CONSUMER CASE SUMMARIES

CASE SUMMARIES PREPARED BY CATHERINE ANNE UMBERGER

(CURRENT THROUGH 9/21/2026)

OPINIONS OF THE HONORABLE JUDGE JASON D. WOODARD

***In re: Kevin O'Conner Freeman,* Case No: 20-12124-JDW- AP No: 24-01002-JDW 5/29/2026**

This opinion arose from a Chapter 7 adversary proceeding on the Complaint for Turnover of Property of the Estate between the Chapter 7 Trustee and Debtor's estranged spouse, who was not a debtor. The Trustee was represented by an attorney at trial and the defendant, Leslee L. Freeman appeared pro se.

The issue at hand involved community property, specifically a home in California that happens to be the Defendants' homestead since 2006 that the Trustee wanted to sell for the benefit of the estate. The debtor and the defendant are still legally married but have been separated for over fourteen years. The defendant has lived in and maintained the property since its purchase. The Debtor, Kevin O'Conner Freeman, has lived in Mississippi since 2018.

The stipulated facts showed that the house in California was purchased by the Debtor and the defendant on May 25, 2006, as "Husband and Wife as Joint Tenants." There is one deed of trust in the original principal amount of $375,000. The fair market value of the house was determined to be at least $620,000 leaving the nonexempt equity around at least $373,000. The home is the only non-exempt asset of meaningful value. The Debtor and the Defendant are not divorced, but they have been separated since August 1, 2012. There is a pending divorce action in California. The monthly mortgage payments are $1,480.54 and there was an arrearage of $5,203.64.

The Court looked at Debtor's intent and found that the Debtor did not intend to return to reside in the California house. The defendant lives in the home with their children, while the debtor has lived in Mississippi since January 2, 2018. The Debtor lives with his girlfriend and her two children. The Court also looked at the equity in the property including the secured tax claims, outstanding mortgage, and the home's value. There is a partially secured tax lien of $7,140.38 on the property for unpaid taxes for 2011,2012, and 2013, where the Debtor is listed as the taxpayer. Based on expert witness testimony, the fair market value was determined to be $745,000 with an outstanding mortgage of $246,693.16 leaving approximately $500,000 of equity.

The Trustee would bear the burden of proving the elements for Section 542 turnover by a preponderance of the evidence by proving (1) the property is in the possession, custody, or control of a non-custodial third party; (2) the property constitutes property of the estate: (3) the property is a type that the trustee could use, sell, or lease pursuant to §363; and (4) the property is not of inconsequential value or benefit to the estate. The only element that the Court is looking at for the trial stage was whether the Property was of inconsequential value or benefit to the estate.

The Court considered the unique facts and circumstances of this case to determine whether the property is of greater than inconsequential value. The community property aspect of this asset means that it may only be sold to pay particular claims after administrative expenses are taken out: (A) all community claims-including community claims assertable against the non-debtor spouse, (B) community claims assertable against the debtor, (C) any remaining non community claims against the debtor using non community property, and (D) all remaining community claims from all remaining property of the estate. The Court has established that the home is community property and now turns to the concept of "community claims."

A "community claim" is a "Claim that arose before the commencement of the case concerning the debtor for which property of the kind specified in section 541(a)(2) of this title [i.e. community property] is liable, whether or not there is any such property at the time of the commencement of the case." There are only three claims in the bankruptcy case and California state law is used to determine whether they would be considered community claims. In California, "the community estate is liable for a debt incurred by either spouse before or during marriage." "During marriage" does not include time after the date of separation and before the legal separation/dissolution. In this case, the date of separation is August 1, 2012.

Claim One: Capital One Bank ($357.35)- Not a community claim since card was opened after date of separation.
Claim Two: Foremost Insurance Company ($83,382.41)- Not a community claim since debt incurred after date of separation.
Claim Three: California Franchise Tax Board ($7,140.38)- Partial community claim- All of the 2011 Taxes in amount of $3,026.21 and 2012 Taxes incurred before August 1, 2012, which would be secured.

The only claim that qualifies as a community claim is the secured claim of the California Franchise Tax Board, which the trustee should not seek to pay. If the claim were of an unsecured nature, the value to the estate would be inconsequential when looking at the administrative costs that would be needed. Further, the Chapter 7 trustee is looking to maximize distribution to the unsecured creditors. When liquidation will result in little to no payment to unsecured creditors, the asset should be abandoned. The secured creditors are protected by their liens.

Takeaway: Turnover is not warranted and the Trustee has not met the burden needed under §542. The costs of pursuing the liquidation would be greater than what the payout to creditors would be. Additionally, only secured creditors would benefit from the liquidation.

Additional Thoughts:

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In re: Brian L. Hazlett, Sr., Case No: 26-10377-JDW- 09/14/2026
This opinion is on Debtor's Pro Se Objection to the Proof of Claim of the Internal Revenue Service and Notice that the IRS Tax Obligation Has Been Satisfied and the Response of the Internal Revenue Service. The court looked at whether the Debtor's self-generated "Bill of Exchange" constitutes legal tender or another legally recognized form of payment. The debtor argues that his tender of the Bill of Exchange satisfied all existing tax obligations and, in fact, created a credit to be used against future tax obligations. The IRS contends that the Bill of Exchange is a meaningless piece of paper.

On June 11, 2025, the debtor mailed a self-generated document labeled "Bill of Exchange" to the United States Department of the Treasury directing the Treasury to pay $200,000 to itself. The debtor created the document on his computer and printed it out after receiving IRS billing statements reflecting his outstanding and estimated future tax liabilities. The debtor contends that he is now current in his taxes and has a $192,000 credit against future taxes. The Chapter 13 Plan is unconfirmed. The Internal Revenue filed a proof of claim in the amount of $30,655, later amended to $24, 992.94.

The Debtor filed an Objection to the Claim evidencing that his "Bill of Exchange" satisfied his outstanding tax debt. The Debtor's "Bill of Exchange" is not legal tender because it does not fall within the definition of forms of money recognized as legal tender. The debtor also maintained that the "Bill of Exchange" constitutes a valid "draft" under Mississippi law and operated as payment of his federal tax obligation. The "Bill of Exchange" is not a valid negotiable instrument in any form. The document does not identify an existing source of funds from which the purported drawee is obligated to make payment. Objection Overruled.

