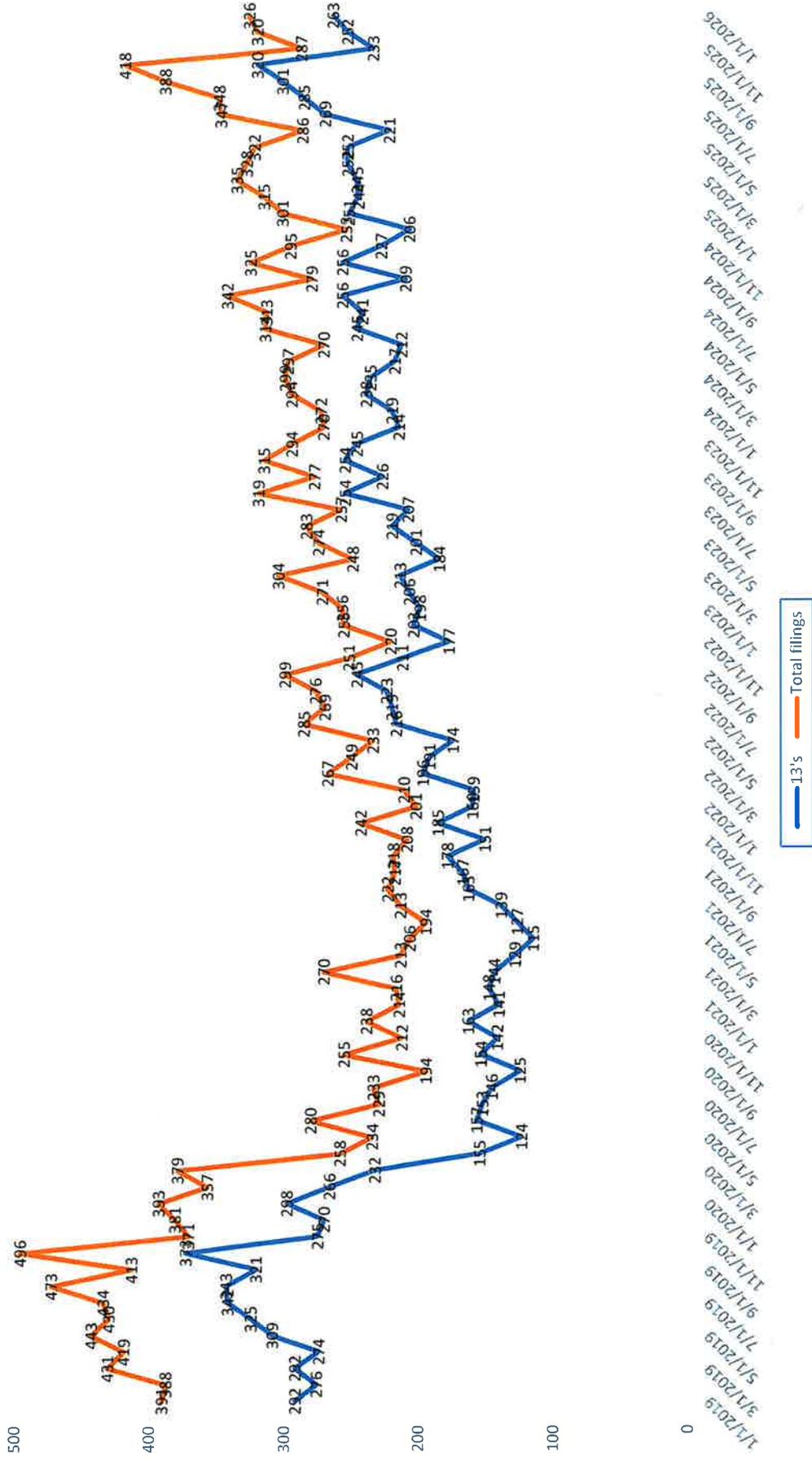


United States Bankruptcy Court, Southern District of Alabama
Quarterly Bankruptcy Section Meeting, February 24, 2026

