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Chapman Client Alert

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Current Issues Relevant to Our Clients

Diamonds Really Are Forever: Illinois Bankruptcy Court Concludes That Wedding Rings are Largely Exempt from the Bankruptcy Estate

In an amusing Memorandum Opinion, the United States Bankruptcy Court for the Northern District of Illinois held in *In re Medina*[1] that a wedding or engagement ring worn by a man or woman, still married to the same person as when the ring was tendered before or during a wedding ceremony, qualifies as "necessary wearing apparel" under the Bankruptcy Code, and is thus exempt from the bankruptcy estate pursuant to 735 ILCS 5/12-1001(a).

In *Medina*, the Debtor had claimed in Schedule C to her Bankruptcy Petition that her wedding ring constituted an item of "necessary wearing apparel" pursuant to 735 ILCS 5/12-1001(a), which grants an unlimited exemption to "necessary wearing apparel" and certain other items. The Chapter 7 Trustee objected and sought to have the exemption disallowed, relying on the fact that the Debtor did not wear the ring in question to the meeting of creditors, and as a result, could not be "necessary wearing apparel." The parties stipulated that the only question at issue was whether the ring constituted "necessary wearing apparel" as a matter of fact and law.

In its analysis, the District Court, citing numerous historians, detailed the long history of the usage of rings to mark a couple's official entry into marriage and explained that the exchange of rings began during the eighth-century Byzantine era, had roots in Judeo-Christian tradition, and obtained an increased importance following the elimination of breach of marriage promise actions by most states in the mid-1950s.[2] Regardless of the cause of the cultural adaptation, the District Court concluded, the wearing of a wedding band and an engagement ring was now a tradition that many Americans observe, regardless of one's cultural or religious affiliation.

Turning then to the merits, the District Court observed that notwithstanding the absence of the Debtor's wedding ring at her meeting of the creditors, the Debtor had declared under oath that her wedding ring was worn at "family gatherings, meetings at school, vacations, funerals, weddings and birthday celebrations." The court found the Debtor's declaration persuasive, and opined that the custom of wearing a wedding ring "is intended as an outwardly display to the world that the wearer has entered into the tradition of marriage or religious sacrament when viewed as such." The Trustee's objection to the Debtor's claimed exemption was denied because the Debtor, still being married, was "entitled to participate in and publicly demonstrate her participation in a custom so commonly associated with matrimony", regardless of the fact that she did not always wear her ring.[3]

So while a wedding ring may not be "necessary wearing apparel" in the traditional sense of the phrase (i.e., everyday clothes), given the history of the institution of marriage and what the ring represents – a display to the world that you are married – in Illinois a married Debtor has what appears to be an unlimited exemption in the ring.[4]

For More Information

If you would like further information concerning the matters discussed in this article, please contact any of the following attorneys or the Chapman attorney with whom you regularly work:

James P. Sullivan
Chicago
312.845.3445
jsulliva@chapman.com

Bryan E. Jacobson
Chicago
312.845.3407
bjacob@chapman.com

1 Case No. 17 B 18090 (Bank. N.D. Ill. Nov. 20, 2017).

2 The court referenced the flurry of public comment in 2016 after then Candidate Trump was observed not wearing a wedding band, and Prince William's 2011 proclamation prior to his marriage to Kate Middleton noting that he would be opting not to wear a wedding ring out of personal preference.

3 Case No. 17 B 18090, *8 (Bank. N.D. Ill. Nov. 20, 2017).

4 The court did suggest that the exemption may not apply in a case where a debtor is divorced, or where the ring was given to the debtor after the wedding ceremony. *See* Case No. 17 B 18090, *8 (Bank. N.D. Ill. Nov. 20, 2017).

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