Takeaway: The self-generated Bill of Exchange does not constitute legal tender or any other legally recognized form of payment and, therefore, did not serve as payment of debtor's tax obligations.

Additional Thoughts:
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In re Gregory Bigham and Cynthia Delores Bigham, Case No: 26-010150-JDW- AP No: 26-01015 and 26-01016- 9/8/2026

This opinion is on a Motion for Summary Judgment filed by Community Bank against the Debtors in two adversary cases and the Court issued a Memorandum Opinion and Order. In both adversary cases, the debtors are seeking to "strip" the subordinate liens of Community Bank on two separate properties. In order to strip a subordinate lien, there must be no value or equity in the property that could be used to pay any portion of the subordinate loan.

Summary Judgment should be granted "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law."

The debtors filed a Chapter 13 case, and they own two parcels of real property in Hernando, 840 Green Acres Drive (Green Acres) and 5645 Joan Street (Joan Street). Green Acres serves as Debtor's homestead. Community Bank holds recorded deeds of trusts on both properties that include cross-collateralization provisions. Community has an outstanding loan of $106,255.70 on Green Acres and another outstanding loan of $56,803.44 on Joan, both of which are cross-collateralized.

In the filed schedules, Joann was listed with a value of $248,500, with the caveat of a pre-existing flood control easement by the US Army Corps of Engineers. Debtors would acquiesce that the value is closer to the Tax Assessor amount of $111,452, but the schedules were not amended to reflect that amount. Green Acres was listed with a value of $221,350. Community Bank accepted the value of $248,500 for Joann and countered that the value of Green Acres is $425,000 based on an appraisal done earlier this year.

If the Court accepts the $425,000 and $248,500 valuations, Community Bank would be fully secured, but if the Court accepts the $221,350 and the $111,452 valuations, Community Banks would be wholly unsecured. Green Acres has the potential to strip down and/or strip off the Community Bank lien. The Court found that the cross-collateralization clause of Community Bank allows Joan to be subject to strip down and or strip off since Green Acres is also tied to the loan.

The court looks to the issue as to which value should be used on Joan and determine the scheduled value would prevail so Community Bank's lien on Joann is fully secured

and the Motion for Summary Judgment is granted. The cross collateralized Green Acres loan would be undersecured, leaving the possibility of a potential strip down.

They then turn to the Green Acres property and determine that there is a material issue of genuine fact due to the difference between the scheduled value and the appraised value. The Court does agree that tax assessments are not great evidence and are rarely determinative at an evidentiary hearing, but an owner of the property may always testify about the value of the property. At this juncture, the court is not weighing the evidence but just assessing that there is evidence. The value of the property is material because it will determine whether any of the liens are wholly unsecured.

Takeaway: There is a material issue of genuine fact in the Green Acres Adversary that is scheduled for trial, so the Motion for Summary Judgment is denied. In the Joan Adversary, there is value to support the subordinate lien, so the Motion for Summary Judgment is granted, and the Community Bank lien will not be stripped.

Additional Thoughts:

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OPINIONS OF THE HONORABLE JUDGE SELENE D. MADDOX

***In re: Jodie Felton,* Case No: 18-11791-SDM- AP No: 25-01001-SDM 12/23/2025**
This opinion arose from an adversary proceeding on a Motion for Damages, Sanctions, and Attorney Fees filed by Jodie Felton against USDA-Rural Housing Service for failure to timely release its mortgage lien after the entry of the Court's Agreed Order declaring the debt satisfied, and after the entry of the Discharge Order.
Plaintiff/Debtor argues violation of Court orders and the discharge injunction, civil contempt and requesting damages. USDA conceded its failure to release the lien in a timely manner but stands on sovereign immunity as a limitation as to what damages are available as a remedy.

The undisputed relevant facts are that the Debtor owns her primary residence (923 Parkview Street Cleveland, MS 38732) and USDA held a deed of trust on the property that was fully satisfied through the bankruptcy discharge. USDA was directed to release the lien on October 6, 2023, and the bankruptcy case was discharged on November 14, 2023.

As of March 21, 2024, the release was unfiled. Debtor's counsel reached out to USDA's counsel via email to request an update on compliance. Approximately two months later, Debtor received an email from USDA showing an unpaid balance of $4,364.85 remaining. Debtor confirmed, through counsel, that there was no balance owed to USDA by verifying with the Chapter 13 Trustee. Debtor's counsel then sent the Agreed Order and another request to release the lien to USDA. USDA then referred the Debtor's account to the US Department of Treasury for collection and Debtor received notice that her Social Security benefits would be garnished. USDA's counsel confirmed that there would not be a garnishment and no funds were garnished As of December 4, 2024, the lien was still on record and a Motion to Reopen case was filed. Once the case was reopened, an Adversary Complaint was filed asserting civil contempt, violation of the FDCPA, and violation of Mississippi Code §89-5-21. The Debtor sought $1,000 in statutory damages under FDCPA, $200 in statutory damages and $131,472 in "mortgage money" under Mississippi Code §89-5-21, actual damages, attorney fees and costs, sanctions for USDA's conduct, daily sanctions until the deed of trust is released, and pre- and post- judgment interest.

The lien was released in March 2025, and a copy of the executed release was recorded in Bolivar County land records on April 14, 2025. Debtor submitted a fee itemization of $8,019.50 for 31.1 hour billed at the hourly rate of $265 from the date range of March 2024 through October 2025 and USDA contends that of that amount only $4,825.78 of it is compensable.

The Court looked at the scope of sovereign immunity and its application under §106 to determine recovery. The Court then used its authority under §105(a) to enforce its orders through civil contempt. Section 106 does not create substantive rights against the United States and does not override the substantive limitations found in other federal statutes. The Court then looks to see if sovereign immunity has been waived and whether the substantive law invoked actually provides a viable cause of action. The debtor contends that USDA violated both the Agreed Order declaring her mortgage debt satisfied and the Discharge Order by failing to release its lien and by treating the discharged debt as still owed. Civil contempt requires clear and convincing evidence that (1) a court order was in effect; (2) the order required certain conduct by the contemnor; and (3) the contemnor failed to comply. Specifically, for discharge violations, contempt turns on whether the creditor had an objectively reasonable basis to believe its conduct was lawful. It was admitted by USDA that compliance did not happen for approximately 18 months, so civil contempt was met. The discharge injunction of §524(a)(2) was also violated by USDA carrying an erroneous balance and also referring the account to the Treasury and the impending garnishment threat. The USDA was found in contempt of both the Agreed Order and the discharge injunction.

