



Dated: January 15, 2026
The following is ORDERED:



Jennie D. Latta
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

In re
LARRY JAY JEFFRIES II,
Debtor.

Case No. 24-24153-L
Chapter 13

ORDER DENYING MOTION TO RECONSIDER

BEFORE THE COURT is the *USCS Bankr R 3008 Motion to Reconsider Order Denying Late Filed Claim, or, Alternatively, to Lift the Automatic Stay and Memorandum of Law in Support of Claim* filed December 11, 2025, and the *Supplement to [the] Motion to Reconsider Order Denying Late Filed Claim* filed on December 31, 2025, by Shawndra Jeffries, the former spouse of the Debtor, Larry Jay Jeffries [*Motion to Reconsider*, ECF No. 44; *Supplement*, ECF No. 49]. The Court conducted a hearing to consider the motion on January 8, 2026. Matthew R. Macaw appeared in support of the motion and Bruce A. Ralston appeared in opposition. At the conclusion of the hearing, the Court continued the matter to January 22, 2026, in order to give the parties further time to consider their alternatives and for the Court to review the record once again.

The Court has now carefully reviewed the record and statements of counsel and makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

The Debtor commenced this bankruptcy case by filing a voluntary petition under Chapter 13 of the United States Bankruptcy Code on August 27, 2024 [ECF No. 1].

The deadline for filing proofs of claim was set at November 5, 2024 [ECF No. 6].

Shawndra Jeffries was named as a person holding an unsecured claim in the amount of \$55,761.65 resulting from property division [ECF No. 1, Schedule E/F].

The plan proposed by the Debtor proposed to treat the claim of Ms. Jeffries as a nonpriority unsecured claim [ECF Nos. 2, 13, 20].

Ms. Jeffries did not object to confirmation of the proposed plan.

An order confirming the Debtor's plan was entered November 26, 2024 [ECF No. 25]. It makes no provision for domestic support obligations but includes Ms. Jeffries among the nonpriority unsecured claims.

The estimated unsecured claims provided for by the plan total \$84,201.65. *See Order Confirming Plan*, Exhibit, ¶14.

The confirmed plan sets the percentage to be paid to unsecured claims at 54% [ECF No. 25, Exhibit, ¶ 15].¹

¹ The Court does not approve of the trustee "setting" a percentage to be paid to unsecured creditors. The Court is well-aware that this routine practice dates from before the BAPCPA amendments of 2005. Nevertheless, the Court does not find it consistent with the requirements for a confirmable plan set forth in Chapter 13 of the Bankruptcy Code. The debtor may *choose* to set up his plan as a "percentage" plan, but the plans described in sections 1322 and 1325 are "pot" plans, that is, they anticipate that the debtor will propose to pay a certain amount per week or month over a certain period of time yielding a total amount to be paid to creditors over the life of the plan. Beginning March 1, 2026, this judge will no longer approve a plan in which the trustee "sets" a percentage to be paid to unsecured creditors. The trustee may, of course, *estimate* the percentage that will be paid to unsecured creditors based upon the debtor's proposed payments to be made over the life of the plan and estimates of the claims to be paid. Likewise, the *debtor* may set a percentage to be paid to unsecured creditors. The routine setting of percentages to be paid by the *trustee*,

Mr. Macaw filed a proof of claim on behalf of Ms. Jeffries on November 10, 2025, in the amount of \$55,761.65 alleging that the claim represented a domestic support obligation owed to a former spouse, more than a year after the deadline for filing proofs of claim had passed [Claims Register, No. 16-1].

Attached to the proof of claim is a copy of the parties' *Final Decree of Divorce* (the "Final Decree"). The *Final Decree* provides that "neither party shall pay alimony to the other party." [Claim No. 16-1, Exhibit 1, ¶ 8].

The *Final Decree* further provides:

As an equitable division of the marital estate, the Court having considered all relevant factors contained in Tenn. Code Ann. § 36-4-121, Defendant shall receive \$55,761.65 from the equity in the personal residence within 120 days from the entry of the Final Decree in this cause. Defendant shall execute a Quit Claim Deed transferring her marital interest in said property to the Plaintiff; however, this Order is likewise divesting Defendant of any and all right to said property.

[Final Decree, ¶ 2].

Mr. Ralston, on behalf of the Debtor, filed an objection to Ms. Jeffries' claim on November 11, 2025 [ECF No. 39].

A hearing to consider the objection to claim was scheduled for December 11, 2025 [ECF No. 40].

