IT IS ORDERED as set forth below:

Date: September 18, 2015

Barbara Ellis-Monro
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: AMY R. REYNOLDS, Debtor.	CASE NO. 11-87131-BEM CHAPTER 7
BARBARA B. STALZER, As Chapter 7 Trustee, Plaintiff, v. AMY R. REYNOLDS, Defendant.	ADVERSARY PROCEEDING NO. 13-05137-BEM

O R D E R

This matter came before the Court on May 7, 2015, for trial on the Chapter 7 Trustee's Complaint for Revocation of Debtor's Discharge ("Complaint"). [Doc. No. 1.] Russell Patterson appeared on behalf of Plaintiff. Philip Pleska appeared on behalf of Defendant.

Testimony was taken from Amy R. Reynolds ("Defendant") and Barbara B. Stalzer ("Plaintiff"). Plaintiff's exhibits 1 through 34 were admitted into evidence [Exhibits P-1 to P-34]. This court has jurisdiction in this matter pursuant to 28 U.S.C. §§ 1334 and 157 and this is a core matter pursuant to 28 U.S.C. § 157(b)(2)(J). In accordance with the following analysis, the Court finds Plaintiff has not met her burden to prove that Defendant's discharge should be revoked.

FINDINGS OF FACT

A. Background

Based on the facts stipulated by the parties in the Consolidated Pre-Trial Order ("PTO") [Doc. No. 39] and the exhibits and testimony presented at trial, the Court finds the facts as follows: Defendant filed a Chapter 7 petition on December 30, 2011, and filed her statement of financial affairs and schedules on January 12, 2012. Plaintiff was appointed Chapter 7 Trustee. She conducted the 341 meeting of creditors on February 6, 2012, and entered a Report of No Distribution on April 6, 2012. [PTO ¶ II. 1.] Plaintiff testified that her review of Defendant's schedules revealed nothing remarkable. Defendant received a discharge on April 16, 2012. [PTO ¶ II. 1.]

Plaintiff is also the Chapter 7 Trustee in the case of Hamid Jahangard ("Jahangard"), Case No. 12-52321-WLH, which was filed on February 1, 2012. Jahangard's 341 meeting of creditors was held on March 6, 2012. On June 8, 2012, the Court entered an order approving Jahangard's waiver of discharge. [PTO ¶ II. 2.] Plaintiff testified that shortly thereafter, she became aware of Jahangard's involvement with an entity known as Ridgemont, LLC ("Ridgemont"). In the process of collecting information about Ridgemont, Plaintiff testified that she received a package of documents in mid-November 2012; the documents related to a sale of property that occurred in November 2011. Many of the documents were executed by

Defendant on behalf of Ridgemont. Plaintiff testified that her receipt of those documents was the first time she associated Defendant with Ridgemont. Immediately thereafter, she filed a motion for 2004 examination of Defendant in Jahangard's case. The examination took place on December 11, 2012, almost one year after Defendant filed her Chapter 7 case. Plaintiff's investigation culminated in an adversary proceeding in Jahangard's bankruptcy case filed against Ridgemont, Jahangard, Defendant, Trickum Point LLC, and Royh Jahangard. Manoucher Jahangard, Jahangard's brother, was later added as a party defendant [PTO ¶ II. 3].

Jahangard formerly owned a shopping center known as the Shops at Lantern Ridge ("Lantern Ridge"). BB&T foreclosed on Lantern Ridge on April 5, 2011. *Id.* ¶ II. 12-13. On September 14, 2011, Atlas II GA SPE, LLC ("Atlas") (a company set up by BB&T to take its foreclosed property and accompanying defaulted loans) and a person named "Ray Easterlin," apparently a misspelling of Easterling, entered into a purchase and sale agreement for Lantern Ridge and an adjacent outparcel. *Id.* ¶ II. 11. The Ridgemont operating agreement identifies Ray Easterling as its sole member. [Exhibit P-3 at p.17]. Mr. Easterling lives in Rush, Kentucky, and is suffering from colon cancer. Mr. Easterling and Jahangard first met more than 20 years ago while working on a construction project in Brunswick, Georgia. [PTO ¶ II. 9-10]. According to Mr. Easterling, he did not sign this Purchase and Sale Agreement. *Id.* ¶ II. 14. Ultimately, it was Ridgemont, rather than Mr. Easterling, that purchased Lantern Ridge [Exhibit P-5, P-9].