Civil Sanctions are meant to coerce compliance or compensation the injured party, not punish past conduct.
We now turn to what fees are allowed by going through each of the Debtor's categories for relief.

1. Attorney's Fees and Costs Reasonably Incurred to Secure Compliance (√)- 26.7 hours ($250.32 per hour and $254.81 per hour) for the attorney and 3 hours ($65 per hour) for paralegal work- $6,794.68 and $195. Along with mailing costs of $50.28, office copy costs of $49.50 and filing fee of $350. Total of $7439.46.
2. Prospective Coercive Civil Contempt Sanctions and Punitive Sanctions (X)- Contempt was purged on 4/14/2025 when it recorded the lien release so prospective coercive civil contempt sanctions are moot and punitive sanctions are prohibited against governmental units.

As to the Debtor's remaining claims under FDCPA and Mississippi Code §89-5-21, the Court agrees with USDA that §106(b) does not create a substantive right to recover damages and the Debtor is not allowed to recover damages under either statute.

1. Debtor's claim for damages under FDCPA is barred by sovereign immunity since the FDCPA does not contain an express waiver of sovereign immunity.

2. Debtor's claim for recovery under Mississippi Code §89-5-21 is also barred by sovereign immunity due to the absence of an express congressional waiver and it historically being a punitive as opposed to a compensatory damage.

Takeaway: Although, USDA was held in civil contempt for violating the Court's orders and the discharge injunction, sovereign immunity did limit the recovery to reasonable attorney's fees and costs incurred to secure the USDA's compliance with the Agreed Order and the Discharge Order.

Additional Thoughts:
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***In re: John Kirk Shumpert,* Case No: 24-11641-SDM; Stephen H. Landy, Case No: 24-11399-SDM; and Doneice Cunningham Johnson, Case No: 24-14079-SDM**

This opinion stems from three identical Motions to Examine Fees of Attorney and Other Relief filed by the US Trustee seeking to review flat-fee retainers paid to the same law firm for representation of the above Debtors. The fees range from $10,450 and $12,500 for the Chapter 7 Cases, and the UST contends that the fees are excessive and requests disgorgement of the excessive portions of the fees. Further, the UST asserts failure to disclose the full amount of compensation received and requests disgorgement of the undisclosed amounts. Debtor's counsel responds that the fees are reasonable given the nature of the cases, which involved substantial business-related debt, extensive preparation, and continued post-petition administration.

After Debtor's counsel submitted an itemization of time on each case, a final hearing was held and taken under advisement. The initial filed disclosures of compensation of attorney for debtor reflected the following prepetition payment amounts: $12,073 (Landy), $10,016 (Shumpert), and $12,077 (Johnson). The services provided by the law firm included financial analysis, preparation and filing of required documents, and the representation at the meeting of creditors and did not cover court filing fee, postage fees, fees and charges related to credit and educational counseling, credit and asset reports. The services provided also did not include reaffirmation agreements, adversary proceedings, and responses to inquiries by the UST regarding dismissal or denial of discharge.

Each debtor reported large amounts of liabilities and business-related financial circumstances ranging from $955,889.63 to over $2.1 million. Each case involved at least one continuance of the meetings of creditors and resulted in discharge.
The Debtors' attorney asserted that these cases required significant work not reflected on the docket, including extensive client communications, asset investigations, and repeated creditor meetings. Further citing the bankruptcy practice has evolved since BAPCPA and that the flat fees accounted for risk, overhead, and unforeseen work. Attached to the briefs were "Attorney-Client Retainer Agreements" reflecting the following amounts that were paid pre-petition: $12,500 (Landy), $10,450 (Shumpert), and $12,500 (Johnson). These agreements provided that the services covered were prepetition consultations, preparation and filing of the petition, creditor communications, the filing fee, and representation at a single meeting of creditors and excluded reaffirmation agreements, adversary proceedings, and responses to UST inquiries. It also permitted additional fees in the event of case complexity and allocated certain costs such as credit counseling and related expenses to the debtor.

The disclosures filed in the cases and the retainer agreements provided by the law firm differed in the scope of the services provided and the fee amounts. The retainer included the filing fee, whereas the filed disclosure did not.
The Chapter 7 Trustee testified at the initial hearing that typical fees in the district range from $800 to $2,000 per case and these cases were referred to the UST due to the higher amounts requested. One of the Debtors, Landy, also testified at the hearing as to spending substantial time with counsel and staff prepetition and his preference for the flat fee arrangement as well as his satisfaction with the representation. Itemization of time was requested by the UST and later provided by Debtor's counsel. The itemizations included work done from initial consultations through post-petition administration and litigation of the UST's fee motions and included work done by the various members of the firm. The itemized invoices were actually higher than the flat fees that were charged to each respective debtor: ($43,576.75 in Johnson, $58,905.50 in Landy, and $50,024.55 in Shumpert).

At the final hearing, the UST argued that the flat fees were unusually high and had issues with the itemizations. Debtor's counsel advised that the itemizations were done to comply with the Court's directive and were not standard in a flat-fee situation. The time spent defending the reasonableness of the fees was not considered by the Court. The Court looked at (1) whether Debtors' counsel complied with the disclosure requirements of §329(a) and Rule 2016(b), and (2) whether the fees charged exceed the reasonable value of the services rendered under §329(b) and Rule 2017(a).

(1) Disclosure of Compensation under §329(a) and Rule 2016(b)- The Court allowed disgorgement of the undisclosed amounts from the retainer agreements. ($270)
(2) Reasonableness of Fees under §329(b) and Rule 2017(a)- The Court found that the amounts were reasonable when viewed in light of the particular facts of these cases and the Court excluded the time spent on the defense of the fee motions.

Takeaway: The Debtor's counsel was required to disgorge the portion of retainer fees that was undisclosed. The Court did not require full disgorgement due to the discrepancies being minimal, absence of bad faith evidence, and the value of the services provided.

