic stay "permits the debtor to attempt a repayment or reorganization plan, or simply to be relieved of the financial pressures that drove him into bankruptcy." *Kimbrell v. Brown*, 651 F.3d 752, 755 (7th Cir. 2011) (quotation omitted). The stay benefits creditors as well. "[E]very creditor has an incentive to maximize its own recovery before other creditors deplete the pot. Without a mandatory collective system, the creditors would race to the courthouse to recover first. One or a few successful creditors could then recover substantial

[1] At the time, this case was assigned to the Honorable Janet S. Baer. Following Judge Baer's retirement, the case was reassigned to the undersigned.

funds, deplete the assets, and drive the [debtor] under—leaving other creditors with nothing." *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204, 231 (2024) (Kavanaugh, J., dissenting) (discussing the purpose of bankruptcy law).

Section 362 states in relevant part:

> (a) Except as provided in subsection (b) of this section, a petition filed under section 301, 302, or 303 of this title, or an application filed under section 5(a)(3) of the Securities Investor Protection Act of 1970, operates as a stay, applicable to all entities, of--
>
> > (1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title; [and]…
> >
> > (6) any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under this title[.]

11 U.S.C. § 362(a)(1) and (6). Debtor alleges a violation of § 362(a)(1) and (6) and seeks an award of both actual and punitive damages as well as attorneys' fees under 11 U.S.C. § 362(k). Section 362(k) provides that "an individual injured by any willful violation of a stay provided by this section shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages." The burden of proof is on Debtor to "show a violation of the stay, and then that the stay violation was willful." *In re Mogan*, No. 22 B 1957, 2026 WL 1533262, at *6 (Bankr. N.D. Ill. May 29, 2026).

Ganesan does not argue that the Show Cause Petition was not the continuation of an action to recover a prepetition claim against the Debtor or an act to collect a prepetition claim against the Debtor in violation of § 362(a)(1) or (6). Instead, she asserts that it was excepted from the automatic stay by operation of 11 U.S.C. § 362(b)(2)(B):

> (b) The filing of a petition under section 301, 302, or 303 of this title, or of an application under section 5(a)(3) of the Securities Investor Protection Act of 1970, does not operate as a stay--…
>
> (2) under subsection (a)--…
>
> (B) of the **collection of a domestic support obligation** from **property that is not property of the estate**[.]

11 U.S.C. § 362(b)(2)(B) (emphasis added). Two requirements must be satisfied to exempt an act from the automatic stay pursuant to § 362(b)(2)(B). The act must seek the collection of a domestic support obligation, and the movant cannot seek collection from property of the estate.

Ganesan contends that because the $31,500 from the sale of the Peninsula Property was awarded to her in the MSA, it is not property of the estate. As the Seventh Circuit explained in 2023, "the Illinois Dissolution of Marriage Act provides that spouses own a contingent interest in all marital property, and their interests vest at the time of the divorce petition. When the marital property is divided, each party's contingent interest either ripens into a full ownership interest or vanishes." *In re Wolf*, No. 23-1045, 2023 WL 6564882, at *2 (7th Cir. Oct. 10, 2023) (citations and quotation omitted). Since the divorce court already divided the marital property, her contingent interest in $31,500 of the proceeds of the Peninsula Property had ripened into a full ownership interest, while Debtor's had vanished.

Presumably, Ganesan's contention is that $31,500 of Debtor's assets became her property prior to the bankruptcy filing. She presents no evidence, however, that there is any specific property that belongs to her and never entered the bankruptcy estate. Ganesan does not claim that $31,500 was escrowed at the time of sale and is sitting in an account waiting to be claimed. Nor has she identified any discrete fund that contains the $31,500 awarded to her. Therefore, Ganesan has not established that she was seeking collection of her debt from property that is not property of the estate, which is one of the two requirements for the exception in § 362(b)(2)(B) to apply.

Neither has Ganesan established the existence of the second requirement of 11 U.S.C. § 362(b)(2)(B). Even if Ganesan had demonstrated that the property against which she proceeded was not property of the estate, she must also show that she was collecting a domestic support obligation. The Bankruptcy Code defines a "domestic support obligation" as:

> [A] debt that accrues before, on, or after the date of the order for relief in a case under this title, including interest that accrues on that debt as provided under applicable nonbankruptcy law notwithstanding any other provision of this title, that is--
>
> (A) owed to or recoverable by--
>
> (i) a spouse, former spouse, or child of the debtor or such child's parent, legal guardian, or responsible relative; or
>
> (ii) a governmental unit;
>
> (B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child of the debtor or such child's parent, without regard to whether such debt is expressly so designated;
>
> (C) established or subject to establishment before, on, or after the date of the order for relief in a case under this title, by reason of applicable provisions of--
>
> (i) a separation agreement, divorce decree, or property settlement agreement;
>
> (ii) an order of a court of record; or
>
> (iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and
>
> (D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child of the debtor, or such child's parent, legal guardian, or responsible relative for the purpose of collecting the debt.