B. Defendant's Prepetition Activity

On October 27, 2011, Defendant prepared and filed the paperwork to organize Ridgemont. She was and is its registered agent. [PTO ¶ II. 4]. Ridgemont's principal mailing address at the time of organization was Defendant's address listed on her bankruptcy schedules. *Id.* ¶ II. 5. Defendant also prepared an operating agreement for Ridgemont, paragraph 6.1 of

which granted her authority "to act as Manager for Ridgemont, LLC with the ability to enter into Leases, Contracts and other necessary work products in accordance with business operations pursuant to the Member(s) wishes and direction." [PTO ¶ II. 6, Exhibit P-3, ¶ 6.1]. The operating agreement was signed by Ray Easterling as member. [PTO ¶ II. 7; Exhibit P-3].

On November 15, 2011, Defendant executed a document entitled "Resolution of Ridgemont, LLC" as manager and member of Ridgemont. The Resolution provided: "The members of the LLC, hereby authorize its manager, Amy Reynolds, to execute any and all documents pertaining to the purchase of the real property known as the SHOPS AT LANTERN RIDGE …." [Exhibit P-8, PTO ¶ II. 19]. Plaintiff testified that the Resolution was the only document she saw that identified Defendant as a member of Ridgemont in addition to its manager.[1]

Also on November 15, 2011, Ridgemont closed on the purchase of Lantern Ridge from Atlas for $900,000. [PTO ¶ II. 15]. Ridgemont paid earnest money in the amount of $100,000 toward the purchase of Lantern Ridge, which did not come from Mr. Easterling. *Id.* ¶ II. 16. The remainder of the purchase price was provided in a wire transfer of funds from an account at Emirates Bank in Dubai, United Arab Emirates in the amount of $849,980. *Id.* ¶ II. 17. The closing was conducted by Philip Pleska at his office. *Id.* ¶ II. 18. Defendant signed the closing statement as manager of Ridgemont, LLC. *Id.* ¶ II. 21. There was no loan set forth on the Closing Statement for the purchase of Lantern Ridge by Ridgemont. *Id.* ¶ II. 25. Nevertheless, as manager of Ridgemont, Defendant executed a security deed in the amount of $850,000 on the Lantern Ridge property in favor of Trickum Point. [Exhibit P-4; PTO ¶ II. 23]. The security deed was filed in DeKalb County property records on June 22, 2012 and returned to Roya Jahangard,

[1] The Court notes that the Assignment of Real Estate Contract and Sale Agreement by which Mr. Easterling assigned to Ridgemont the contract to purchase Lantern Ridge was also signed by Defendant as "Manager and Member" of Ridgemont [Exhibit P-5].

Jahangard's sister. [PTO ¶ II. 24]. Defendant testified that she was aware that Jahangard was receiving a commission in connection with the Lantern Ridge transaction, but she did not become aware of the commission until the closing took place. She further testified that Jahangard's commission was not listed on the Closing Statement.

Defendant testified that shortly after the Lantern Ridge transaction, she opened a bank account for Ridgemont at Bank of America. Although the parties did not establish the date the account was opened, the bank statements show the first transaction on December 9, 2011. [Exhibit P-12]. Defendant testified she was a signatory on the account but Ray Easterling was not. Defendant testified she was on the account from the date it was opened until the date it was closed.

C. Defendant's Post-Petition Activities

Defendant testified that approximately six months after the November 2011 Lantern Ridge transaction she began a romantic relationship with Hamid Jahangard, which lasted until sometime later in 2012.