Additional Thoughts:
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OPINIONS OF THE HONORABLE JUDGE KATHARINE M. SAMPSON

In re: Ikechukwu H. Okorie, Case No. 19-50379-KMS
9/18/2025

This opinion is on Debtor's Motions for Leave to File Barton Motions and File Bond Under Seal. Ath the time of the Chapter 11 filing, Debtor owned 6 properties, 4 of which were encumbered. One property was foreclosed with Debtor's acknowledgment and then the case was converted to a Chapter 7. Another creditor obtained relief on another property, and the remaining properties were set to be liquidated by the Chapter 7 trustee. No objections to the sale motions were filed. Debtor filed an Objection to the sale of one of the properties, without the assistance of counsel, after the Order was filed, but it was overruled and the sale was approved. A Chapter 7 discharge was received on October 5, 2021. Two years later, the Debtor filed motions to void the sales by alleging misconduct by the Trustee, but the motions were denied after a thorough investigation due to lack of standing and res judicata. The Debtor then filed Motions to Set Aside the sale orders in four different state courts.

Debtor is now seeking leave to sue the Trustee and various third parties and asserts that the claims arise out of state law. The proposed complaints reveal a laundry list of claims. The Court entered an order enjoining the Debtor from filing anything without prior approval of the Court, a year prior to this. The Debtor also had requirements that had to be met on the motions for leave: 1) Two pages maximum; 2) Attach the proposed filing; 3) Explain why the proposed filing is not frivolous; 4) Explain why the proposed filing is not an attack on any previous order entered by the Court in this case or any related adversaries; and 5) Shall certify, by affidavit or under penalty of perjury, that the proposed filing raises a new issue that has not already been rejected by the Court or is not currently pending before the Court.

The Motions were denied because the Court has already held that the Trustee properly performed the estate duties and there was no evidence of fraud or other misconduct. Further, Debtor does not have standing to attack the administration of the bankruptcy estate. The Court viewed the motions as a continuation of Debtor's harassment of the Trustee, creditors, and their counsel.

Takeaway: The Court denied the Motions due to lack of factual or legals basis and bad faith filings.

9/30/2025- Adv. Proc- 25-06008-KMS, 25-06013-KMS, and 25-06027-KMS

This opinion involves Debtor and three separate adversary proceedings against PriorityOne Bank. All three adversaries were filed by the Debtor in either state or district court, and alleged wrongful actions by PriorityOne, related to the loan and foreclosure of 908 W. Pine Street in Hattiesburg. In a prior adversary filed in bankruptcy court, Debtor alleged violations of the automatic stay and improper foreclosure of the same property. The prior adversary ended in dismissal with prejudice. PriorityOne filed Motions to dismiss in two adversaries for four reasons: (1) The Complaints are time barred due to the foreclosure occurring 5 years ago, which would be two years too late: and (2) PriorityOne's deficiency claim has been allowed due to the objection to claim being overruled.; (3) Debtor is precluded from relitigating an alleged violation of the automatic stay or finality of the foreclosure, and (4) Debtor is claim splitting by attempting to bring lawsuits in different courts.

The Court went into the res judicate standard which bars the litigation of claims that either have been litigated or should have been raised in an earlier suit. The four elements of res judicata: (1) the parties are identical or in privity (√); (2) the judgment in the prior action was rendered by a court of competent jurisdiction (√): (3) the prior action was concluded by a final judgment on the merits (√); and (4) the same claim or cause of action was involved in both actions (?).

The Fifth Circuit applies a transactional test to determine whether the same claim or cause of action was involved. Did the Debtor base the two actions on the same nucleus of operative or key facts? The court found that yes, res judicata applies due to a common set of facts and the same allegations and theories of recovery. Then the court lists the prior rulings: Adv. 23-06019- Adversary Dismissed with Prejudice., 19-50379-KMS- Violation of Automatic Stay Denied and Motion to Annul Stay Granted, 19-50379- Objection to Proof of Claim Overruled, 19-50379- Order Denying Various Pending Motions, Adv. 25-06013- District Court Referral to Bankruptcy Court. It was determined that the same nucleus of operative facts were in play in these three adversaries. The Court went further in saying that the action is time barred. The Court also denied PriorityOne's Motion to Reinstate Adversary Proceeding since the intent was to reopen in order to file a Motion to Dismiss.

Takeaway: The Court ultimately dismissed all three adversary proceedings due to res judicata.

10/31/2025

This opinion is on a Motion for Contempt filed by the Chapter 7 Trustee and the Debtor's response. There is a history of frivolous and vexatious litigation filed by Okorie against the Trustee and the Court found no evidence of Trustee misconduct and that the estate was properly administered. The Court granted sanctions against the Debtor in the amount of $78,533.27 along with a pre-filing injunction in an attempt to stop repetitive complaints and other filings. The Order was affirmed after appeal to the District Court and Fifth Circuit. The Debtor has neglected to pay the sanctions award and has persisted in filing frivolous and unfounded actions.

The case was originally filed as a Chapter 11 case and was converted two years later to a Chapter 7 Case. The case was discharged on October 5, 2021. His counsel withdrew from the case that following February due to the Debtor filing pro se motions. As a pro se Debtor, he has unsuccessfully challenged matters in 10 different courts. The sanctions award was payable within thirty days of the order and has not been paid going on over a year.

The Court looked at the elements for civil contempt which is (1) that a court order was in effect; (2) that the order required certain conduct by the respondent; and (3) that the respondent failed to- comply with the court's order by clear and convincing evidence. The Trustee has met the burden for establishing contempt. Further, the Debtor is ordered to pay the Trustee $100 daily from the date of the order (10/31/2025) until the sanctions amount is paid in full. The Trustee also requested attorney's fees and costs related to the contempt motion and was awarded reasonable costs, expenses, and attorney's fees.

Takeaway: The Motion for Contempt is Granted. Debtor has to pay $78,533.27 in sanctions with a $100 daily penalty for failure to comply. Additional sanctions for reasonable attorney's fees, expenses, and costs incurred were also awarded.

