# UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

United States Courthouse 402 East State Street, Room 255 Trenton, New Jersey 08608

Hon. Christine M. Gravelle

United States Bankruptcy Judge

609-858-9370 Fax 609-989-0431

# **LETTER DECISION**

July 31, 2014

### Sent via ECF & email

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Re: John Maroccia

Chapter 13 13-28758 (CMG) Distribution of Chapter 13 Funds

**Motion for Order Converting Proceeding and Directing Distribution** 

of Funds Held by Chapter 13 Trustee and Application for

**Compensation** 

Dear Litigants:

# I. <u>Introduction</u>

This matter comes before the Court by way of two separate filings. One is a fee application filed by Ellen M. McDowell ("McDowell"), attorney for the debtor, John Maroccia ("John" or "Debtor"), three days before her letter notification to the Court that Debtor could not fund his Chapter13 plan and that he understood his case would be dismissed. In her letter, McDowell requested that dismissal of her client's Chapter 13 filing be deferred until her fee application could be heard. The other filing is the Motion

for Order Converting Proceeding and Directing Distribution of Funds Held by Chapter 13 Trustee, filed by the Debtor's ex-wife, Daphne Maroccia ("Daphne"). <sup>1</sup>

The Court granted McDowell's Application for Compensation and allowed dismissal rather than conversion of Debtor's Chapter 13 proceeding. The Court now resolves the disposition of the pre-confirmation payments currently held by the Chapter 13 trustee. Daphne argues that a portion of her claims, which include a pre-petition claim in the minimum amount of \$84,182.86 and a post-petition claim in the amount of \$32,921.86, are entitled to a super-priority under 11 U.S.C. § 507(a) as Domestic Support Obligations, and should be paid first from the trustee's funds on hand. In the alternative, Daphne submits that she is entitled to an allowed administrative expense under section 503(b), said allowance representing John's unpaid post-petition child support (including college costs) and spousal support obligations to her. She believes the administrative claim entitles her to, at the very least, a *pro rata* distribution along with McDowell.

McDowell argues that the clear language of 11 U.S.C. § 1326(a)(2) requires the payment of allowed administrative claims for compensation of professionals under 11 U.S.C. § 503(b) only, as section 1326(a)(2) is silent as to domestic support obligations. She also contends that Daphne's claim is not an allowed administrative expense under section 503(b). McDowell claims that her allowed fees should be the only monies paid out of the funds on hand before they are returned to John.

For the following reasons this Court rules that ONLY the allowed administrative fees for McDowell be paid by the trustee. In the unlikely event<sup>3</sup> that any funds remain after those payments, they will be returned to John.

## II. Jurisdiction

This Court has jurisdiction over this contested matter under 28 U.S.C. § 1334(a), 28 U.S.C. § 157(a) and the Standing Order of Reference by the United States District Court for the District of New Jersey dated July 10, 1984, as Amended on October 17, 2013, referring all proceedings arising under Title 11 of the United States Code to the bankruptcy court. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (B), & (E). Venue is proper in this Court pursuant to 28 U.S.C. § 1408. Pursuant to Fed. R. Bankr. P. 7052, the Court issues the following findings of fact and conclusions of law.

<sup>2</sup> Archer & Greiner, P.C. ("AG"), a firm which represented Daphne in a state court divorce proceeding against John, and which filed a proof of claim in his bankruptcy, objected to McDowell's application on a limited basis, raising similar priority of payment issues.

<sup>&</sup>lt;sup>1</sup> For the purposes of clarity we will refer to Debtor and his ex-wife by their first names. No disrespect is intended.

<sup>&</sup>lt;sup>3</sup> McDowell's fee application asks for a total of \$35,422.78 total, of which it appears \$11,219.00 would be paid through a retainer previously tendered to her by John, leaving a balance due of \$24,203.78. In total, John has made trustee payments totaling \$9,300.00.

