

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

In re: )  
 )  
Angela Denise Easley, ) Case No. 20-11814  
 )  
Debtor. )

ORDER APPROVING SETTLEMENT AND APPLICATION  
FOR COMPENSATION IN A CHAPTER 13 CASE

This chapter 13 bankruptcy case is before the court on the motion by debtor to approve settlement (doc. 103) and the application for compensation by debtor's special counsel Long & Long (doc. 104). The motion relates to a personal injury claim arising out of an automobile accident that occurred in July 2022, about two years after the debtor filed for bankruptcy. The court has reviewed the submitted materials and conducted a hearing, and finds that the proposed settlement and requested compensation are reasonable. It thus approves the settlement in the gross amount of \$76,000 and the application for compensation.

The settlement proceeds are to be disbursed as follows:

- a. \$30,400 attorney's fee for special counsel.
- b. \$5,106.24 reimbursement for expenses incurred by special counsel.
- c. \$6,392.93 payment of the following subrogation claims and medical expenses incurred by debtor: Blue Cross Blue Shield.
- d. \$34,100.83 to the debtor, for the reasons discussed below.

The debtor timely disclosed her personal injury claim. In March 2023, the court approved Long & Long as special counsel for the debtor to prosecute the claim. (*See* doc. 66). In April 2023, the debtor also amended her schedules to disclose the personal injury claim. (*See* doc. 68).

The debtor's confirmed plan provided for a dividend of 20.68% on unsecured claims. (See doc. 60). She completed her plan payments in March 2024 and received a discharge in April 2024. (See docs. 75 and 84). A year later, the debtor's special counsel informed the court and the trustee that the personal injury lawsuit was still in litigation. (See doc. 98). The debtor and her special counsel later settled the postpetition personal injury claim, and special counsel filed this motion to approve settlement in June 2025.

Under Bankruptcy Code § 1327(b), “[e]xcept as provided in the plan or the order confirming the plan, the confirmation of a plan vests all property of the estate in the debtor.” The “default rule” of § 1327(b) “revests in debtors all of their property” on confirmation. *See In re McIntosh*, No. 11-03417-7-MAM, 2015 WL 13774756, at \*2 (Bankr. S.D. Ala. Jan. 27, 2015). But this district's required chapter 13 plan form reverses § 1327(b)'s default rule; it provides that vesting does not occur until discharge or dismissal and that unliquidated claims remain property of the estate. Therefore, the unliquidated personal injury claim was property of the chapter 13 bankruptcy estate here.

Bankruptcy Code § 1329(a) governs plan modifications. That section provides that “[a]t any time after confirmation of the plan *but before the completion of payments under such plan*, the plan may be modified, upon request of . . . the trustee . . . .” (Emphasis added). This section “plainly sets forth a temporal requirement.” *See In re Macon*, 669 B.R. 626, 660 (Bankr. S.D. Ga. 2025) (citation and brackets omitted). Under the section's plain language, “it is largely undisputed that a plan may not be modified once the debtor has completed payments under that plan.” *See id.* (citation and quotation marks omitted); *see also In re Torres*, 336 B.R. 839, 842 (Bankr. M.D. Fla. 2005). It is thus too late for the trustee to move to modify the plan to increase the percentage paid on unsecured claims, and the debtor is entitled to the net settlement proceeds.

The court might hold differently if a chapter 13 debtor failed to fulfill his or her ongoing duty to amend schedules to disclose assets or deliberately delayed settling a claim until after the

plan had been completed. *See, e.g., Robinson v. Tyson Foods, Inc.*, 595 F.3d 1269, 1274 (11th Cir. 2010). But the parties agree that neither of those scenarios occurred here, so § 1329(a) requires this result.<sup>1</sup>

Dated: August 19, 2025

  
HENRY A. CALLAWAY  
U.S. BANKRUPTCY JUDGE

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<sup>1</sup> The court previously stated that it might allow modification after plan completion where a disclosed personal injury action is settled after completion. *See In re Davis*, No. 18-1935 (Bankr. S.D. Ala. September 13, 2022), at p.4 n.1. But upon further study, the court will no longer do so.