3/30/26 Adv. Proc. 19-06032

This opinion is on Trustmark Bank's Motion for Summary Judgment and Debtor's Response. The case was originally a Chapter 11 case and later converted to a Chapter 7 case. The Chapter 7 case has been discharged. During the Chapter 11 case, Trustmark filed a proof of claim in the amount of $561,815.82 that includes a commercial guaranty executed by Debtor. Trustmark filed an adversary seeking determination of nondischargeability for willful and malicious injury caused by Debtor's sale of medical equipment securing Trustmark's loan. Trustmark claims that the practice and equipment was sold to a third party with no payment to Trustmark. Trustmark asserts a nondischargeable debt of $211,928.08 plus interest and attorney's fees of

$15,956.55. An abeyance request was filed in order to let the Chapter 7 proceed and determine amount of distribution. Debtor then appeared pro se. Trustmark contends that there are no genuine issues of material fact and that it is entitled to a nondischargeable judgment as a matter of law in the amount of $120,228.73 plus fees and costs. The Debtor counters that nondischargeability cannot be established and that the collateral transfer is a simple contractual dispute. The Court then looked to see if summary judgment would be appropriate and it is “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” It is undisputed that Trustmark had a purchase money security interest in an x-ray machine and related equipment along with the stipulation that “Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the collateral.” Further, “all proceeds from any disposition of the Collateral shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender." The debtor sold the practice along with the equipment to a third party and did not pay Trustmark. The sale of the practice and property generated approximately $120,000 in net proceeds.

The Court then delves into whether the debt should be excepted from discharge due to willful and malicious injury by the debtor to another person or their property. The three elements were established : (1) injury by the debtor; (2) to another (or property of another; and (3) such injury was willful and malicious. The Court relied on the Debtor being 100% owner and managing member of the medical practice, the pmsi of Trustmark, the sale prohibition, and the sale of the property including Trustmark’s PMSI collateral when making its determination. Also, Trustmark was not informed of the sale and did not receive any proceeds from the sale. The Court moves on to the willful and malicious aspect. The Debtor’s sale of Trustmark’s collateral without consent or remittance of payment was substantially certain to result in injury to Trustmark. This met the objection substantial certainty of harm essential for exception to discharge so the Court did not need to determine if subjective motive to cause harm existed.
The damages should be measured as the value of the collateral at the time of the sale, which will be determined later by evidentiary hearing. Trustmark is also entitled to recover its nondischargeable attorneys’ fees for the adversary proceeding.

Takeaway: Trustmark is entitled to a judgment of nondischargeability as a matter of law.

Additional Thoughts:
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In re: James Allen Knowles, Jr., Case No. 24-51513-KMS 12/22/2025
This opinion is derived from Motions to Vacate or Reconsider the Order Denying Motion to Reopen Chapter 13 Case. The pro se debtor alleges that the actions of Cadence Bank violated the automatic stay in a later case filed by Debtor (25-51384) while Debtor was under a 180 day refiling ban.

Debtor filed this case, which was his second case filing within a year. Cadence Bank filed a motion to dismiss asserting fraudulent conduct by Debtor and alleging a bad faith case filing.

The Court later entered an order denying Cadence Bank's motion, but the order had a stipulation that if this case was dismissed, the automatic stay would be lifted as to Cadence Bank along with a 180-day ban on refiling. The case was dismissed for failure to make plan payments. Debtor filed a third bankruptcy case, but Cadence Bank foreclosed on its property, and the Court dismissed the third case sua sponte due to the violation of the 180-day ban on refiling.

Debtor filed the Motion to Reopen this second case, and a telephonic hearing was held. Debtor's motion was replete with AI generated nonsense for lack of a better description. In a later pleading, the Debtor requests nunc pro tunc reinstatement of the automatic stay.

Debtor argued that Cadence Bank violated the automatic stay when it foreclosed on its collateral. The majority of courts have recognized that reopening a dismissed case does not retroactively impose the automatic stay. The Motion to reopen was denied. Debtor's motion to vacate is evaluated by the court as a motion to alter or amend the judgment. Amendment would be appropriate (1) where there has been an intervening change in the controlling law; (2) where the movant presents newly discovered evidence that was previously unavailable; or (3) to correct a manifest error of law or fact. Debtor did not present anything where amended would be appropriate. The motions to vacate were denied.

Takeaway: A motion for reconsideration is not a proper vehicle for rehashing evidence or legal theories. Debtor had not established any grounds to warrant reconsideration.

Additional Thoughts:
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In re: William Joeseph Bayes, Case No. 24-51260-KMS 2/12/2026, AP No: 24-06029-KMS

This opinion is on a Motion for Summary Judgment. The Plaintiffs object to discharge of a debt based on the pre-existing Final Judgment on Complaint of Damages in Chancery Court. The Chancery Court found that the Debtor acquired money and property by undue influence. The Judgment further entitles the Plaintiffs to summary judgment based on collateral estoppel.

The Debtor was appointed conservator and guardian of the plaintiff who is now deceased. The decedent's sister and intended beneficiary later asserted that the Debtor was failing in his obligations as conservator and breaching his fiduciary duties. Ultimately Debtor was replaced as conservator and the new conservator filed a complaint for damages in Chancery Court. After the Chancery Court trial and prior to the Judgement, Debtor filed a Chapter 7 bankruptcy and listed the conservator and the decedents estate as a nonpriority unsecured creditor. The Chancery Court Judgment was entered and ordered the Debtor to pay damages to the Plaintiffs. An adversary proceeding was filed seeking to have this judgment declared non dischargeable. The Motion for Summary judgment asserts the factual findings of undue influence would equate to willful and malicious conduct, false representation, and fraud or defalcation while acting as a fiduciary rendering their claim non dischargeable. The Debtor did not file a response. The Motion for Summary Judgment was denied without prejudice so that the Plaintiffs could seek relief from the automatic stay. A motion for relief was filed, the stay was annulled, and the Chancery Court Judgment was given full force and effect.

Summary Judgment is appropriate "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." A fact is material if its resolution in favor of one party might affect the outcome of the lawsuit under governing law. An issue is genuine if the evidence is sufficient for a reasonable [factfinder] to return a verdict for the non-moving party.

Although the Debtor did not respond, the Court still considered the motion for summary judgment. Plaintiffs are that there are no genuine issues of material fact since the issues were decided in Chancery Court and that the bankruptcy court would be bound by the Chancery Court Judgment. Collateral estoppel precludes re-litigation of a specific issue that was (1) actually litigated in the former action. Issue preclusion would apply in bankruptcy court only if, inter alia, the first court has made specific, subordinate, factual findings on the identical dischargeability issue in question and the facts supporting the court's finding are discernible from that court's record.

