

Bankruptcy Court for the District of Maryland (J. Teel) held that a late-filed proof of claim in a chapter 13 case was disallowed pursuant to 11 U.S.C. § 502(b)(9) and Fed. R. Bankr. P. 3002(c) and 9006(b)(3), which generally barred enlargement of time for filing a proof of claim in a chapter 13 case; and the Bankruptcy Court lacked equitable power to allow the late filed claim.

In re Mitchell, 2015 Bankr. Lexis 3103 (Bankr. D. Md. Sept. 14, 2015)

Summary by Kristen M. Siracusa, Miles & Stockbridge P.C.

The debtor objected to the proof of claim filed by a law firm in her chapter 13 case. The law firm conceded that the claim was filed late and did not contend that it was not given timely notice of the bar date for filing of claims. The Bankruptcy Court therefore determined that the claim must be disallowed, as the exceptions to Section 502(b)(9) and Rules 3002(c) and 9006(b)(3) were of no relevance.

The law firm argued that the court had equitable power to permit the late filing of the claim, citing to the Seventh Circuit's decision in *In re Unroe*, 937 F.2d 346 (7th Cir. 1991). The Bankruptcy Court disagreed and distinguished *Unroe* as it involved whether amendment of a timely proof of claim, after the bar date, was permissible. In *Mitchell*, no timely claim had been filed. Secondly, the Court of Appeals in *Unroe* was decided before the enactment of section 502(b)(9) and relied on Section 105(a) of the Code in permitting the amendment of the claim. The Bankruptcy Court determined that the argument that *Unroe* supports a court's use of its equitable powers to allow a late claim in the case completely disregards Section 502(b)(9) and cannot be accepted. Finally, *Unroe* did not address Fed. R. Bankr. P. 9006(b)(3), which prohibits enlargement of the deadline for filing a claim in a chapter 13 case, except to the extent that an exception listed in Rule 3002(c) applies.