#### III. Procedural History and Relevant Facts

John filed a Chapter 13 bankruptcy petition on August 27, 2013. His original Chapter 13 plan, filed along with missing documents on September 10, 2013, proposed monthly payments of \$1,500 to the Trustee for a period of 60 months. Schedule I to his petition listed an average monthly net income of \$6,144, which included both his \$7,000 salary as an attorney and a \$1,400 monthly pension payment which John had earned as a state employee (the "Pension")<sup>4</sup>. Schedule J to his petition listed total monthly expenses of \$7,440, including a payment of \$4,000 in monthly alimony, maintenance, and support paid to others. This left John with a negative monthly net income of \$1,296. John listed Daphne on Schedule E as a creditor holding a contingent, unliquidated, and disputed unsecured priority claim. He stated the value of the claim as "\$0.00.". Daphne filed a proof of claim in the amount of \$84,182.86 in unpaid spousal and child support plus an unknown amount of unliquidated, unpaid support and an unliquidated claim for equitable distribution. John listed AG on Schedule F as an unsecured non-priority claimant whose claim is in unknown amount. AG filed a proof of claim in the amount of "up to \$229,797.50" as a domestic support obligation for unpaid attorneys' fees.

John and Daphne had a long and litigious history in their state court divorce proceeding (the "Divorce"). Orders issued pre-petition in the Divorce set extraordinary restrictions on Debtor's assets including: 1) appointing a receiver for John's law practice accounts, personal accounts, attorney trust accounts and retirement accounts; 2)authorizing Daphne "to take possession of any and all assets which are the subject of this matrimonial litigation, for the purpose of safeguarding said assets"; 3) entering a Final Judgment of Divorce without rendering a final decision as to equitable distribution, instead requesting written summations by the parties; and 4) entering a Domestic Relations Order ("QDRO") transferring 100% of John's interest in the Pension to Daphne (the "Family Court Orders").

John's bankruptcy filing and consequent automatic stay had a direct effect on the Family Court Orders. The Family Court had not rendered its final decision on equitable distribution in the Divorce. The New Jersey Division of Pensions had not completed paperwork to transfer the Pension to Daphne. Finally, McDowell was demanding that the receiver appointed by the Family Court turn over to John all assets in the receiver's possession.

Predictably, John's bankruptcy led to more litigation to resolve these issues. While the parties agreed to relief from stay to allow the Family Court to make its final ruling in the Divorce, they spent much time in this Court litigating ownership of John's Pension and its monthly payments. The Pension became the subject of a Motion for Relief from Stay filed by Daphne, a Motion for Turnover of Property filed by John, a Motion to Reconsider filed by John, and a Cross-Motion to Compel John to Assert Exemption in Pension filed by Daphne. Ultimately, the Court ruled that Daphne owned the Pension at the time of the filing of the bankruptcy, was entitled to finalize the transfer

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 $<sup>^4</sup>$  The \$6,144 figure was calculated by subtracting \$2,256 in total payroll deductions from his salary and Pension payments.

of the Pension, and was entitled to all subsequent payments, subject to reallocation by the Family Court in its subsequent property settlement ruling.

John struggled to stay current with his Trustee payments. He never made them in a timely fashion and was consistently behind. He made most of his payments immediately prior to hearings at which his case could be dismissed for failure to stay current. John contended that the Family Court would eventually reduce his support obligations, which would provide him with a substantial credit against Daphne's prepetition claim. He predicted the reduction would also provide him with sufficient monthly income to allow him to overcome any feasibility objections to confirmation. He represented that he had the ability to make the Trustee payments in the interim while waiting for the Family Court's decision. For all of these reasons, this Court allowed the case to continue, affording John the opportunity to reorganize his finances.

Daphne submitted multiple certifications in support of the Trustee's March 5, 2014 Certification of Default. She noted that as of March 6, 2014, Debtor had domestic support arrearages of more than \$100,000 pre-petition, and that Debtor had not made any of the \$4,000 monthly domestic support obligations in the six months since the filing of the bankruptcy. Daphne argued that this spoke to Debtor's bad faith throughout both the Divorce and the bankruptcy, alleging that rather than pay either the Trustee payments or the domestic support obligations, he instead was finding a way to pocket his income despite the requirements and orders of both this Court and the Family Court.

Meanwhile, on March 13, 2014, in the midst of the filings on the Trustee's Certification of Default, the Family Court made its final ruling in the Divorce, issuing a comprehensive 48 page opinion in that matter<sup>6</sup>. Most relevant to the bankruptcy were the Family Court's decrease of domestic support obligations to \$600 per week for spousal support and \$116 per week for child support, or approximately \$3,102.67 per month. Additionally, the Family Court found that the Pension would remain payable to Daphne unless and until significant domestic support arrears were satisfied. John was to receive a credit of \$500 per month, subject to a tax impact adjustment, against the arrears to Daphne.

