UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

In re: Case No. 13-21977

MICHAEL B. WHITE and
DARLA K. WHITE, Chapter 7

Debtors. Honorable Daniel S. Opperman
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ORDER DENYING WITHOUT PREJUDICE DEBTOR'S CORRECTED CLAIM FOR ADMINISTRATIVE EXPENSES (DOCKET NO. 917)

Debtor Michael White filed the above-titled Motion in response to the Court's January 10, 2020 Opinion Regarding Debtor's Motion for Clarification of Exemptions and Trustee's Objection to Exemptions. The Court requested an accounting of Debtor Michael White's allegations as to expenses incurred by Debtor post-petition for the support and maintenance of estate property. Debtor filed this pleading, asserting expenses incurred of $8,422, but reducing such to $5,088 "for goodwill purposes." These expenses consisted of "utilities while vacant, protecting the property from fire and casualty, forfeiture and foreclosure by the Saginaw County Treasurer directly related to Trustee not paying property taxes exempt from the automatic stay." Debtor attaches nothing to support these expenses. The Chapter 7 Trustee, Collene Corcoran, disputes that Debtor is entitled to any expenses as he was not authorized to incur such on behalf of the estate and thus it is not proper to award such as an administrative expense claim under 11 U.S.C. § 503(b), and that if this is an attempt to surcharge the collateral, such is not warranted under 11 U.S.C. § 506(c) as this applies to trustees only, not debtors.

"The Bankruptcy Code grants priority to certain administrative expenses, such as the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case." *In re Sunarhauserman, Inc.*, 126 F.3d 811, 816 (6th Cir. 1997). "Claims for administrative expenses under § 503(b) are

strictly construed because priority claims reduce the funds available for creditors and other claimants." *In re Federated Dept. Stores, Inc.*, 270 F.3d 994, 1000 (6th Cir. 2001) (citations omitted).

The "well-accepted 'benefit to the estate' test [ ] states that a debt qualifies as an 'actual, necessary' administrative expense only if (1) it arose from a transaction with the bankruptcy estate and (2) directly and substantially benefitted the estate." *In re Sunarhauserman, Inc.*, 126 F.3d 811, 816 (6th Cir. 1997) (citing *Employee Transfer Corp. v. Grigsby* (*In re White Motor Corp.*), 831 F.2d 106, 110 (6th Cir.1987)). "The benefit to the estate test limits administrative claims to those where the consideration for the claim was received during the post-petition period." *Id.* "[R]regardless of the substantive law on which the claim is based, the proper standard for determining that claim's administrative priority looks to when the acts giving rise to a liability took place, not when they accrued. *Id*. at 818.

Debtor is not entitled to surcharge collateral of the bankruptcy estate pursuant to Section 506(c). It is unclear whether Debtor is entitled to an administrative expense claim under Section 503(b). Further Debtor has submitted nothing to support such alleged expenses.

ACCORDINGLY, IT IS HEREBY ORDERED that Debtor's Corrected Claim for Administrative Expenses (Docket No. 917) is DENIED without prejudice.

IT IS FURTHER ORDERED that Debtor may file a pleading in the future detailing and supporting each allowed expense, as well as provide supporting legal authority under the Section 503(b) standard, above.

Signed on September 30, 2020

/s/ Daniel S. Opperman

Daniel S. Opperman
United States Bankruptcy Judge