

# **BANKRUPTCY <sup>UP</sup>DATE**

## **February 4, 2026**

If someone else would like to receive these <sup>UP</sup>dates, please send an e-mail to [Shan\\_Stroup@sdb.uscourts.gov](mailto:Shan_Stroup@sdb.uscourts.gov).

### **LKA Decision**

You can use the link in the "Links" section below to view the following decision:

#### ***In re Ainsworth***

**Issue:** Whether the debtors were entitled to claim exempt under S.D.C.L. §43-45-4 wages garnished in the 90 days before their bankruptcy petition was filed?

**Ruling:** Yes. S.D.C.L. §43-45-14 was amended in 2007 to allow debtors to claim exempt earned but unpaid garnished wages if they fit within the exemption limits of S.D.C.L. §43-45-4 and are recoverable for the bankruptcy estate as a preferential transfer under 11 U.S.C. §547.

### **Links**

[\*In re Ainsworth\*](#)

[Previous Bankruptcy <sup>UP</sup>dates](#)

As always, should you have questions regarding this <sup>UP</sup>date or anything else concerning your dealings with the Court or the Clerk's office, please let us know.