At the time of the hearing on the Trustee's Certification of Default, John had made, or had pending, Trustee payments in the amount of \$9,300.00, falling \$1,200.00, or less than one month, short of current. At the hearing, McDowell represented that John had lost his job, was in the process of forming his own law firm, and that he expected to be receiving sufficient income through pending settlements and Social Security to confirm a feasible plan. The Court noted its concerns as to feasibility in light of John's employment status and the still significant domestic support arrearage claims of Daphne in spite of the Family Court ruling. Because of the length of the proceeding, and the

<sup>&</sup>lt;sup>5</sup> John's filing was unusual in that he was a party to a Judgment of Divorce, but had not yet received a final ruling on equitable distribution and support. Typically, divorced debtors come to the bankruptcy court with these issues already decided. In keeping with State Court Rules of Procedure, judgments of divorce rarely issue absent a property settlement agreement, eliminating claims for retroactive reduction of support.

<sup>&</sup>lt;sup>6</sup> The Family Court amended its March 13<sup>th</sup> Order on March 19, 2014.

prospective nature of any future income, the Court directed John to file a modified, confirmable plan by April 11, 2014, with a detailed certification explaining how he intended to fund it. The certification was to include expense information for his new law practice and income projections supported by pending case details.

On April 11, 2014 McDowell e-mailed a letter to the Court on behalf of John, stating that in light of the heavy burden to prove his prospective income, he was not in a position to file a modified plan, and instead acknowledged that the case would be dismissed. McDowell requested that the Court delay dismissal until after consideration of her pending Fee Application on May 7, 2014.

In response to McDowell's letter, Daphne filed the Motion to Convert Case to Chapter 7 and Directing Distribution of Funds Held by Chapter 13 Trustee, arguing that John's history of bad faith throughout both the Divorce and bankruptcy merited the appointment of a Chapter 7 Trustee to examine the pre-petition disposition of significant marital funds. She argued that the \$9,300 in funds held by the Chapter 13 Trustee should be paid in partial satisfaction of her post-petition domestic support claim. She alleged that her superpriority status as a domestic support creditor merited priority payment over the administrative claim of McDowell. In the alternative, she argued that she had an administrative claim that should be paid *pro rata* with McDowell's. AG filed a limited objection to the Fee Application, also arguing that they had a superpriority domestic support claim.

At the May 21, 2014 hearing<sup>7</sup> on the Fee Application and on Daphne's Motion, the Court denied Daphne's motion as it pertained to conversion and dismissed John's case. The Court allowed McDowell's Fee Application and reserved its decision on the issue of the disposition of the monies held by the Trustee. In the interim, Daphne filed a Request for Payment of Administrative Expense in the amount of \$32,921.86 for unpaid post-petition alimony, child support, and college costs for John and Daphne's children.

It has also come to the Court's attention that, despite John's insistence on dismissal instead of conversion, he filed a Chapter 7 Bankruptcy petition<sup>8</sup> on July 1, 2014. In that filing, he exempts the \$9,300.00 held by the Trustee as his own asset.

#### IV. Legal Analysis

Distribution of Trustee payments after dismissal of an unconfirmed Chapter 13 plan, as it relates to this case, is informed primarily by three separate provisions of the Code: sections 503(b), 507(a), and 1326(a)(2).

Section 503(b) addresses the allowance of administrative expenses and lists nine, non-exclusive types of administrative expenses. See 11 U.S.C. § 503(b). Subsections

<sup>8</sup> While usually a debtor who has multiple filings would appear before the same judge for each filing, in this case John relocated to a home in the Camden Vicinage, and that case (14-23605-ABA) has been assigned to the Hon. Andrew B. Altenburg, Jr. U.S.B.J.

<sup>&</sup>lt;sup>7</sup> AG did not appear at the hearing to press its limited objection to the Fee Application.

(b)(1)(A) and (b)(2) respectively refer to the actual and necessary costs and expenses of preserving the estate, which Daphne alleges includes her domestic support claim, and compensation of professionals as allowed pursuant to section 330(a), which includes McDowell's fees and expenses. See 11 U.S.C. § 503(b)(1)(A) and (b)(2).

Section 507(a) of the Code sets forth the types of claims that are entitled to priority and outlines the order of distribution to satisfy those claims. See 11 U.S.C. § 507. Prior to the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 ("BAPCPA"), administrative claims were first in order of priority for payment. BABCPA raised domestic support obligations from seventh to first priority, moving administrative claims down to its current second position. See 11 U.S.C. § 507(a)(1) & (2).