On December 22, 2011, Hamid Jahangard signed a sales contract as managing member of Ridgemont related to the sale of the Lantern Ridge outparcel by Ridgemont to Sullivan Wickley Properties, LLC ("Sullivan Wickley"). [Exhibit P-14]. Defendant testified that Jahangard had no authority to execute the agreement and when she learned of the problem she brought it to the attention of the purchaser. Accordingly, on September 4, 2012, Defendant signed as manager of Ridgemont the "First Amendment to Sales Contract" between Ridgemont and Sullivan Wickley. [Exhibit P-15]. On October 31, 2012, the sale of the Lantern Ridge outparcel by Ridgemont to Sullivan Wickley closed, with Holt Ney Zatcoff & Wasserman LLP ("Holt Ney") as disbursing agent. [PTO ¶ II. 27]. Defendant executed the closing statement for

that sale as manager of Ridgemont. [Exhibit P-16]. Ridgemont received the net sum of $224,310.16 via check dated October 31, 2012, written on the Holt Ney escrow account. [PTO ¶ II. 28; Exhibit P-16]. Defendant testified that she received the proceeds check and that she knew the proceeds were going to Jahangard's brother, Manoucher Jahangard, even though he was not listed on the closing statement as a lender or receiving any of the proceeds.

A week later, on November 6, 2012, Defendant opened a bank account in the name of Ridgemont at First Citizens Bank & Trust ("First Citizens"). [PTO ¶ II. 30]. Defendant was the only person with signature authority on the Ridgemont account at First Citizens, as shown by the signature card for the account. [PTO ¶ II. 31; Exhibit P-18]. By signing the signature card, Defendant acknowledged to the bank that she was the duly authorized officer or representative of Ridgemont. [PTO ¶ II. 32]. On November 6, 2012, Defendant deposited the check from Holt Ney in the amount of $224,310.16 into the Ridgemont account at First Citizens. [PTO ¶ II. 33; Exhibits P-18, P19].

On December 11, 2012, Plaintiff took the 2004 examination of Defendant in the Jahangard bankruptcy case. [PTO ¶ II. 34]. Defendant was represented at the examination by counsel. *Id.* ¶ II. 35. Defendant testified that Ridgemont paid her counsel to be there. During her 2004 examination, Defendant was questioned about Ridgemont's bank accounts in the following exchange:

Q: How many bank accounts does Ridgemont, LLC have?

A: One.

[Exhibit P-26, pg 30, lines 16-18].

At trial, Defendant testified that she misspoke at the examination, that she meant to say that Ridgemont had only one operating account, meaning the Bank of America account,

and that she made this correction on the errata sheet to the 2004 examination transcript. However, she conceded the transcript accurately reflected the actual question asked and the answer she gave at the examination. Debtor testified that she did not tell Plaintiff about the First Citizens account because "it didn't come to my mind that we even had it. I'd forgotten about it."

On December 20, 2012, Defendant wrote a check to herself from Ridgemont's account at First Citizens in the amount of $1,500. [PTO ¶ II. 36; Exhibit P-20]. On December 26, 2012, Defendant wrote a check to First Citizens Bank in the amount of $220,000 noting it was for a "loan payment". [PTO ¶ II. 37, Exhibit P-21]. Defendant testified that First Citizens then issued a cashier's check, which Defendant immediately handed over to Manoucher Jahangard. On January 11, 2013, Defendant wrote a check to herself from the First Citizens account in the amount of $2,000. [PTO ¶ II. 38; Exhibit P-20]. She did the same on February 28, 2013, with a check in the amount of $600. [PTO ¶ II. 39; Exhibit P-20]. Defendant testified these payments were bonuses. She was paid very little for her work at Ridgemont. It was supposed to be a part-time job, and she had full-time work elsewhere. Because the work for Ridgemont had become complicated and overwhelming, the extra payments served as an incentive to continue working for Ridgemont. Defendant testified that she originally received $20 per hour for her work, although she received no payment of any kind in 2011. Eventually, her compensation changed to $250 per month.

Defendant executed a number of other documents as manager of Ridgemont, including an undated Non-Disclosure and Confidentiality Agreement with Flagstar Bank FSB with regard to commercial real estate [PTO ¶ II. 40; Exhibit P-22] and a Commercial Sales Agreement, signed on or about February 17, 2012, for the purchase of real property at 2365 Powder Springs Rd. Marietta, GA 30064, consisting of a commercial and residential tract. [PTO

¶ II. 41; Exhibit P-23]. In addition, Defendant sent an email as manager of Ridgemont to various recipients on July 19, 2012, related to the 2365 Powder Springs Road property. [Exhibit P-29]. Defendant, as manager of Ridgemont, executed a security deed and agreement with Trickum Point on June 6, 2013. [Exhibit P-27]. She also executed, as manager of Ridgemont, a second security deed and agreement and a promissory note with United Exchange Development, LLC. [Exhibit P-28].