1. Section chair Brooke Sanchez
2. Judges Oldshue and Callaway
 - Filing numbers – see attached chart. Chapter 13 filings for 2025 were up 15.14% from 2024, chapter 7 filings up 3.12%
 - Proposed local rule changes (fact summaries required in all cases) (attached)
 - New administrative order 2026-01 (trustee's notice of unclaimed funds) (attached)
 - New administrative order 2026-02 (withdrawal of Rule 3002.1(c) notices) (attached)
 - Revised local form order avoiding judicial lien (attached)
 - Topics to discuss with consumer committee
 1. Chapter 13 plans paying less than all of projected disposable income
 2. Adequate protection to secured creditors immediately postconfirmation
 - Judge Oldshue's chapter 13 confirmations moving to 2:45 p.m. in May
 - Case summaries (attached). Note the opinion on scheduling a judgment creditor in care of his attorney instead of the creditor directly.
 - CLE credit
3. Andrea Redmon, Clerk of Court
4. Mark Zimlich, Bankruptcy Administrator
5. Chris Conte, Chapter 13 Trustee
6. Consumer committee – Burruss Riis
7. Business committee – Jay Watkins
 - Upcoming meeting with BA re sub V
8. Open the floor
9. Next meeting Tuesday, May 5, 2026, jury assembly room, second floor of Federal Courthouse, with Microsoft Teams component. Let Andrea Redmon know if you would like to sponsor.

Monthly bankruptcy filings in the Southern District of Alabama since January 2019

600



0

2/3/26 draft



UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA

Local Rules

EFFECTIVE DATE: ~~September 1, 2023~~

Local Bankruptcy Rule 2016-2

SEPARATE PRE- AND POSTPETITION LEGAL SERVICES CONTRACTS IN CHAPTER 7 CASES

The debtor and the debtor's counsel may agree to separate prepetition and postpetition contracts for legal services in a chapter 7 bankruptcy case. The contracts shall be in writing and comply with Alabama Rules of Professional Conduct 1.1 and 1.2, Bankruptcy Code §§ 526-28, and any other applicable standards. The prepetition agreement must allow the debtor at least 10 days postpetition to decide whether to enter into a postpetition legal services contract and must provide that the debtor's counsel will remain as counsel of record until allowed to withdraw. The postpetition contract must cover all remaining aspects of the case except for adversary proceedings. All compensation paid or agreed to be paid must be disclosed pursuant to Bankruptcy Code § 329(a) and Bankruptcy Rule 2016(b). Pursuant to Bankruptcy Rule 1006(b)(3), no attorney's fees shall be paid or accepted postpetition until the filing fee has been paid in full.

If the debtor's counsel has not agreed to postpetition representation and the debtor fails to enter into an agreement for postpetition legal services, the court may allow the attorney to withdraw from the representation of the debtor upon the attorney's motion with service on the debtor, trustee, and bankruptcy administrator. Motions to withdraw may be considered on an expedited basis without being set for hearing.

Local Bankruptcy Rule ~~3010-1~~2016-3

APPLICATIONS TO EMPLOY PROFESSIONALS

In addition to meeting the other requirements of Bankruptcy Rule 2014(a), applications to employ professionals (including attorneys, real estate agents, and accountants) must state the fee terms of the proposed employment in the body of the motion and attach any written contract as an exhibit. An application to employ an attorney to handle a personal injury claim must state the nature of the claim and the date it arose. "Add-on" flat fees in a contingency fee agreement will not be approved. Fee terms may not be modified without prior court authorization.

Local Bankruptcy Rule 3010-1

CHAPTER 13 DIVIDENDS

If unsecured claims have been paid pursuant to the terms of a confirmed plan, the chapter 13 trustee may increase the monthly disbursements on secured claims.

Local Bankruptcy Rule 3015-1

REQUIRED LOCAL FORM FOR CHAPTER 13 PLANS

Pursuant to Bankruptcy Rule 3015.1, this district has adopted a local form for chapter 13 plans which is available on the court's website. Use of the applicable local plan form is required in chapter 13 cases.

Local Bankruptcy Rule 3015-2

CHAPTER 13 CONFIRMATION PROCEDURES

(a) § 341 meeting and confirmation hearing. The debtor is required to appear for examination at the § 341 meeting of creditors. Confirmation hearings will be scheduled and held after the expiration of the non-governmental claims bar date. The debtor and the debtor's counsel are not required to appear at the scheduled confirmation hearing if there are no unresolved objections to confirmation.