With the backdrop of chapter 5 of the Code, we turn to chapter 13 and its instruction to the standing trustee for distribution of payments made by the debtor in the event a plan is not confirmed. Section 1326(a)(2) states:

... If a plan is not confirmed, the trustee shall return any such payments not previously paid and not yet due and owing to creditors pursuant to paragraph (3)<sup>10</sup> to the debtor, after deducting any unpaid claims allowed under section 503(b).

# A. Superpriority Claims Under 11 U.S.C. § 507(a) are Not Contemplated by the Plain Language of 11 U.S.C. §1326(a)(2)

The crux of the issue at bar is the inconsistency between the plain language of sections 1326(a)(2) and 507(a)(1). The former directs payment of pre-confirmation funds held by the standing trustee only to administrative claims allowed under section 503(b), the language of which does not include domestic support obligations. The latter gives domestic support obligations "superpriority" status over all other claims, including administrative claims.

Daphne is quite candid in admitting that she could find no case law addressing the discrepancy between these two sections. This Court also notes the absence but finds case law addressing a similar inconsistency instructive. Cases examining the interplay between another subsection of section 1326<sup>11</sup> and section 507, found that "[w]hile domestic support obligations are listed before administrative expenses in § 507, the plain language of § 1326 requires that administrative expenses be paid first." See In re Boler, 2008 U.S. Dist. LEXIS 5131 at \*8-9 (M.D. Ala. 2008); accord In re Williams, 385 B.R. 468, 472 (Bankr. S.D. Ga. 2008); In re Sanders, 341 B.R. 47, 51-51 (Bankr. N.D. Ala. 2006); In re

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<sup>&</sup>lt;sup>9</sup> The statutory rules of construction of the Bankruptcy Code specifically provide that "includes' and 'including' are not limiting." 11 U.S.C. § 102(3). The subparagraphs of § 503(b) are intended to be illustrative, not exhaustive. See In re Pappas, 277 B.R. 171, 176 (Bankr. E.D.N.Y. 2002).

<sup>&</sup>lt;sup>10</sup> Paragraph (3) refers to adequate protection or lease payments, which are not relevant to this decision.

<sup>&</sup>lt;sup>11</sup> These courts addressed section 1326(b)(1), which requires payment of allowed professional compensation claims before or at the time payments are made to creditors under a confirmed plan. They did not address the disposition of funds held by the trustee when a plan has not been confirmed.

<u>Vinnie</u>, 345 B.R. 386, 388-89 (Bankr. M.D. Ala. 2006); <u>In re Reid</u>, 2006 Bankr. LEXIS 1642 at \*4-5 (Bankr. M.D.N.C. 2006). The priority of payment of allowed administrative expenses are set forth in section 503(b), which is specifically referenced in section 1326(a)(2), which is the section examined herein.

The <u>Boler</u> decision provides a summary of courts' interpretation of the history of section 1326(b)(1), both pre and post-BABCPA, noting:

Before the passage of BAPCPA, § 1326(b)(1) required that claims under § 507(a)(1), which were at that time claims for administrative expenses, be paid before or concurrently with other claims. 11 U.S.C. § 1326(b)(1) (2004), amended by [BAPCPA]. However, when BAPCPA was enacted administrative expenses were moved to § 507(a)(2), the reference in § 1326(b)(1) was also changed to § 507(a)(2). 11 U.S.C. § 1326(b)(1). These changes bolster the conclusion that Congress intended priority claims for administrative expenses to be paid before or contemporaneously with other priority claims. These changes do not support [the] argument that claims for domestic support obligations must be paid first."

In re Boler, 2008 U.S. Dist. LEXIS at \*9 n.3.

In addition to examining the legislative history behind section 1326, certain courts have also looked to other sections of the Code to further inform their decisions. "While § 507 sets forth a general priority scheme for the Bankruptcy Code, the implementation of that section is governed by specific provisions within each Chapter." In re Reid, 2006 Bankr. LEXIS 1642 at \*4-5. For instance, in Chapter 7 cases, section 726 provides for the general distribution of property of the estate. Section 726(a)(1) references section 507(a)(1), stating that, "[e]xcept as provided in section 510 of this title, property of the estate shall be distributed . . . in the order specified in section 507 of this title." Courts have noted that there is no similar provision in Chapter 13 or, specifically, in section 1326. See In re Sanders, 341 B.R. at 50-51.