Defendant testified that she prepared and notarized a quitclaim deed dated November 15, 2011, executed by Jahangard on behalf of Samda Investment Group, LLC by which real property in Cobb County was transferred to Ridgemont [Exhibit P-10]. On June 1, 2012, Defendant prepared and executed, as manager of Ridgemont, a second quitclaim deed through which Ridgemont transferred the same Cobb County property back to Samda Investment Group. [Exhibit P-10, p. 4-6].

On October 31, 2012, Defendant, as manager of Ridgemont, signed a shopping center lease agreement related to the Lantern Ridge property. [Exhibit P-13]. She further testified that she was the contact person for the tenants at Lantern Ridge and that she collected all the rents at that project from the time Ridgemont acquired the property in November 2011 until it sold the property in 2014. Defendant testified that the only other person involved in collecting rents was Manoucher Jahangard, who would pick up the rents if Defendant was having trouble collecting. On February 19, 2013 and March 24, 2013 Defendant sent emails as manager of Ridgemont to Sam Hale regarding Mr. Hale taking over as property manager for Lantern Ridge. [Exhibits P-30, P-31].

With respect to all the documents Debtor executed on behalf of Ridgemont, she testified that she understood she was binding Ridgemont to the terms of those documents. She

further testified that she never signed any documents without the direction and authority of Ray Easterling.

Debtor testified that her involvement with Ridgemont started out as small scale paralegal work, helping Mr. Easterling set up an LLC by getting form documentation and completing it on his behalf. She described her duties as basically handling paperwork. She testified that she primarily communicated with Mr. Easterling by telephone because he did not have e-mail or a facsimile machine. Although Mr. Easterling's wife had e-mail, she could not be relied on to check it.

D. The Chapter 7 Filings

Defendant, represented by Philip Pleska, filed a skeletal Chapter 7 petition December 30, 2011, with the remainder of the schedules and required documents filed on January 12, 2012. [PTO ¶ II. 43]. Defendant testified that she prepared her own bankruptcy forms to save money.[2] Defendant's bankruptcy petition, schedules, and SOFA, all signed under penalty of perjury, did not include any reference to Ridgemont or Defendant's position as its manager. *Id.* ¶ II. 44.

Jahangard filed his Chapter 7 petition on February 1, 2012. [Exhibit P-34]. Defendant testified that by that date she was working in Mr. Pleska's office and she assisted Jahangard with his schedules and SOFA. On lines 1 and 2 of the SOFA, which require disclosure of prepetition income, Jahangard did not list the commission he received from the sale of the Lantern Ridge property on November 15, 2011. [Exhibit P-34 at p.6].

[2] To the extent Defendant's preparation of her own schedules and SOFA indicates that her attorney did not review the papers or otherwise advise his client in their preparation, the Court would remind counsel of the duties imposed on attorneys by the Code of Professional Conduct as well as the requirements of Federal Rule of Bankruptcy Procedure 9011.

CONCLUSIONS OF LAW

A. Applicable Law

Plaintiff seeks revocation of Defendant's discharge pursuant to 11 U.S.C. §727(d), which provides in relevant part as follows:

> (d) On request of the trustee, a creditor, or the United States trustee, and after notice and a hearing, the court shall revoke a discharge granted under subsection (a) of this section if—
>
> (1) such discharge was obtained through the fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge[.]

11 U.S.C. § 727(d)(1). To prevail under § 727(d)(1), Plaintiff must show by a preponderance of the evidence that "(1) the debtor obtained the discharge through fraud; (2) the creditor possessed no knowledge of the debtor's fraud prior to the granting of the discharge; and (3) the fraud, if known, would have resulted in the denial of the discharge under 11 U.S.C. § 727(a)." *The Cadle Co. v. Parks-Matos* (*In re Matos)*, 267 Fed. Appx. 884, 887 (11th Cir. 2008). This requires a showing of "fraud in fact or intentional misconduct by the debtor. A mistake of law or implied fraud is not sufficient." *Lightfoot v. Landry (In re Landry)*, 350 B.R. 51, 59 (Bankr. E.D. La. 2006). Furthermore, because "revocation of a discharge in bankruptcy is an *extraordinary* remedy" the exceptions to discharge are liberally construed in favor of the debtor. *Matos*, 267 Fed. Appx. at 886 (emphasis in original).