(b) Service of original plan. If the debtor files a plan at the same time of the filing of the petition and creditor matrix, the clerk of court will serve the plan with the notice of a commencement of a chapter 13 case on the creditor matrix. The debtor is responsible for any additional service required by Bankruptcy Rules 3012(b) and 7004. Otherwise, pursuant to Bankruptcy Rule 3015(d) the debtor shall serve the plan on all creditors when it is filed with the court.

(c) Preconfirmation modification of a plan. The modification of treatment for a secured, priority, or nondischargeable debt that is already addressed in the original plan can be handled with an agreed withdrawal of objection to confirmation and/or joint motion for valuation which is not required to be served on other creditors. The modified treatment must be reflected in the final plan summary as set out below.

However, preconfirmation plan modifications (1) to add or delete a secured, priority or nondischargeable debt or (2) modify the treatment of a secured, priority, or nondischargeable debt other than by agreement must be made by an amended plan. The debtor must serve the amended plan on all creditors as listed on the most recent creditor matrix. The debtor is also responsible for any additional service required by Bankruptcy Rules 3012(b) and 7004. The debtor is not required to sign the amended plan if signed by the debtor's counsel.

If a chapter 13 debtor files an amended plan before confirmation, any objections previously filed to any prior plan are deemed denied without prejudice as moot, except those of secured creditors whose treatment has not changed as provided by Bankruptcy Code § 1323(c). Objections to the plan as last amended must be filed at least seven days prior to the confirmation hearing date as provided by Bankruptcy Rule 3015(f).

(d) Final plan summary. Within 14 days of the chapter 13 trustee's recommendation of confirmation, the debtor shall file a final plan summary, using the form provided on the court's

website, which shall include all changes made to the debtor's plan since it was originally filed. Failure to timely fileIf the chapter 13 trustee files a "notice to correct" regarding the final plan summary, counsel for debtor(s) must file a corrected final plan summary within 10 days of the notice. Failure to timely file or correct the final plan summary may result in dismissal of the case or reduction of attorney's fees. The final plan summary ~~will be~~is a ~~private~~public filing event in CM/ECF; however, the event is informational only, and parties other than the chapter 13 trustee cannot file objections or responses to the filing.

(e) Confirmation order. After the final plan summary has been filed, the chapter 13 trustee shall prepare and submit to the court a proposed order confirming the terms of the debtor's plan. Upon its entry, the clerk of court shall serve the confirmation order on all creditors. The confirmation order will include a summary of the plan terms and the percentage distribution to be paid on unsecured claims. The confirmation order will also include a negative notice provision that a creditor with an allowed unsecured claim may file an objection to the treatment of unsecured claims within 21 days of the entry of the order. The court will schedule a hearing on any timely-filed objection to the confirmation order. The chapter 13 trustee shall begin disbursements pursuant to the plan upon entry of the confirmation order.

(f) Postconfirmation modifications to plans. A motion to modify a confirmed plan must be specific as to the proposed modification. The debtor is not required to sign the motion to modify, and no amended plan is required. All motions to modify a confirmed plan must be served upon the debtor(s), trustee (unless filed by the trustee), and counsel for debtor(s) (unless filed by that counsel). The motion must also be served on any creditor whose treatment is proposed to be modified (using the notice address on the creditor's most recent proof of claim). A proposed modification which would reduce the percentage distribution on unsecured claims must also be served on all creditors that have filed a proof of claim by using the mailing matrix available in CM/ECF. However, a debtor's motion to modify seeking to change the term of the plan or temporarily suspend plan payments is not required to be served on creditors other than the chapter 13 trustee if it does not otherwise seek to modify the treatment of claims.

If the motion is granted, the chapter 13 trustee shall prepare and submit to the court a proposed order approving modification of the terms of the debtor's plan, which the clerk of court shall serve on all creditors upon its entry. The order approving the modification shall include a summary of the plan terms as modified and the percentage distribution to be paid on unsecured claims. An exception to the above is that the court may issue a separate order regarding any temporary plan payment suspension.

