

JOHNSON, LONNY D. and NANCY J., Bankr. No. 04-40842, Chapter 13 (bench ruling, July 10, 2008). **Issue:** Whether the Court should approve the parties' agreement to settle Debtors' disposable income obligation for \$19,000? **Ruling:** No. Referring to the Internal Revenue Service's national standards for food, clothing, and other items and the Internal Revenue Service's local standards for housing, utilities, and transportation to determine the reasonableness and necessity of Debtors' expenditures for those items, the Court estimated Debtors' disposable income was in excess of \$40,000. Relying on *Tri-State Financial, LLC v. Lovald (In re Tri-State Financial, LLC)*, 525 F.3d 649, 654 (8th Cir. 2008) (citations therein), which sets forth the four factors that must be considered in determining the reasonableness of a proposed settlement, the Court concluded the parties' settlement should not be approved.