11 U.S.C. § 101(14A).

The $31,500 debt owed to Ganesan contains three of these four elements: it is owed to a former spouse, it was established by a court order and it has not been assigned. Ganesan bears the burden of showing that the debt is a domestic support obligation, and to do so she must demonstrate that the $31,500 award is "in the nature of alimony, maintenance, or support[.]"

In Ganesan's own words, "the $31,500 Judgment against Debtor entered by the trial court *was a direct result of a dissipation claim* filed against Debtor for undermining the family support system and failing to provide material support for his family as a result of his transference of thousands of dollars from the account and sending same across seas, see Notice of Intent to Claim Dissipation attached as Exhibit A." Motion to Allow, ¶ 14 (emphasis added).

The question, therefore, is whether the dissipation claim on which the $31,500 award is based was in the nature of alimony, maintenance, or support. "The critical and principal inquiry is whether the intent of the divorce court and the parties was to provide support or divide marital property and debts." *In re DeKroon*, 593 B.R. 778, 783 (Bankr. N.D. Ill. 2018) (quotation omitted)

The MSA contains 14 articles, several of which relate to maintenance or support: Article III is titled "Child Support & Child's Expenses"; Articles IV, V and VI cover other child-related expenses; Article VII is titled "Maintenance"; and Article VIII describes "Medical, Dental, Optical, and Related Needs of the Parties." Article IX addresses "Property Settlement." The $31,500 debt is in neither the maintenance/support articles nor the property settlement article, but instead in section 10.3 of Article X, "Debts and Obligations."

Illinois law provides that courts "shall divide the marital property without regard to marital misconduct in just proportions considering all relevant factors, including:… (2) the dissipation by each party of the marital property[.]" 750 ILCS 5/503(d)(2). "Dissipation is the use of marital property for the sole benefit of one of the spouses for a purpose unrelated to the marriage at a time that the marriage is undergoing an irreconcilable breakdown." *In re Marriage of Beltran*, 2025 IL App (3d) 240064-U, ¶ 52 (quotation omitted).

In Illinois, therefore, dissipation is a factor to be considered in dividing marital property. *See In re Thorpe*, 881 F.3d 536, 541 (7th Cir. 2018) ("This is where the Act's additional statutory remedies come in. If other marital assets were still around, the divorce court could order an equitable division to make up for Timothy's dissipation."); *Malek v. Malek*, No. 19 CV 8076, 2020 WL 6075871, at *9 (N.D. Ill. Oct. 15, 2020) ("Dissipation of marital property is one factor the divorce court may consider in dividing marital property."); *Reinbold v. Schertz* (*In re Schertz*), No. 21-70207, 2022 WL 17070099, at *13 (Bankr. C.D. Ill. Nov. 17, 2022) ("[t]he relevant factors for determining an equitable allocation of marital property as set forth in the statute include:…(2) the dissipation by each party of the marital property[.]"). *Cf. In re Hoult*, No. 26-90018, 2026 WL 1719945, at *3 (Bankr. C.D. Ill. June 12, 2026) ("The court concluded that Hoult had engaged in waste, misuse, and aimless spending and had thus engaged in dissipation of marital assets, which is a concept relating to property division.") (Indiana law); *Matter of Marriage of Lucas*, 2021 WL 1045186, at *7 (Kan. Ct. App. 2021) ("In deciding the just and equitable division of marital property, a court can consider the dissipation of marital assets.") (unpublished opinion) (Kansas law).

The $31,500 award to Ganesan was based on resolution of her dissipation claim. Dissipation is a factor considered by domestic relations courts when determining how to divide property. There is no evidence to suggest that the $31,500 award was in the nature of alimony, maintenance, or support, or anything other than an equitable division to make up for Debtor's dissipation. Therefore, the court must conclude that it is not a domestic support obligation.

Since Ganesan's $31,500 claim is not a domestic support obligation, and she has not demonstrated to the court that she was attempting to collect that claim from property that was not property of the estate, her collection attempts are not excepted from the stay pursuant to 11 U.S.C. § 362(b)(2)(B). Therefore, the Show Cause Petition, which was an act to collect a prepetition claim, violated the automatic stay.

Having shown a violation of the automatic stay, Debtor also has the burden of proving that the violation was willful. "A willful violation does not require specific intent to violate the stay; it is sufficient that the creditor takes questionable action despite the awareness of a pending bankruptcy proceeding." *In re Radcliffe*, 563 F.3d 627, 631 (7th Cir. 2009).

