

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
JAMES LEONARD KRUPINSKI and) CASE NO. 10-24853
LINDA RENEE KRUPINSKI,) Chapter 7
Debtors.)

ORDER OF FINAL DETERMINATION OF CONTESTED MATTER

By record entry Number 29, filed on February 20, 2012, the debtors initiated a contested matter by means of the filing of their Motion to File a Belated Objection to the Trustee's Final Report. At a hearing held on March 16, 2012, the court granted the debtors' request that their objection be considered as timely. As addressed in its record Number 39 order entered on September 28, 2012, the court held a hearing on December 14, 2012, with respect to a collateral matter – potentially arising as an issue in the contested matter – concerning processing of Chapter 7 Trustee's final reports and certifications of full administration of a Chapter 7 case. By its record Number 47 order entered on January 9, 2013, the court directed the manner in which Chapter 7 cases would be processed with respect to the foregoing issues.¹

Trial was held on June 20, 2013, with respect to the substantive issues involved in the debtors' objection to the final report. At that trial, the debtor Linda Renee Krupinski appeared in person and by counsel P. Jeffrey Schlesinger; the Chapter 7 Trustee Daniel L. Freeland appeared personally, and by counsel Frederick L. Carpenter.

The case involves final distribution of property of the Chapter 7 bankruptcy estate which included the Chapter 7 bankruptcy estates' pro-rata share of a federal income tax refund paid to the debtors as a result of their initially filed 2010 federal income tax return. The debtors contended that an amended 2010 federal income tax return was filed which reduced their income tax refund; that the Trustee was advised of the amended return prior to making

¹ The record Number 47 order remains in effect and presently constitutes the court's authorization with respect to processing of Chapter 7 cases in relation to the matters addressed in that order.

distribution to creditors; and that the debtors should be allowed to recover the difference between the reduced pro-rata estate share arising from the amended return and the pro-rata estate share computed based upon the original return. At the trial, the debtors failed to establish that the amended 2010 federal income tax return was ever filed with the Internal Revenue Service, or that their federal income tax liabilities for 2010 were ever adjusted by the Internal Revenue Service subsequent to the refund determined with respect to the originally filed return. As a result, the court determines that the debtors have failed to establish that any alteration should be made to the distribution previously proposed by the Chapter 7 Trustee.

IT IS ORDERED as follows:

1. The record Number 29 Objection filed by the debtors is denied.
2. The Final Report filed by the Chapter 7 Trustee as record Number 27 is approved.
3. The record Number 32 Final Account filed by the Chapter 7 Trustee is approved.
4. If the debtors do not timely file an appeal with respect to this order, upon the expiration of the applicable deadline for appeal the clerk shall take the necessary action to conclude and close this Chapter 7 case, in accordance with the standard procedures of the court.

Dated at Hammond, Indiana on July 2, 2013.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court

Distribution:
Debtor, Attorney for Debtor
Trustee, US Trustee