Apparently unaware of the pending objection, the Chapter 13 Trustee presented an administrative order allowing the late-filed claim, which was entered on November 18, 2025 [ECF No. 42].²

however, results in numerous, unnecessary motions to amend filed toward the end of the commitment periods of confirmed plans.

² This is another long-standing practice in this district the Court does not approve. As set forth in this opinion, late-filed claims in Chapter 13 cases may not be allowed unless they meet one of the exceptions enumerated in Rule 3002(c). Beginning March 1, 2026, this judge will no longer approve such orders for entry.

No one appeared in opposition to the objection, and it was sustained by order entered December 20, 2025 [ECF No. 47].

Before the written order was entered, Mr. Macaw filed the instant motion seeking reconsideration of the objection to claim [*Motion to Reconsider*, ECF No. 44].

Mr. Macaw claims in his written papers that he was confused by the entry of the Administrative Order Allowing Claim.

At the hearing, however, he provided no explanation for his client's failure to timely file a proof of claim or his failure to appear at the hearing scheduled to consider the objection to the proof of claim he eventually filed.

Notwithstanding the filing of the proof of claim as a domestic support obligation, Mr. Macaw's written pleading describes the obligation as a "separate property interest awarded to [Ms. Jeffries] by the Circuit Court of Shelby County, Tennessee by and through the *Final Decree of Divorce*" [*Motion to Reconsider*, ECF No. 44, ¶ 6].

The *Final Decree* "requires Mr. Jeffries to pay Ms. Jeffries the sum of \$55,761.65 'from the equity in the marital residence within 120 days from entry of the Final Decree of Divorce in this cause.'" [*Motion to Reconsider*, ECF No. 44, ¶ 8].

Ms. Jeffries states that the award was reconfirmed on September 29, 2023 [*Motion to Reconsider*, ECF No. 44, ¶ 9].

At no place does Ms. Jeffries indicate that she retained an interest in the marital residence. Rather she describes the award as a "property division" not subject to discharge [*Motion to Reconsider*, ECF No. 44, ¶ 12].

At the hearing on the *Motion to Reconsider*, counsel for Ms. Jeffries acknowledged that she had given a quit claim deed to the Debtor with respect to the marital residence.

DISCUSSION

Ms. Jeffries has filed a motion to reconsider the allowance of her claim pursuant to Rule 3008 of the *Federal Rules of Bankruptcy Procedure*. Ms. Jeffries has not discussed at any length her failure to timely file a proof of claim nor has she claimed that she was unaware of the need to file a proof of claim. Ms. Jeffries has not argued that an exception to Rule 3002(c), which sets the deadlines for filing proofs of claim, applies to her. At best, she has discussed her attorney's confusion resulting from the entry of the administrative order allowing her late-filed claim. Secondarily, she has argued that rather than a claim against the bankruptcy estate, she holds a property interest in some unspecified property that this Court should recognize.

Rule 3008 gives very little guidance on the reasons a court might reconsider the allowance or disallowance of a claim. It is clear, however, that Rule 3002(c) provides a hard deadline for filing proofs of claim except in certain limited and specific circumstances, none of which apply here. *In re Chavis*, 47 F.3d 818, 824 (6th Cir. 1995); *In re Tench*, No. 15-8026, 2016 WL 2892497, *4 (B.A.P. 6th Cir. May 11, 2016). Rule 9006(b)(1) permits the extension of certain time periods under the Bankruptcy Code when the failure to act resulted from excusable neglect, but it does not apply to Rule 3002(c). See FED. R. BANKR. P. 9006(b)(1)(B) and (2). In fact, Rule 9006(b)(3) specifies that extensions under Rule 3002(c) may be granted only as permitted by Rule 3002(c). Ms. Jeffries does not allege that any of the enumerated exceptions supporting an extension of time found in Rule 3002 apply to her.

Section 502(b)(9) governs the allowance of late-filed claims. It provides that if an objection is filed, the court should disallow a late-filed claim except as permitted under section 726(a) (providing for distribution in Chapter 7 cases) or as provided under the Federal Rules of Bankruptcy Procedure. No exception is provided in Chapter 13 cases. *In re Tench* at *8. When a

claim is disallowed, the result is that it does not share in the distribution of assets from the bankruptcy estate. In a Chapter 13 case, that means that the holder of the disallowed claim is not entitled to share in the distributions made by the trustee in bankruptcy. If such a claim is excepted from discharge, however, the holder of the claim may look to repayment from property of the debtor (as opposed to property of the estate) either during or after completion of the plan.