(g) When service on all creditors as listed on the most recent creditor matrix is required, the certificate of service must show what and how creditors were served either by listing them or by referencing and attaching a copy of the applicable creditor matrix. A bare recitation that "all creditors" or "all creditors on the matrix" were served is insufficient.

Local Bankruptcy Rule 3022-1

CLOSING INDIVIDUAL CHAPTER 11 CASES

(a) After confirmation of a chapter 11 case filed by an individual, the clerk of court shall administratively close the case upon the recommendation of the bankruptcy administrator.

(b) Upon application by the debtor with certification that all plan payments have been made, the debtor may move to reopen the case and request entry of an order of discharge. Because the closing is required by local rule at least in part for the court's administrative convenience, no filing fee will be required.

Local Bankruptcy Rule 4001-1

MOTIONS FOR RELIEF FROM THE AUTOMATIC STAY

(a) Upon the filing of a motion for relief from the automatic stay imposed by Bankruptcy Code § 362 or from the co-debtor stay imposed by Bankruptcy Code § 1301, the preliminary hearing shall be consolidated with the final hearing unless directed otherwise by the court. The movant shall serve the motion upon the following parties with an appropriate certificate of service: the debtor, the debtor's counsel, any co-debtor, the chapter 11 debtor-in-possession, the trustee, any committee appointed in the case, the bankruptcy administrator (if a chapter 11, 12, or 9 proceeding), and such other parties as the court may direct.

(b) All motions for relief from the automatic stay or the co-debtor stay shall state with particularity the grounds for the motion. The moving party shall attach to the motion or to an affidavit submitted in support of the motion copies of any documents in support of its claim that it has an interest in the debtor's property. Mortgages on real property shall show the recording information. If the movant does not intend to present testimony at the hearing, the motion must be supported by an affidavit. All affidavits or other pleadings shall be filed and served on all adverse parties at least 7 days prior to the hearing.

(c) ~~In a case filed by an individual (not a business organization), an~~An attorney filing a motion for relief from stay and/or co-debtor stay seeking foreclosure or repossession of a mortgage, security interest, or leasehold interest shall also file a fact summary in the form provided on the court's website. The fact summary shall be filed at least 7 days ~~prior to~~before the ~~first hearing date~~ on the motion. The fact summary shall be filed as a separate CM/ECF event, not as an attachment to the motion.

~~(d)~~ (d) Unless otherwise ordered, if the court grants relief from stay as to collateral in a chapter 13 case, the trustee is directed to discontinue plan distributions on the creditor's claim secured by that collateral unless and until the creditor files an amended proof of claim reflecting any deficiency remaining after disposition of the collateral. The trustee shall file and serve on the creditor a notice of payment discontinuation incorporating the terms of this rule.

(e) Any order granted under this rule shall not operate to waive any right the debtor may have with respect to property under non-bankruptcy law, including the right to notice of sale, notice of disposition of property, or rights of redemption.

Local Bankruptcy Rule 4001-2

CONDITIONAL DENIALS OF RELIEF FROM STAY IN CHAPTER 13 CASES

Unless otherwise ordered by the court, an agreed order in a chapter 13 case conditionally denying a motion for relief from stay (or conditionally extending or imposing the automatic stay) with a future relief provision is subject to the requirements set out below. The conditional denial order may deviate from these requirements only if the terms are requested by both parties in open court and approved by the court.