In this case, as in *Radcliffe*, "[i]t is indisputable that [Ganesan] acted with knowledge of the bankruptcy proceeding." *Id.* The bankruptcy court sent notice of Debtor's case to the address in Schedule E, which was also the address provided for notices in her Claim. Also, Ganesan's State Court counsel Barhaugh had emailed with Debtor's counsel two months before filing the Show Cause Petition. In that email exchange, Debtor's counsel asked Barhaugh to stop garnishments. When Barhaugh explained that the garnishments involved maintenance and child support, Debtor's counsel confirmed the same and withdrew the request.

The subsequent Show Cause Petition had two parts, only one of which concerned child support. The second part sought payment of the $31,500 award, which is not a domestic support obligation. Ganesan and her counsel would have known that the $31,500 award had a different basis in the MSA than the child support claim. Therefore, seeking payment of that $31,500 award was a "questionable action[.]" *Radcliffe*, 563 F.3d at 631. Consequently, Debtor has shown a willful violation of the automatic stay.

The court will therefore continue the Sanctions Motion for further hearing, to determine an award of actual damages. *See In re Thompson*, 426 B.R. 759, 767-68 (Bankr. N.D. Ill. 2010) ("To recover actual damages for a willful violation of the stay, a debtor must show the amount of damages with reasonable certainty."). Debtor is reminded that the Seventh Circuit does "not think that emotional injury is compensable under section 362(h) when there is no financial loss to hitch it to by means of the clean-up doctrine." *Aiello v. Providian Fin. Corp.*, 239 F.3d 876, 880 (7th Cir. 2001) (discussing the predecessor section to § 362(k)).

The court will not award punitive damages, which the statute directs must be awarded only "in appropriate circumstances." 11 U.S.C. § 362(k). In this case, Debtor's counsel had previously emailed Ganesan's counsel regarding the automatic stay and then retracted from their position. While Ganesan's actions regarding the Show Cause Petition were questionable, there is no "evidence of maliciousness or bad faith on the part of the offending creditor." *Matter of Gorokhovsky*, No. 17-28901-BEH, 2018 WL 3325716, at *4 (Bankr. E.D. Wis. July 5, 2018).

As for attorney's fees, Debtor is also reminded that he signed the Court-Approved Retention Agreement, which states in part: "The lawyer may not charge any other fees for representing the debtor in the case. The sole exception, explained below, is representation of the debtor in certain lawsuits in the bankruptcy case known as adversary proceedings." EOD 13, p. 13. To support an award of attorney's fees, Debtor would need to demonstrate "extraordinary circumstances[.]" *Id.*, p. 16. *See In re Anderson*, No. 14 B 11526, 2016 WL 6833907, at *1 (Bankr. N.D. Ill. Nov. 18, 2016) ("Attorneys retained pursuant to CARA agreements are required to pursue damages and injunctions for violations of the automatic stay and the discharge injunction on behalf of Chapter 13 clients. These proceedings rarely require more than routine efforts on the part of experienced bankruptcy lawyers. It would be unfair to routinely order debtors to pay attorneys' hourly fees for these matters[.]").

For all of the reasons stated above, the court will grant the Sanctions Motion and continue it for further hearing to determine an award of actual damages.

### B. Claim Objection and Motion to Allow

On November 21, 2025, Ganesan filed Claim 13-1 in the amount of $31,500. Three days later, Debtor filed the Claim Objection. The basis of the Claim Objection is that Ganesan filed her proof of claim after the Claims Bar Date had passed.

Ganesan did not file a response to the Claim Objection but instead filed the Motion to Allow. She contends in that motion that "the outcome of the Objection rests on whether the $31,500.00 award is 'in the nature of support' and therefore a claim entitled to priority pursuant to 11 U.S.C. §§ 507(a)(1) and 1322(a)(2), which must be fully paid in the Debtor's plan." Motion to Allow, ⁋ 13. Ganesan also makes arguments under 11 U.S.C. § 523(a)(5), although this is not a dischargeability action and no adversary proceeding has been filed. In her prayer for relief, Ganesan asks the court to "enter an Order expanding the claim period [and]…find that the $31,500 Judgment to be a Domestic Support Obligation and non-dischargeable." *Id.*, ⁋⁋ A and B.

11 U.S.C. § 501 provides that creditors may file proofs of claim in bankruptcy cases. With certain limited exceptions not applicable here, "every creditor must file a proof of claim … for the claim or interest to be allowed." Fed. R. Bankr. P. 3002(a).