A revocation of discharge under § 727(d)(1) may be based on § 727(a)(4), which creates a discharge exception when "the debtor knowingly and fraudulently, in or in connection with the case— (A) made a false oath or account." 11 U.S.C. § 727(a)(4)(A); *Walton v. Paul* (*In re Paul*), No. 10-12365, AP No. 11-1059, 2012 WL 4894581, at *3 (Bankr. N.D. Ga. Aug. 20, 2012) (Drake, J.) (citing *Walton v. Staub (In re Staub)*, 208 B.R. 602, 604 (Bankr. S.D. Ga. 1997); *O'Neal v. DePriest (In re DePriest)*, 414 B.R. 518, 521 (Bankr. W.D. Mo. 2009)). To

prove a false oath, Plaintiff must show "(1) the debtor made a statement under oath, (2) the statement was false, (3) the debtor knew the statement was false, (4) the debtor made the statement with fraudulent intent, and (5) the statement related materially to the bankruptcy case." *Paul*, 2012 WL 4894581, at *3 (quoting *Pioneer Credit Co. v. Roubieu (In re Roubieu)*, No. 04-64988, AP No. 04-6394, 2005 WL 6459370, at *4 (Bankr.N.D.Ga. Jul. 6, 2005) (Massey, J.) (internal quotation marks omitted)).

A deliberate omission may constitute a false oath. *Phillips v. Epic Aviation* (*In re Phillips*), 476 Fed. Appx. 813, 816 (11th Cir. 2012). The Court may infer fraudulent intent based on all the facts and circumstances of a case. *Staub*, 208 B.R. at 605. A false statement is material if "it bears a relationship to the bankrupt's business transactions or estate, or concerns the discovery of assets, business dealings, or the existence and disposition of his property." *Chalik v. Moorefield (In re Chalik)*, 748 F.2d 616, 618 (11th Cir. 1984). Materiality does not require intent to harm creditors. *Id.* However, the definition of materiality is limited by the purpose of the disclosure requirements, which is "to allow the trustee or creditors to investigate the debtor's affairs and recover any assets without a 'costly investigation.' So, if the omission would not assist or impede the [trustee] or creditors in this endeavor, it is not material." *Moyer v. Geer (In re Geer)*, 522 B.R. 365, 387 (Bankr. N.D. Ga. 2014) (Hagenau, J.).

In this case, there is no dispute as to the threshold question of when Plaintiff learned of the alleged fraud. Defendant received her discharge on April 16, 2012, and Plaintiff first learned of Defendant's association with Ridgemont in November 2012. Thus, Plaintiff was not aware of the alleged fraud at the time Defendant received her discharge. Next the Court must consider whether Defendant's omission of Ridgemont from her schedules and SOFA was a misrepresentation made with fraudulent intent.

B. Statement of Financial Affairs, Question 18

Question 18 on the Statement of Financial Affairs ("Question 18") requires disclosure of the nature, location, and name of businesses with which the debtor is involved. Part a. reads:

> a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within six years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

Official Bankruptcy Form B7, line 18a (emphasis in original).

Paragraph 6.1 of Ridgemont's Operating Agreement ("Operating Agreement") provides:

> 6.1 General Management of the Company. The management of the Company shall be conducted by the Member(s) in accordance with the provisions of the Act, this Agreement, and applicable law, after consultation between or among them. The Member(s) grant authority to Amy Reynolds to act as Manager for Ridgemont, LLC with the ability to enter into Leases, Contracts and other necessary work products in accordance with business operations pursuant to the Member(s) wishes and direction.

[Exhibit P-3 ¶ 6.1]. [3]

[3] Defendant's role of manager as assigned by the Operating Agreement is consistent with the definition of manager of an LLC under Georgia law, which provides as follows:

> (a) Except as provided in subsection (b) of this Code section, every member is an agent of the limited liability company for the purpose of its business and affairs, and the act of any member, including, but not limited to, the execution in the name of the limited liability company of any instrument for apparently carrying on in the usual way the business and affairs of the limited liability company of which he or she is a member, binds the limited liability company, unless the member so acting has, in fact, no authority to act for the limited liability company in the particular matter, and the person with whom he or she is dealing has knowledge of the fact that the member has no such authority.