- (a) The future relief provision must expire no later than 2 years after entry of the conditional denial order.
- (b) Termination of the stay cannot be based upon the number of default notices.
- (c) The order shall provide that the creditor must ~~mail~~file any notice of default with the court and mail it to the debtor and ~~file it with the court~~debtor's counsel within 1 business day of ~~mailing~~filing. The order shall further provide that, if the stay terminates pursuant to the terms of the conditional denial order, the creditor must file a "notice of termination of stay" with the court and mail a copy to the debtor and debtor's counsel within 1 business day of filing, and that the stay termination is not effective unless and until the notices described in this paragraph are filed with the court. The notice filings required by this paragraph are for information only and will not be set for hearing.
- (d) The conditional denial order must not contain an open-ended provision for future attorney's fees or costs in addition to the fees and costs specifically authorized in the order.
- (e) The creditor must file an amended or supplemental proof of claim in order for any postpetition arrearage or attorney's fees authorized by the conditional denial order to be paid by the chapter 13 trustee. Any such proof of claim must be filed within 60 days of the conditional denial order's entry.
- (f) If the denial is conditioned upon current payments being made directly to the creditor, the order must state the date of the month when payments are due. The cure period after notice of default must be at least 20 days from the date of mailing.
- (g) If the denial is conditioned upon plan payments being made to the chapter 13 trustee, the order must not provide that the debtor is in default prior to the end of the month in which the plan payment is due. The cure period after notice of default must be at least 15 days from the date of mailing. The trustee's records shall control as to the date payment was received.

Local Bankruptcy Rule 4003-1

MOTIONS TO AVOID JUDICIAL LIENS

A motion to avoid a judicial lien under Bankruptcy Code § 522(f) shall:

- (a) Clearly identify the party that holds the lien sought to be avoided in both the title and the body of the motion;
- (b) Describe when and where the lien is recorded in the official records, i.e., book and page or instrument numbers; and
- (c) Have attached a copy of the lien sought to be avoided.

Local Bankruptcy Rule 4004-1

MOTIONS FOR DISCHARGE IN CHAPTER 12 AND 13 CASES

In all chapter 12 or 13 cases, upon notice of completion of the plan by the trustee, the debtor shall file a motion for discharge under Bankruptcy Code §§ 1228 and 1328 and debtor's certifications regarding discharge eligibility, domestic support obligations, and Bankruptcy Code § 522(q). The motion/certifications ~~shall~~may be filed using Local Bankruptcy Form 283 or national form B2830 and may be filed via negative notice pursuant to Local Bankruptcy Rule 9007-1. If the motion/certifications are not filed within 21 days after the notice of completion is filed by the trustee, the court may close the case without issuing a discharge. If the case is closed without a discharge, the debtor must file a motion to reopen the case and pay any applicable filing fee in order to seek a discharge.

Local Bankruptcy Rule 5003

REDACTION OF TRANSCRIPTS

In compliance with the policy of the Judicial Conference of the United States on electronic availability of transcripts of court proceedings, during the first 90 days after filing a transcript will be ~~available~~available via the PACER system for remote access only to parties in the case or adversary proceeding who have paid the transcriber for the transcript. During that time, other parties who wish to view a transcript may do so at the clerk's office but may not print, copy, or save the transcript either in part or in full. After the 90 days, the transcript will be available for remote access via the PACER system. It is the parties' responsibility to monitor the docket for the filing of transcripts.

Local Bankruptcy Rule 5005

FACSIMILE AND EMAIL FILINGS

Papers transmitted to the court via facsimile or email are not acceptable for filing and will not be docketed.

Local Bankruptcy Rule 6004

SALES OF REAL ESTATE BY CHAPTER 13 DEBTORS

Unless otherwise ordered by the court, a chapter 13 debtor seeking approval to sell real estate during the pendency of his or her case must file the following items a sufficient time before the hearing to allow review by the court, chapter 13 trustee, and other interested parties:

- a. A proposed settlement statement, closing statement, or closing disclosure, and
- b. Any recent appraisal or other valuation of the property debtor proposes to sell.

Local Bankruptcy Rule 7004-1

SUMMONS

The clerk of court's office will generate a summons in an adversary proceeding and provide it to plaintiff's counsel (or plaintiff, if pro se). Plaintiff's counsel or plaintiff will then serve the summons as required by Bankruptcy Rule 7004 and file proof of service. An adversary proceeding complaint not filed through the ECF system must be accompanied by a completed adversary proceeding cover sheet.

Local Bankruptcy Rule 9007-1

NEGATIVE NOTICE PROCEDURE

(a) The court by separate administrative order published on the court website may specify certain motions, objections, and other matters which may be considered by the court without a hearing under the negative notice procedure described in this rule if no party in interest files a written objection stating a specific ground or grounds on which the objection is based.