The cases cited do not specifically address section 1326(a)(2), instead reviewing section 1326(b)(1), which provides that "[b]efore or at the time of each payment to creditors under the plan, there shall be paid – any unpaid claim of the kind specified in section 507(a)(2) of this title." There are clear differences between the two subsections. Whereas section 1326(b)(1) references claims under section 507(a)(2), which prioritizes payment of allowed claims for compensation of professionals, section 1326(a)(2) references claims under section 503(b), which provides examples of actual and necessary costs and expenses of preserving the estate, including allowed claims for professionals. While the Court notes the distinction, it does not feel that it changes the analysis in any significant way.

Section 1326(b)(1) addresses payments made under a confirmed chapter 13 plan, while section 1326(a)(2) addresses payments made by a debtor prior to confirmation. The Court does not feel that this distinction alters the sound interpretation of Congressional intent found the Boler opinion, which is easily extended to section 1326(a)(2). In changing the reference in section 1326(b)(1)from section 507(a)(1) to section 507(a)(2) to conform with the changed priority of administrative expenses in section 507, Congress made a conscious decision to maintain the priority status for the allowed compensation claims of professionals. In section 1326(a)(2), Congress specifically requires the payment of claims allowed under 503(b) before any funds are returned to the debtor. Section 503(b) lists actual and necessary costs and expenses of preserving the estate and allowed claims for compensation of professionals. It does not mention domestic support obligations. Therefore, the only way this Court could award payment for those claims would be to find that payment of domestic support obligations is actual and necessary to preserve the estate. We are unable to make such a finding. The Court's reasoning for this conclusion is set forth later in this decision.

This Court is given some pause by the provision in section 1326(b)(1) that provides for payment either "before" or "at the time of each payment to the creditors under the plan." This provision gave the courts in the cited cases more leeway when considering Congressional intent, as most noted that the section 507(a)(2) claims could be paid before *or concurrently with* payments to other creditors. However, at least one of those cases stated that "one could reasonably argue that section 1326(b)(1) would allow the attorney to be paid ahead of [the § 507(a)(1) creditor], notwithstanding the fact that it would have a higher priority in a distribution in a case under Chapter 7." In re Vinnie, 345 B.R. at 389. This Court believes that the specific reference to section 503(b) in section 1326(a)(2) supports the argument set forth by the Vinnie Court. Section 503(b) refers to actual and necessary costs of preserving the estate and allowed claims for compensation of professionals, not to domestic support obligations.

This Court finds that the plain language of the statute is clear. Congress had an opportunity to amend language in section 1326(b)(1) to extend the BABCPA superpriority status of section 507(a)(1) claims. It did not, choosing rather to specifically amend that section to maintain the priority allowed professional compensation claims. At the same time, Congress had the opportunity to amend section 1326(a)(2) to insure the priority payment of domestic support obligations when a plan is not confirmed. It did not.

It is important for the Court to note that Daphne presented a logical, well-reasoned argument. Certainly, the equities of this case weigh heavily in her favor. We further note that, as pointed out in Daphne's brief, discrepancies abound in the Code, and this is one that at the very least raises an eyebrow, with strong policy considerations on each side. John kept this case on life support for almost nine months, almost entirely ignoring his obligations to pay alimony and support. Initially, he represented that, despite a negative disposable income, he would be able to show feasibility once the Family Court made its ruling and adjusted his

obligations downward. He consented to stay relief to allow the Family Court to proceed and all parties hoped for a quick decision from the Family Court. After six months, the Family Court reduced John's support obligations and decreased Daphne's pre-petition claim, but not enough to allow John to propose a feasible plan. Coincidentally, he also experienced a substantial loss of income. John then tried to persuade this Court that his new law firm would be successful enough to allow him to fully fund his plan. Running out of patience, the Court demanded immediate proof of feasibility, which John was unable to provide. While the case sputtered along, John racked up more and more in attorneys' fees, which he now seeks to pay over his long-required obligations to his ex-wife and children.

