

# In the United States Bankruptcy Court

## for the Northern District of Iowa

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ROGER KURTENBACH and CAROLINE  
KURTENBACH  
Debtors.

Bankruptcy No. 96-30274KF

Chapter 7

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### RULING

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Debtors filed their Chapter 7 bankruptcy petition on February 12, 1996. Their schedule of personal property listed interests in two IRAs, one with a value of \$2,200 and the other valued at \$6,000. Debtors claimed their interests in the IRAs exempt under Iowa Code 627.6(8)(e). On April 19, 1996, creditor Iowa State Bank of Algona filed an objection to the claim of exemptions in the IRAs. Debtors resisted, and the matter was set for hearing.

On July 25, 1996, the Trustee filed a "Joinder in Objection to Exemptions." The Trustee stated he had been advised that the Bank intended to withdraw its objection. The Trustee sought to join the objection and object to the Bank's withdrawal. On July 29, 1996, the Bank did file a withdrawal of its objection. The court held a telephonic hearing on the Bank's withdrawal and the Trustee's joinder, and continued the hearing on the objection. The Bank has argued it is entitled to settle the exemption issue with the debtors over the objection of the Trustee. Debtors and the Trustee have filed briefs.

The deadline for filing an objection to exemptions is 30 days after the conclusion of the meeting of creditors. Fed.R.Bankr.P. 4003(b). The Debtors' meeting of creditors was held on March 18, 1996. The last day for objecting to the Debtors' claim of exemptions was April 17, 1996. The Trustee's "joinder" is untimely as an objection to exemptions. The Trustee argues that he relied on the Bank's objection and should be allowed to join or intervene in that proceeding. However, as Debtors' counsel has pointed out, the Bank's objection was untimely. The court concludes that this fact is dispositive. In Taylor v. Freeland & Kronz, 503 U.S. 638, 112 S.Ct. 1644 (1992), the Supreme Court held that the trustee or a creditor may not object to a debtor's claim of exemptions after the 30 days provided in Rule 4003(b). Absent a timely objection, the property claimed is exempt even if the debtor had no colorable basis for claiming the exemption. Id. Accordingly,

IT IS ORDERED that Iowa State Bank's withdrawal of objection to the Debtors' claim of exemptions is allowed.

IT IS FURTHER ORDERED that the Trustee's joinder in the objection and objection to the Bank's withdrawal is overruled.

SO ORDERED THIS 13th DAY OF AUGUST 1996.

William L. Edmonds  
Chief Bankruptcy Judge

I certify that on \_\_\_\_\_ I mailed a copy of this order by U.S. mail to: U. S. Trustee, Thomas Lipps, Norbert Kaut, Habbo Fokkena.