(b) Motions, objections, and other matters filed pursuant to this negative notice procedure shall:

- (1) Be filed in CM/ECF and shall be served in the manner and on the parties as required by the provisions of the Federal Rules of Bankruptcy Procedure, Local Rule, or any order of court applicable to motions, objections, or matters of the type made and shall be filed

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA

IN RE:)
)
Trustee's Notice of Deposit of) Administrative Order No. 2026-01
Unclaimed Funds)
)

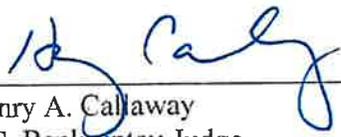
TRUSTEE'S NOTICE OF DEPOSIT OF UNCLAIMED FUNDS

If a chapter 7, 11, 12, or 13 trustee is delivering to the clerk of court unclaimed funds of \$500 or more, the trustee must file a "Trustee's Notice of Deposit of Unclaimed Funds" in substantially the same form as available on the court's website and serve the notice by first class mail to the debtor(s), debtor's counsel, and the payee at their last known addresses.

Dated: 1/13/26



Jerry C. Oldshue
Chief U.S. Bankruptcy Judge



Henry A. Callaway
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA

IN RE:)
)
Withdrawal of Rule 3002.1(c) Notices) Administrative Order No. 2026-02
)

WITHDRAWAL OF RULE 3002.1(c) NOTICES

After a debtor has filed a Rule 3002.1(e) motion to determine in response to a Rule 3002.1(c) notice of postpetition mortgage fees, expenses, and charges, the claim holder cannot withdraw the Rule 3002.1(c) notice except by court order and on such conditions as the court may impose.

Dated: 1/13/26



Jerry C. Oldshue
Chief U.S. Bankruptcy Judge



Henry A. Callaway
U.S. Bankruptcy Judge

Revised 2/23/26

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA

IN RE:

Debtor(s).

)
)
)
)
)

Case No. _____

ORDER GRANTING MOTION TO AVOID JUDICIAL LIEN OF [LIENHOLDER]

This case is before the court on the motion to avoid judicial lien of [Lienholder] (doc. no. ____).

No party in interest has objected, and the court considers the motion to be uncontested. The court has reviewed the schedules filed by debtor(s) and finds there is no non-exempt interest in real or personal property to which a judicial lien could attach. Upon consideration of the motion, it is ordered:

1. The motion to avoid judicial lien is granted.
2. Because the lien of [Lienholder] created by the recordation of a certificate of judgment on [recording date] at [recording information] in the Probate Court of _____ County, Alabama (“the Judicial Lien”) impairs the exemptions to which debtor(s) is entitled, the Judicial Lien is hereby avoided in its entirety pursuant to 11 U.S.C. § 522(f), subject to the conditions below.
3. This lien avoidance is effective only if the debtor(s) receive a discharge in this bankruptcy case. Upon discharge of debtor(s) in this bankruptcy case and the recordation of this order in probate court along with an order of discharge entered in this bankruptcy case, the Judicial Lien is hereby extinguished and shall not survive the bankruptcy nor affix to or remain enforceable against property of debtor(s).
4. Any proof of claim filed by the lienholder which claims secured status based upon the Judicial Lien shall be treated as unsecured.

Recent Decisions of the Bankruptcy Court of the Southern District of Alabama

Updated February 23, 2026

The following case summaries are intended solely to assist the bankruptcy bar in identifying cases with pertinent issues and facts. These summaries might not include or reflect any subsequent case history or appeals. It is the user's responsibility to examine the full opinion to determine the court's holding. Later changes in the bankruptcy code or state law may also render cases obsolete.

492. In re Taylor, Case No. 22-12688 (JCO) February 18, 2026

The court sustained the debtor's objection to a creditor's late-filed proof of claim. Service on the attorney who represented the creditor in a prepetition state court proceeding did not meet the requirements of Rule 1007. However, the creditor knew of the bankruptcy before the claims bar date but did not file a proof of claim until two years later.