The court then turned to whether the three elements were established to render a pre-petition debt nondischargeable: (1) Injury by the debtor (√); (2) to another (or property of another) (√); and (3) such injury was willful and malicious (√). The Court looked at whether there was a willful and malicious injury. The subjective motive to cause harm was met because the Chancery Court Judgment established that the Debtor's motive to harm Plaintiffs was for personal financial gain and "essentially a fraud upon the Court". ($150,000 transferred over the course of 10 months). In a related criminal matter, the Debtor pled guilty to the crime of Exploitation of a Vulnerable Person, which required a willful state of mind. The objective substantial certainty of harm was also met due to the confidential relationship, suspicious circumstances, and a presumption of undue influence under Mississippi law. The Chancery court found that he did not act in good faith. Plaintiffs would be harmed by the debtor actively transferring money for his own use. The debt is nondischargeable and the related attorney's fees are also nondischargeable.

Takeaway: The Motion for Summary is granted, and the Chancery Court Judgment renders the debt nondischargeable. The Court determined that the requisite elements of the dischargeability claim were decided by the Chancery Court. Further, both subjective motive and substantial certainty of injury were present.

Additional Thoughts:

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In re: Kaneisha L. Magee, Case No: 19-52426-KMS 3/31/2026

This opinion is related to Debtor's Motion to Declare Lien Satisfied as to Exeter Finance. The Debtor is seeking the release of Exeter's lien on a 2017 Nissan Maxima since the claim has been satisfied under the terms of the confirmed plan. Exeter's counter argument is that the lien cannot be released due to the Debtor not being eligible for discharge and the full amount of the debt not being paid under state law. The Debtor filed a Chapter 7 case in 2016 and was discharged. Debtor then entered a retail installment contract with Exeter for the purchase of a 2017 Nissan Maxima for $24,184.67 at 24% interest. Debtor then filed a nondischargeable Chapter 13 bankruptcy in 2019. Exeter filed a proof of claim in the amount of $25,188.80 for the vehicle and Debtor's confirmed plan proposed to pay the amount of the claim at 6.75% interest. Exeter did not object to confirmation nor the treatment of the claim. The Trustee filed a Notice of Completion of Plan Payments and Debtor filed the Motion to declare Exeter's lien satisfied.

The issue before the Court is whether Exeter accepted the plan and if so, whether payment of the full amount of Exeter's claim at the *Till* rate requires release of the lien. The Court found that Exeter accepted the plan by not filing an objection to confirmation and by accepting all plan payments without objection. The plan was considered final as to the non-objecting creditor. Further, Exeter's debt was paid in full under the confirmed plan. The lien is now extinguished and the Debtor is entitled to release of the lien.

Takeaway: The lien is released. Exeter did not object to the plan, the plan was confirmed and the debtor paid Exeter's claim in full per the confirmed plan.

Additional Thoughts:

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OPINIONS OF THE HONORABLE JUDGE JAMIE A. WILSON

In re: Kevin Dale Camp, Case No: 25-01352-JAW 6/11/2026

This opinion arose from a Joint Motion to Approve Compromise and Settlement Pursuant to Rule 9019 filed by the Chapter 7 Trustee and Divorce Counsel with an Objection filed by the Debtor.

The Debtor retained Roberts, Bridges & Boydston PLLC (RB&B) in 2021 to represent him in divorce proceedings. An Agreed Judgment of Divorce was rendered, and Debtor was to be paid $157,500 in two equal installments as part of the property settlement agreement. The initial $78,750 was payable within thirty days and the remaining $78,750 was due within one year. The first installment was received in April 2023. Before the second installment became due, Debtor and RB&B had a dispute as to the amount of attorney's fees and costs charged for the legal services. Prior to the second installment coming due, RB&B filed a Notice of Attorney's Lien in the Divorce Proceedings and later sued the Debtor in County Court to collect the past due balance of its attorneys' fees. Due to this dispute, the Debtor's ex-wife deposited the amount of $78,750 into the County Court registry. The County Court ultimately entered an order granting RB&B $105,133.75 plus interest. RB&B later file a motion for additional attorney's fees and expenses for the Collection Action and it is pending due to the bankruptcy filing.

The bankruptcy Trustee gave notice to creditors of an asset case and a request for proof of claims to be filed. Unsecured claims totaled $983,305.70, which would not

result in a full distribution to unsecured creditors per the Trustee's testimony. RB&B filed a claim totaling $208,056.04 with a secured portion being $78,750. The trustee filed an Objection to the secured portion of the Claim and a Motion for Turnover of the $78,750 being held in the County Court Register.

The Trustee and RB&B filed a Joint Settlement Motion authorizing the County Court to release the held funds to the Trustee. In turn, the Trustee will disburse $58,750 to RB&B in full satisfaction of the secured portion of its claim and retain $20,000 for the benefit of the estate. RB&B would then file an amended unsecured proof of claim of $149,306.04. The Debtor objected to this settlement proposal based on the alleged secured status of the claim. Debtor would show that the RB&B's entire claim is unsecured because RB&B never held or retained possession of the funds. The Trustee and RB&B then challenged the Debtor's standing. At the Hearing, The Trustee testified that the settlement is fair, reasonable and in the best interest of the bankruptcy estate and creditors due to not having to fully litigate the matter.

The Court first looked at the Debtor's standing to object to the proposed settlement offer and found that an exception to the solvent estate rule due to the existence of the nondischargeable IRS unsecured priority tax claim ($38,674.89).
The Court then turned to whether the proposed joint settlement is "fair, equitable and in the best interest of the estate." A three-factor test is used: (1) the probability of success in litigating the adversary claim;(2) the complexity and likely duration of litigation; and (3) all other factors bearing on the wisdom of the compromise. The third prong includes (a) the best interests of the creditors and (b) the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud of collusion.