Counsel for Defendant argues that Question 18 does not specifically reference limited liability companies or the circumstances in which a debtor must disclose his or her affiliation with one and further, that Defendant was a property manager with merely ministerial functions rather than an officer, director, partner, or managing executive. Case law makes it clear that LLCs are included within the scope of the question. *Regions Bank v. Gregg (In re Gregg)*, 510 B.R. 614, 623-24 (Bankr. W.D. Mo. 2014); *Manning v. Watkins (In re Watkins)*, 474 B.R. 625, 654-55 (Bankr. N.D. Ind. 2012) *aff'd*, No. 212 –CV-489, 2013 WL 3989412 (N.D. Ind. July 31, 2013). However, these cases typically involve situations in which a debtor holds an interest in an LLC.

Plaintiff concedes that, apart from one document in which Defendant identified herself as member and manager, there is no evidence Defendant ever held any ownership interest in Ridgemont. Defendant testified that she never owned an interest in Ridgemont and never took any action or signed any papers except at the direction and with the authority of Mr. Easterling. The operating agreement vested management of the company in the member. The member then

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> (b) If the articles of organization provide that management of the limited liability company is vested in a manager or managers:
>
> (1) No member, acting solely in the capacity as a member, is an agent of the limited liability company; and
>
> (2) Every manager is an agent of the limited liability company for the purpose of its business and affairs, and the act of any manager, including, but not limited to, the execution in the name of the limited liability company of any instrument for apparently carrying on in the usual way the business and affairs of the limited liability company of which he or she is a manager, binds the limited liability company, unless the manager so acting has, in fact, no authority to act for the limited liability company in the particular matter, and the person with whom he or she is dealing has knowledge of the fact that the manager has no such authority.
>
> (c) An act of a manager or a member that is not apparently for the carrying on in the usual way the business or affairs of the limited liability company does not bind the limited liability company unless authorized in accordance with a written operating agreement at the time of the transaction or at any other time.
>
> (d) No act of a manager or member in contravention of a restriction on authority shall bind the limited liability company to persons having knowledge of the restriction.

O.C.G.A. § 14-11-301.

authorized Defendant to act as manager with the ability to execute certain documents "pursuant to the Member(s) wishes and directions." In other words, based on the testimony and the language of the operating agreement, Defendant had no independent decision-making authority. The evidence fails to show Defendant held any ownership interest in Ridgemont or had any independent authority to make decisions for or act on behalf of Ridgemont. On these facts, the Court cannot conclude Defendant was required to disclose her affiliation with Ridgemont in response to Question 18 or that her failure to do so constitutes a false statement.

C. Schedule I

Schedule I requires a debtor to disclose income information, including occupation, name of employer, how long employed, and address of employer. Defendant reported her occupation as "freelance paralegal" and left the other employment information blank. She reported monthly income of $800 from her freelance paralegal business [Exhibit P-1 at p.21]. Defendant did not file payment advices on the ground that she was self-employed. [Case No. 11-87131, Doc. No. 4]. Defendant testified that she began working for Ridgemont part time preparing paperwork for $20 per hour. She also collected rents from shopping center tenants after the purchase by Ridgemont. She further testified that at that time, she had another full time job. Notwithstanding, she testified that she received no income from Ridgemont in 2011, her compensation was, at some point, changed to $250 a month, and she received some bonus payments because her work for Ridgemont had become more time-consuming and complicated. The only other evidence regarding the nature of Defendant's employment arrangement is the Ridgemont operating agreement that authorizes her to act as manager. There is no evidence regarding whether Debtor was a W-2 employee or an independent contractor. The evidence does show that prepetition, Debtor prepared the Ridgemont operating agreement, executed documents

as manager of Ridgemont and collected rent on Ridgemont's behalf. Based on these facts, the Court cannot conclude that Defendant made a false statement when she listed her occupation as freelance paralegal and failed to name Ridgemont as an employer.

