§ 1807. Effect of allowance of claim by fiduciary

1. Whenever a fiduciary shall allow a claim other than the fiduciary's own the validity of the claim shall thereby be established, but if it shall appear that the claim was improperly allowed or was fraudulently or negligently paid, any party adversely affected thereby may file objections thereto in any proceeding for the judicial settlement of the account of the fiduciary. A copy of the objections shall be served upon all parties who have appeared and if the claimant has not appeared a copy shall be served upon the claimant personally or by mail. If the court sustains the objections the claim shall thereupon be dismissed if it has not been paid. If it has been paid, in whole or in part, and an amended petition or objections request a direction that the claimant repay to the fiduciary of the estate any amount of the estate assets determined on the settlement of the account to have been paid to a claimant as a result of fraud, negligence or collusion and if a supplemental citation to this effect was issued and served upon the claimant, then the court, is authorized in the accounting decree to direct repayment by the creditor of the excess to the fiduciary of the estate and may, in addition, impose a surcharge against the fiduciary or otherwise as justice shall require. If there is no amended petition or answer requesting a direction that the claimant repay the amount of estate assets determined to have been paid as a result of fraud, negligence or collusion then a surcharge shall be imposed against the fiduciary in the amount the estate has been damaged by such fraud, negligence or collusion.

2. In such accounting proceeding a party adversely affected may show that a judgment on a claim against a fiduciary was obtained by fraud, negligence or collusion. If the court determines that the judgment was so obtained, a surcharge shall be imposed against the fiduciary in the amount the estate has been damaged by such fraud, negligence or collusion.