1. Probability of Success in Litigating Claim- Whether RB&B has a perfected pre-petition lien is at dispute and would have to be litigated. The Court found that this weighed in favor of approving the settlement.
2. Complexity & Expense of Litigation- This involves complex legal questions and would require substantial legal fees and negatively impact unsecured creditors. The Court found that this weighed in favor of approving the settlement.
3. Other Relevant Factors Bearing on the Wisdom of the Settlement- The Debtor does not want the settlement to occur in the hope that he can use the funds to pay his nondischargeable priority tax debt. The Court found that the balance of relevant factors weighed in favor of the proposed settlement.

Takeaway: The Court found the settlement to be "fair and equitable" when all factors were considered and approved the Joint Settlement.

Additional Thoughts:

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In re: Joyce M. Hewitt, Case No: 24-02654-JAW
Opinion: 5/19/2026

This opinion concerned an Order to Show Cause issued to the Debtor and her counsel of record along with a Voluntary Motion to Dismiss Chapter 7 Case and Objection by the Chapter 7 Trustee. At the hearing, the Debtor terminated her Attorney's representation and proceeded in a pro se manner and the Trustee was represented by an attorney. During the case, a 2004 Examination was conducted by the US Trustee, and schedules were later amended to include additional assets: two unencumbered real properties and six additional deposits of money accounts, two term life insurance policies, and 100% ownership interest in a company. Also, Debtor amended income and expense schedules to include VA disability income and three dependents. In addition, Debtor added fifteen unsecured creditors.

The UST filed an Adversary Proceeding to deny discharge under 11 U.S.C. § 727(a)(2)(B) and § 727(a)(4)(A) for concealing estate property and making a materially false oath by failing to disclose estate assets on her original schedules. The day after, the Debtor initiated divorce proceedings in Chancery Court without obtaining relief from the automatic stay. Meanwhile, the Chapter 7 trustee deemed the bankruptcy case to be an asset case and asked creditors to file their proof of claims. The day after the Notice to Creditors to File Proofs of Claim, a Motion to Convert the Case to a Chapter 13 was filed and the Trustee filed an Objection. A settlement was reached where the case was converted to a Chapter 13 case, with the caveat that if the Chapter 13 case proved to be unsuccessful, the case would revert back to a Chapter 7 proceeding. The adversary proceeding regarding dischargeability was also settled. After the fact, the Debtor filed a Motion for Relief as to the divorce proceedings with the limitation that the Bankruptcy Court would have exclusive jurisdiction as to the enforcement of any settlement agreement that would affect property of the bankruptcy estate. The Chapter 13 also filed a response that the property could not be transferred to the non-filing spouse.
A settlement was announced at the scheduled hearing, but the agreed order was not submitted within fourteen days of the hearing and that brings us to the first Order to Show Cause. At the Show Cause hearing, Debtor's counsel requested an additional two weeks to obtain Debtor's signature and that request was granted. Another deadline

passed and the Stay Motion was withdrawn instead. The divorce proceeding continued without leave of the bankruptcy court.

The Chapter 13 Plan was eventually confirmed at monthly payments of $1,555 for 60 months. The Debtor became delinquent in the payments, requested and was granted a suspension, plan modified to complete, and the Debtor once again became delinquent triggering the Chapter 13 Trustee to file the Motion to Convert Case to Chapter 7 in accordance with the prior Agreed Order. The case was back in a Chapter 7 posture. The Chapter 7 Trustee began the process of selling the nonexempt property and filed an application to employ an Auctioneer and a Real Estate Law Firm to help expedite the process. A day later, the Chancery Court enters a final Judgment of Divorce that transferred the Properties to the nonfiling spouse. The Debtor then filed a pro se Voluntary Motion to Dismiss Case, while still being represented by an attorney, citing the transfer of the nonexempt properties to the nonfiling spouse in the divorce proceedings. The divorce proceedings that happened to be conducted in violation of the automatic stay. The Trustee hired an attorney to set aside the Property Settlement Agreement and void the deed transfers in Chancery Court, which was done very quickly by the Chancellor. The Debtor also cited that she no longer had disposable income to fund the plan due to newly acquired alimony payments.

The Court issued a Show Cause Order in respect to the pro se Motion to Dismiss filed by the Debtor, while still being actively represented by counsel. Rule 9011 of the Federal Rules of Bankruptcy Procedure requires every pleading, motion, and other paper to be signed by an attorney of record. The Motion that was subject to the Show Cause hearing was unsigned. At the Show Cause hearing, the Debtor informed the court that she would like to terminate her attorney/client relationship and proceed in a pro se manner.

The Court then has to determine if the “for cause” provision applies in this voluntary dismissal action by balancing the best interests of the debtor and creditors of the estate.

1. Good Faith- In this particular case, the Debtor was seeking dismissal to prevent the sale of the unencumbered, nonexempt properties and to prevent creditors from receiving proceeds. Also, the Agreed Orders show the intent for Debtor to remain in a bankruptcy case, whether a 7 or a 13. The hidden assets showcase an intent to transfer the properties to the nonfiling spouse. The divorce proceedings were commenced without permission from the bankruptcy court and Debtor failed to sign orders that would have lifted the stay. The Stay Motion that was filed and later withdrawn showing an awareness of the need for permission.
2. Prejudice to Creditors- The Debtor has not proposed a plan for paying the creditors’ outside of the bankruptcy. Although it would appear that Debtor could

pay creditors, the failure to do so while in the Chapter 13 case, demonstrates otherwise. The dismissal of the case would pose a greater risk to creditors and would not protect the integrity of the bankruptcy system against abuse.

Takeaway: The Court dismissed the Show Cause Order and the Motion to Dismiss was stricken. Debtor did not provide a legitimate basis to dismiss the case, and dismissal would not be in the best interest of creditors. Debtor is stuck within the confines of the bankruptcy proceedings and the impending liquidation of assets.