491. In re Nichols, No. 25-12469 (HAC) February 18, 2026

A creditor timely filed a proof of claim based on a purchase-money security interest in an ATV. The debtor objected to the claim and asked the court to reclassify the claim as unsecured because the creditor's financing statement lapsed before the debtor filed for bankruptcy. The court overruled the objection and allowed the claim as filed because the creditor's security interest in the ATV was automatically perfected when the debtor purchased the ATV. Under Alabama Code § 7-9A-515(c), a creditor does not lose its already-perfected purchase-money security interest in consumer goods when it elects to file a financing statement and the financing statement then lapses.

490. In re Breland, AP No. 25-1036 (JCO) February 5, 2026

The court abstained from hearing an action removed from state court because (1) bankruptcy courts have limited jurisdiction; (2) the allegations did not arise under the provisions of Title 11; (3) the claims were essentially postpetition, postconfirmation state law claims based on alleged breach of contract by a non-debtor third party; (4) the claims did not involve substantive rights created by bankruptcy law; and (5) since the underlying bankruptcy was complete, the outcome of the proceeding would not have any effect on the estate.

489. Bay Enterprises Inc. v. Tucker, AP No. 25-1022 (JCO) December 5, 2025

The court granted the debtor's motion to dismiss a § 523 adversary proceeding. Even construing the facts most favorably to plaintiff, the allegations did not support a plausible claim under § 523(a)(4) because (1) the debt arose from an extension of credit; (2) nothing in the record suggested that the relationship between the parties was more than debtor/creditor; (3) the lien waivers (which the plaintiff alleged created a constructive trust) were delivered *after* the creation of the debt; (4) there was no allegation of any written or technical trust; and (5) there was no inference that the parties intended the debtor to serve in a fiduciary capacity for plaintiff.

488. In re de St. Germain, No. 24-12868 (JCO) November 20, 2025

The court overruled the debtors' objection to claim, allowing priority treatment as a domestic support obligation. The relevant *Benson* factors supported DSO treatment because (1) the debt was owed to a former spouse; (2) the underlying domestic relations judgment was the result of the debtor's non-compliance with a divorce decree; (3) the debt was in the nature of support because it arose from the obligation to provide life and health insurance; and (4) the domestic relations court judgment stated that the debt was non-dischargeable.

487. In re Dickson, No. 23-10646 (JCO) November 20, 2025

The court overruled the debtor's timeliness objection to an amended deficiency claim. Although the amendment to the proof of claim was filed after the bar date, amendments to claims are freely allowed, there is no deadline in the Code or Rules after which an amendment to claim is prohibited, and unsecured deficiency claims are generally considered to be amendments which relate back to the date of the original claim. The court held that the amended claim should be allowed because (1) it arose from the same transaction as the original claim; (2) the debtor's plan contemplated that a deficiency claim could be filed after disposition of the collateral; (3) there was no limitation on the time for filing an amended claim in the plan or order granting relief from the automatic stay; (4) there was enough time remaining in the case to pay the claim; and (5) the debtor was paying 100% on other unsecured claims.

486. In re Trotter, No. 23-12550 (HAC) October 16, 2025

Absent extraordinary circumstances, the judges intend for the \$750 creditor's attorney fee allowed by Local Administrative Order 2025-05 to encompass all aspects of a motion for relief from stay, including amending or filing a proof of claim for postpetition arrearage if the motion is conditionally denied. The court thus granted a debtor's motion to determine and disallowed the \$150 charged to the debtor by the creditor in connection with an order conditionally denying motion for relief from stay.

485. Garvin v. West Coast WinSupply, Inc., AP No. 23-3008 (HAC) Bankr. N.D. Fla. Oct. 3, 2025

The defendant had special rights as a material supplier under both Florida and Alabama law. The court thus found, with one exception, that the defendant did not receive more than it would have in chapter 7 and ruled in favor of the defendant in six out of the seven preference claims brought by the chapter 7 trustee under Code § 547.

484. In re Watson, No. 25-10581 (HAC) September 9, 2025

The court should not consider the hypothetical costs of sale in calculating the extent to which a judgment lien impairs a chapter 13 debtor's homestead exemption and thus can be avoided under Bankruptcy Code § 522(f).

483. In re Wood, No. 25-10097 (JCO) August 25, 2025