D. Fraudulent Intent

Even if the Court were persuaded that the omission of Ridgemont from Defendant's SOFA and schedules was a false statement, it is not clear that such an omission was made with fraudulent intent such that Defendant's discharge was obtained fraudulently. Plaintiff asserts that Defendant's omissions frustrated her efforts to uncover wrongdoing in Jahangard's case. However, it is unclear how disclosure of Defendant's association with Ridgemont would have assisted Plaintiff in administering the cases. Plaintiff testified that if Defendant's role as manager of Ridgemont had been disclosed that she would have inquired about it at Defendant's 341 meeting and that she believed that Defendant's management of a viable shopping center would have come to light such that she would have continued to explore that entity. Plaintiff also testified that if she had known about Ridgemont from Defendant's filing she would have been able to explore, "very early on," Defendant's position with Ridgemont and then Jahangard's position and would have learned of the commission paid to Jahangard significantly earlier. [Tr. 12:33:07]. It is not entirely clear that this earlier investigation of Ridgemont would have reduced the cost of the Trustee's investigation in Jahangard's case and even if it had, there is no indication how this would have impacted the administration of Defendant's case. There is no allegation that there are assets in Defedant's case associated with Ridgemont, or otherwise, that would have been discovered if Defendant had disclosed her role as manager of Ridgemont.

The strongest evidence that may be indicative of fraud in fact by Defendant is her work in preparing Jahangard's bankruptcy schedules which do not disclose his commission from

the Lantern Ridge transaction (of which Defendant was aware), and Defendant's failure to disclose the existence of Ridgemont's account at First Citizen's during her 2004 examination. Defendant's testimony that she forgot about the account when asked is not credible in light of the fact that she opened the account on November 6, 2012, just over a month prior to her 2004 examination on December 11, 2012.[4] These actions occurred post-petition and/or post-discharge, however, and are outside of the scope of Defendant's case.[5]

What is missing from Plaintiff's case is any evidence of Defendant's intent to obtain her own discharge through fraud. Plaintiff did not allege Defendant omitted any assets, defied any court orders, or took any other steps to thwart her own creditors. Nor did Plaintiff allege that the omission of her role as manager of Ridgemont in any way affected the administration of Defendant's bankruptcy estate. As in *Matos*, Plaintiff "could not establish that [Defendant] received any benefit as a result of the identified errors, since many of the errors, even if uncorrected, would not improperly enable [Defendant] to retain property that would otherwise be property of the bankruptcy estate." 267 Fed. Appx. at 888. As a result, the Court cannot conclude that Defendant obtained her discharge through fraud.

CONCLUSION

The evidence shows that, prepetition, Defendant prepared paperwork to organize Ridgemont, that she executed various documents as manager of Ridgemont at Mr. Easterling's direction, that she opened an operating account for Ridgemont at Bank of America, that she collected rent from Ridgemont's tenants and that she failed to make any mention of Ridgemont in her schedules or SOFA. The evidence further shows that postpetition Defendant assisted

[4] The Court's ruling in this proceeding does not preclude an action to address any false testimony given by Defendant.

[5] Under 11 U.S.C. § 727(a)(7), a debtor's discharge may be denied if she makes a false oath in an insider's bankruptcy case. Here, Plaintiff has not argued, nor is there any evidence, that Jahangard is an insider of Defendant. *See* 11 U.S.C. § 101(31).

Jahangard in preparing a bankruptcy filing that did not disclose income from a Ridgemont transaction of which Defendant was aware. The evidence also shows that postpetition and post-discharge, Defendant continued to execute documents as manager of Ridgemont, collected rents on behalf of Ridgemont, opened an account at First Citizens on behalf of Ridgemont, made significant deposits and withdrawals from the account, and failed to disclose the account when directly asked at her 2004 examination in Jahangard's case. Plaintiff has failed to show that Defendant was an owner or managing executive of Ridgemont. She has further failed to show that disclosure of Defendant's relationship with Ridgemont would have effected administration of Defendant's case and any failure to disclose in Defendant's case is not material. Accordingly, the Court concludes Plaintiff failed to show Defendant's discharge was incurred through fraud. The Court will enter a separate judgment for Defendant.

END OF ORDER

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