The Court must say, albeit with distaste, that despite these facts, we cannot depart from the clear language of section 1326(a)(2), which requires the trustee to pay only 503(b) allowances from funds on hand when a plan cannot be confirmed. As stated, we do not believe that payment of domestic support obligations are actual and necessary for preservation of the estate. While the facts of this case appear to sway the equities in favor of Daphne, and while this Court does have some general equitable powers pursuant to 11 U.S.C. § 105(a), "a court may not disregard a specific Code section addressing an issue and instead employ its equitable powers to achieve a result not contemplated by the Code." In re Fesco Plastics Corp., 996 F.2d 152, 154 (7th Cir. 1993). A court can only use its equitable powers in furtherance of the Code. As noted above, we find that section 1326(a)(2) is clear, and may not be disregarded for equitable considerations.

For these reasons, the claims of AG and Daphne are not entitled to priority payment from the funds held by the trustee pursuant to section 1326(a)(2).

### B. Daphne Does Not Have a § 503(b) Administrative Claim

As stated, Daphne alternatively presents the theory that she is entitled to a *pro rata* distribution of the Trustee's funds on hand, as she also holds an administrative claim under section 503(b) for John's post-petition obligations. On June 4, 2014 she filed a Request for Payment of Administrative Expense in the amount of \$32,921.86, which represented the amount of unpaid post-petition alimony, child support and college costs due.

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<sup>&</sup>lt;sup>12</sup> The Code provides other protections for domestic support claimants. For example, in order to confirm a plan, John would have had to be current on his post-petition domestic support payments and propose a feasible plan that would pay the entire pre-petition domestic support claim in full over the life of the plan. Because both parties agreed that the Family Court decision could impact the amount of that obligation, John was able to prolong his chapter 13 filing. As stated earlier in this decision, the absence of a property settlement decision, post-divorce, is an unusual circumstance.

<sup>&</sup>lt;sup>13</sup> 11 U.S.C. § 105(a) provides:

<sup>&</sup>quot;The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title. No provision of this title providing for the raising of an issue by a party in interest shall be construed to preclude the court from, sua sponte, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process."

At the May 21, 2014 hearing, Daphne's attorney argued two related bases for allowing her claim under section 503(b). First, she put forth the novel proposition that the expenses were actual, necessary costs to preserve the estate under section 503(b)(1), noting that the permissive "including" found in that section indicates that those subcategories are by no means exhaustive. Her attorney argued that these expenses are necessary in that failure to make the domestic support payments can lead to sanctions including incarceration. She submitted that it follows that if a debtor is incarcerated, they are unable to produce income, and therefore the estate would suffer. Therefore, payment of a domestic support obligation can be viewed as an administrative expense as something that is necessary to preserve the estate. Daphne's attorney noted that often in Chapter 11 cases lease or wage payments are allowed as administrative expenses, and she implored the Court to extend that reasoning to the present matter<sup>14</sup>.

Additionally, Daphne submits that use of the non-limiting "including" language in section 503(b)(1)(A), along with the general equitable powers of the Court pursuant to § 105(a), when viewed in light of the facts of this case provide ample cause for allowing the distribution of the Trustee's funds on hand *pro rata* on her administrative claim. She was once again forthcoming that no cases could be found to support her position. However, her attorney made a forceful argument that the reason that there is no case law on point is because this is such a unique situation. Generally a case would not go on for this period of time before being dismissed, and therefore, the arrearages in this case are extraordinary.

The saying "good facts make bad law" is fitting in this case. While certainly Daphne's arguments are creative, it is simply too long of a walk to get from domestic support obligation to the allowance of a 503(b) administrative expense claim, even with the unique facts of this case. Allowing the Court to use its equitable powers under section 105(a) to shoehorn Daphne's domestic support claims into section 503(b) would ultimately set a poor precedent. If a domestic support obligation is not sufficient to be allowed under section 503(b) in a less egregious scenario, then the Court would be re-writing the law to allow it in this one. We sympathize with Daphne, but the provisions of the Code do not allow us to rule in her favor. Her Request for Payment of Administrative Expense under section 503(b) is disallowed.

#### V. Conclusion

For the foregoing reasons, the Trustee is directed to use any funds on hand to pay the allowed section 503(b) claim of McDowell. Any remaining funds after such payment shall be returned to John.

<sup>&</sup>lt;sup>14</sup> Section 503(b) specifically references wage claims as examples of actual and necessary expenses. Lease payments can become necessary to prevent stay relief and eviction.

Yours very truly,

/S/ *Christine M. Gravelle*United States Bankruptcy Judge

CMG:rtp Docket