Opinion: 6/10/2026

This opinion arose from an Emergency Motion to Temporarily Stay Liquidation and Maintain Status Quo Pending Hearing along with a Motion to Reconvert Case to Chapter 13 filed by the Debtor and Objections filed by the Chapter 7 Trustee. The Debtor appeared pro se and the Chapter 7 Trustee was represented by an attorney. The Chapter 7 case was filed, and the Trustee later filed a notice of assets and a request for proof of claims to be filed. The Debtor filed a Motion to Convert the case to a Chapter 13 and the Chapter 7 Trustee objected. An agreement was reached where the Chapter 7 case was converted to a Chapter 13 case, but the case would convert back to a Chapter 7 case if the Chapter 13 case proved unsuccessful. A Chapter 13 Plan was filed proposing to pay a monthly payment of $400 for 60 months and the Chapter 13 Trustee objected. The Plan was Confirmed at monthly payments of $1,555 for 60 months. A suspension was granted and the monthly plan payments increased to $1,700 for the remainder of the plan term. After nonpayment, the Chapter 13 Trustee filed a Motion to Convert the Case to a Chapter 7 in accordance with the prior agreement. Once the case was converted to a Chapter 7, the Trustee hired an auctioneer and a law firm to handle the sales process. The Debtor filed a Motion to Voluntarily Dismiss her Case, which was denied. The Debtor then filed a Motion to Reconvert the Case to a Chapter 13 case due to a substantial change in financial circumstances and requested a stay in the attempts to sell the properties.

If the case were reconverted, the Debtor would be bound by the prior Confirmed Plan, which would result in an increase of payments to complete within the plan term. With the Debtor’s new circumstances, the plan would not be feasible.

Takeaway: The Court denied the Motion to Reconvert on the basis of bad faith. Since the Motion to Reconvert was denied, the Stay Motion was rendered moot.

Additional Thoughts:

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In re: Jessica H. Vega, Case No: 25-03092-JAW- 05/15/2026

This opinion is from a consolidated hearing on a Motion to Extend Time to File a Reaffirmation Agreement and a Motion for Relief from Discharge Order filed by FirstBank. The Debtor filed a Chapter 13 case and later converted the case to a Chapter 7 case. FirstBank filed a proof of claim before the case was converted. The Chapter 7 trustee deemed the case to be a no asset case.

FirstBank filed a Motion to Abandon Collateral and Lift Stay alleging a default on the loan. Prior to the hearing, FirstBank submitted an Order withdrawing the Motion. Shortly after, the deadline for filing a reaffirmation agreement expired with no reaffirmation agreement or extension request filed. The Discharge was automatically granted. FirstBank then filed the Request for Extension and the Motion to Set Aside Discharge Order for the purpose of filing the Reaffirmation Agreement. The Reaffirmation Agreement was filed the next day. The Reaffirmation was signed by the Debtor after the case was discharged. At the hearing, FirstBank wanted to be able to enter into the Reaffirmation Agreement and the Debtor did confirm that they wished to keep the home. The Court did explain that since the Debtor is current on the loan payments, the Court's decision would not put them at risk of losing their home. FirstBank stated by not Reaffirming the debt it would result in an "incurable event of default" per a nationwide policy.

Courts have previously held that any reaffirmation agreement signed after entry of a discharge order is unenforceable. FirstBank asked the Court to adopt a two-factor test considering (1) "the relative prejudice to the parties" and (2) "the degree of the debtor's culpability in allowing the [discharge] order to be entered." By using the test, FirstBank argues that the Debtor will lose her Home due to the "incurable default" provision and the "compressed timeline" between the Motion for Relief being withdrawn and the Discharge Order being entered. The Fifth Circuit has not adopted this test and if it were to be adopted, the facts of this case do not justify setting aside the discharge order. The Court found that there was insufficient evidence that the Debtor was at risk of losing their home. The "incurable default" provision is not evidenced in the Promissory Note, Security Agreement and Truth-In- Lending Disclosures. The debtor can also voluntarily pay the debt even though it is discharged. Further, the discharge order was entered in the normal timeframe, and an extension of deadlines was not filed by either the creditor or the debtor prior to the deadline's expiration.

The Reaffirmation Agreement was not "made" until after the Discharge Order was entered and there was no extraordinary reason or circumstance given to warrant vacating the Discharge Order.

Takeaway: The Court did not vacate the discharge order, and the Reaffirmation Agreement would not take effect.

Additional Thoughts:

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THE SUPREME COURT OF MISSISSIPPI

Quinton Strong v. Acara Solutions, Inc. No. 2024-CT-00455-SCT- On Writ of Certiorari

Debtor was injured on the job by another employee, but it happened that the other party was an employee of a different company. Debtor's Chapter 13 case was dismissed without discharge and then the Debtor sued the other party and her actual employer in state court in a personal injury claim. The employer, Acara, moved for summary judgment due to judicial estoppel since the personal injury claim was not disclosed in his prior bankruptcy case. Debtor argued that the second element wasn't met since his case was dismissed without a discharge.

The trial court granted summary judgment, the Court of Appeals reversed, and the Supreme Court affirmed the Court of Appeals decision. The Debtor was injured prior to filing his Chapter 13 case and had one attorney handling his bankruptcy and another attorney handling his workers compensation case. The bankruptcy schedules did list his pending workers compensation claim. The personal-injury portion was not disclosed prior to the case being dismissed without discharge. The Court of Appeals found the issue of "revocation- of acceptance- upon dismissal- argument" one of first impression and looked to the Fifth Circuit for guidance. Due to no discharge in the bankruptcy case, the court's acceptance of the plan was negated, and the parties were no longer bound by its terms.

The MS Supreme Court found that the Court of Appeals did not err by reviewing the trial court's judgment de novo instead of reviewing for abuse of discretion. The Court of

Appeals focused on the applicability of the rule announced by the Fifth Circuit that dismissal of a bankruptcy case without discharge revoked acceptance and that the trial court erred as a matter of law. Since a question of law was at hand, de novo was the correct standard of review.

The MS Supreme Court also found that the trial court committed an error of law by not applying Fifth Circuit precedent in its analysis of the second element of judicial estoppel. The elements of judicial estoppel (1) the party is judicially estopped only if its position is clearly inconsistent with the previous one; (2) the court must have accepted the previous position: and (3) the non-disclosure must not have been inadvertent. They found that the dismissal of the bankruptcy case without discharge returns the involved parties to their precommencement positions.

Takeaway: The MS Supreme Court announced that debtors are no longer judicially estopped from asserting claims that were not disclosed in their schedules if the case was dismissed before discharge.

The Dissent (just for fun):

In a dissenting opinion, the minority suggested that the application of judicial estoppel is a matter of state law and the majority view opens to the door to attempted concealment of claims and deception.

Additional Thoughts:

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