Mr. Macaw argued at the hearing on the *Motion to Reconsider* that her claim should be excepted from discharge. No formal request for the Court to make that determination is pending, however.

There are three possible exceptions that could apply in this situation. Ms. Jeffries' claim could be excepted from discharge under section 523(a)(3) if she was neither listed nor scheduled as a creditor in time for her to timely file a proof of claim. See, *In re Smith*, 582 F.3d 767, 777-779 (7th Cir. 2009). Ms. Jeffries does not make this argument because she was listed as a creditor in the Debtor's original bankruptcy filing.

Ms. Jeffries' claim could be excepted from discharge as a domestic support obligation under section 523(a)(5). Ms. Jeffries has not made this argument and in fact, has consistently described the obligation owed to her as a "division of property." The *Final Decree* explicitly states that neither party shall pay alimony to the other.

Ms. Jeffries' claim could be excepted from discharge under section 523(a)(15) as a non-support obligation owed to a former spouse. This in fact seems to be what it is, but the Debtor has filed a Chapter 13 case rather than a Chapter 7 case. Section 523(a)(15) claims are subject to discharge in Chapter 13 cases. *In re Thomas*, 511 B.R. 89, 94 (B.A.P. 6th Cir. 2014), *aff'd*, 591 Fed. Appx. 443 (6th Cir. 2015).

It seems clear that the parties intended the award provided in the *Final Decree* as a division of marital property. If so, Ms. Jeffries holds a section 523(a)(15) claim, i.e., a non-support claim held by a former spouse of the debtor. Unlike in Chapter 7 cases, such claims are dischargeable in Chapter 13 cases. *See 11 U.S.C. § 1328(a)*. That is, had she timely filed a proof of claim, Ms. Jeffries would have been entitled to be paid the percentage of her claim that all other nonpriority unsecured claims receive based on the payments called for under the plan with any remaining balance being discharged when the Debtor completes his payments. If it is a section 523(a)(15) claim, Ms. Jeffries will not be entitled to payment from property of the Debtor after the plan is complete. The claim will be disallowed as a late-filed claim and discharged as a non-support obligation.

To avoid this result, Ms. Jeffries argues without providing any proof “that the general unsecured claim listed by Debtor in the amount of \$55,761.65 is not property of the bankruptcy estate.” [*Supplement to Motion to Reconsider*, ECF No. 49, p. 1]. Ms. Jeffries is confused. A “claim” under the Bankruptcy Code is a “right to payment, whether or not such right is reduced to judgment, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.” 11 U.S.C. § 101(5). A claim, as a right to payment, is not an interest in property. Ms. Jeffries has acknowledged that the marital residence was awarded to her ex-husband, the Debtor, pursuant to the parties’ *Final Decree*. The *Final Decree* clearly provides that Ms. Jeffries is divested of any and all right to the marital residence. Ms. Jeffries has pointed to no other specific property that was awarded to her in the *Final Decree*. She does not allege, for example, that she was awarded a specific account held by one or both of the parties in order to provide her with the value of her share in the equity in the marital residence nor does she allege that her right to payment

was protected by the granting of a lien upon the marital residence. Either of these would give her an interest in property.

The proof thus far has shown only that Ms. Jeffries was awarded a sum of money to be paid from whatever resources the Debtor had at the time of the parties' division of property. This is consistent with the proof of claim filed by Ms. Jeffries indicating that she holds an unsecured claim against the Debtor's bankruptcy estate. There has been no proof that Ms. Jeffries holds an interest in property that is property of this bankruptcy estate.

CONCLUSION

For the foregoing reasons, the *Motion to Reconsider* is DENIED. Ms. Jeffries has provided no proof that would alter the Court's prior conclusion that her late-filed claim should not be allowed in this Chapter 13 case. The Court leaves open the possibility that Ms. Jeffries could attempt to show that her claim is a domestic support obligation excepted from discharge in this Chapter 13 case. Such determination could be made by the filing of an adversary proceeding seeking a declaration that the award to her was intended as a domestic support obligation rather than a division of property. The Court notes, however, that such a claim would seem to contradict the explicit terms of the *Final Decree*.

cc: Debtor
 Attorney for Debtor
 Creditor Shawndra Jeffries
 Attorney for Shawndra Jeffries
 All Chapter 13 Trustees in this District