Pursuant to Fed. R. Bankr. P. 3001(f), "[a] proof of claim signed and filed in accordance with these rules is prima facie evidence of the claim's validity and amount." *See In re Octagon Roofing*, 156 B.R. 214, 218 (Bankr. N.D. Ill. 1993); *Heritage Bank Tinley Park v. Steinberg* (*In* *re Grabill Corp.*), 121 B.R. 983, 992 (Bankr. N.D. Ill. 1990). Once a proof of claim is filed, it is deemed allowed until a party in interest objects. 11 U.S.C. § 502(a).

When a party objects to a claim, it has the burden of going forward with evidence supporting the objection to the amount and validity of the claim. *See Grabill*, 121 B.R. at 992; *In re Allegheny Internat'l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992) ("It is often said that the objector must produce evidence equal in force to the *prima facie* case.").

Fed. R. Bankr. P. 9006(b), which Ganesan references in the introduction to the Motion to Allow, permits courts to extend the time for a party to act if "on motion made after the specified period expires, the failure to act within that period resulted from excusable neglect." Fed. R. Bankr. P. 9006(b)(1)(B). *See Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380 (1993). Rule 9006(b)(3) restricts that permission, however, stating that the time for acting under Rule 3002(c) may be enlarged "only as permitted" in that rule. And Rule 3002(c) provides the conditions for filing a proof of claim in a chapter 13 case.

Pursuant to Fed. R. Bankr. P. 3002(c), a proof of claim in a chapter 13 case must be filed within 70 days after the order for relief. The Claims Bar Date in Debtor's case was October 29, 2025; Ganesan filed the Claim on November 21, 2025.

Rule 3002(c) contains seven exceptions to the 70-day limit on filing a proof of claim. Unless one of the exceptions to the deadline applies, Ganesan's Claim is untimely.

The only exception in Rule 3002(c) that could be relevant here is:

> (7) **Extending the Time to File**. On a creditor's motion filed before or after the time to file a proof of claim has expired, the court may extend the time to file by no more than 60 days from the date of its order. The motion may be granted if the court finds that the notice was insufficient to give the creditor a reasonable time to file.

Fed. R. Bankr. P. 3002(c)(7). Presumably Ganesan would like the court to construe the Motion to Allow as a motion to extend the time to file pursuant to Rule 3002(c)(7). Therefore, she must show that notice of the bankruptcy case was insufficient to give her a reasonable time to file her proof of claim.

Debtor listed Ganesan in Schedule E with a priority claim described as "[d]omestic support obligations" in the amount of $0.00. On August 23, 2025, the court sent notice of Debtor's bankruptcy case to Ganesan at the address listed in Schedule E, which is the same address Ganesan listed on the Claim when asked where notices should be sent. While she does not admit in the Motion to Allow that she received the court's notice, neither does she deny it. Instead, Ganesan carefully words paragraph 3 of the Motion to Allow to state: "On or about August of 2025, Creditor Kalpana Ganesan is alleged to have been served a notice of the bankruptcy filing."

Moreover, although it does not prove notice to Ganesan herself, the email exchange attached to her Sanctions Response shows that Barhaugh corresponded with Debtor's bankruptcy counsel in late August 2025 regarding the effect of the automatic stay. The subject line of these emails is "Re: 2019D002112 – Active chapter 13 bankruptcy Case Number 25-12789."

Taking all of these circumstances together, the court concludes that Ganesan cannot show that notice of the bankruptcy case was insufficient to give her a reasonable time to file her proof of claim. As a result, to the extent that the court construes the Motion to Allow as a motion to extend the time to file pursuant to Rule 3002(c)(7), it must be denied. The court has no discretion in the matter. *See In re Williams*, 674 B.R. 877, 883 (Bankr. N.D. Ill. 2025) ("The Bankruptcy Code and Rules, when read together, are clear: chapter 13 creditors must file timely proofs of claim to receive a recovery under the plan and avoid discharge of their unsecured claims, even if their claims are disclosed in the schedules and provided for in the plan.").

Since the Claim was filed after the Claims Bar Date and the motion to extend time will be denied, the Claim is untimely. The court will sustain the Claim Objection.

## III. CONCLUSION

For all of the reasons stated above, **IT IS ORDERED THAT**:

1. The Sanctions Motion is **GRANTED**;
2. The Sanctions Motion is set for further hearing on **September 4, 2026 at 10:30 a.m**., at which time the parties will advise the court regarding a proposed schedule for determining an award of actual damages;
3. The Claim Objection is **SUSTAINED**;
4. The Motion to Allow is **DENIED**; and
5. Status hearings on confirmation of Debtor's plan and the application for compensation filed by Debtor's counsel are set for **September 4, 2026 at 10:30 a.m**.

ENTERED:

Date: August 21, 2026

DAVID D. CLEARY
United States Bankruptcy Judge