

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)

In re:

HAROLD O. ALEXANDER
PATRICIA DIANE ALEXANDER

Case No.: 13-23848

Debtors

Chapter 7

* * * * *

JUDY A. ROBBINS
UNITED STATES TRUSTEE

Adversary No.: 14-00081

Plaintiff,

v.

HAROLD O. ALEXANDER
PATRICIA DIANE ALEXANDER,

Defendants.

* * * * *

ANSWER TO COMPLAINT TO DENY DISCHARGE OF DEBTOR

Defendants, Harold O. Alexander and Patricia Diane Alexander, Debtors, by counsel Tiffany S. Franc and Pessin Katz Law, P.A., files this Answer to the United States Trustee’s Complaint to Deny Discharge of Debtor (the “Complaint”) and in support thereof states as follows:

Jurisdiction and Venue

1. The averments in paragraph 1 of the Complaint are admitted.
2. The averments in paragraph 2 of the Complaint are admitted.

3. The averments in paragraph 3 of the Complaint are admitted.¹
4. The averments in paragraph 4 of the Complaint are legal conclusions which do not require an answer.
5. The averments in paragraph 5 of the Complaint are legal conclusions which do not require an answer.
6. The averments in paragraph 6 of the Complaint are admitted.

Parties

7. The averments in paragraph 7 of the Complaint are admitted.
8. The averments in paragraph 8 of the Complaint are admitted.

FACTS COMMON TO ALL COUNTS

9. Paragraph 9 of the Complaint is an incorporation paragraph not requiring an answer.
10. The averments in paragraph 10 of the Complaint are denied in part and admitted in part. In further answering, Debtors admit that Dr. Alexander is a practicing gynecologist, but he has not been a practicing obstetrician since 2008.
11. The averments in paragraph 11 of the Complaint are admitted.
12. The averments in paragraph 12 of the Complaint are admitted.
13. The averments in paragraph 13 of the Complaint are admitted, although they are wholly irrelevant to this proceeding.
14. The averments in paragraph 14 of the Complaint are admitted.
15. The averments in paragraph 15 of the Complaint are admitted.
16. The averments in paragraph 16 of the Complaint are admitted.

¹ The original date to object to Debtor's discharge was November 18, 2013 but with the Debtor's consent and cooperation, the United States Trustee was granted an extension of that deadline to

17. The averments in paragraph 17 of the Complaint are admitted as this was the average income Mrs. Alexander was earning at the time of the filing.

18. The averments in paragraph 18 of the Complaint are admitted.

COUNT I- 11 U.S.C. §727(a)(2)

19. Paragraph 19 of the Complaint is an incorporation paragraph not requiring an answer.

20. The averments in paragraph 20 of the Complaint are denied.

21. The averments in paragraph 21 of the Complaint are denied.

TRANSFER OF MEDIAL EQUIPMENT

22. The averments in paragraph 22 of the Complaint are admitted in part and denied in part. In further answering, Debtors deny that such inventory was purchased from Dr. Alexander personally; the inventory was owned and thus sold by Integrated OB/GYN.

All other averments in paragraph 22 are admitted.

23. The averments in paragraph 23 of the Complaint are admitted.

24. Debtors can neither admit nor deny the averments in paragraph 24 of the Complaint without a copy of the transcript from the alleged asset deposition. Furthermore, the equipment and inventory was owned by Integrated OB/GYN.

25. The averments in paragraph 25 of the Complaint are admitted.

26. The averments in paragraph 26 of the Complaint are denied.

CONVERTED CASH TO NON-LIQUID ASSET

27. The averments in paragraph 27 of the Complaint are denied.

28. The averments in paragraph 28 of the Complaint are denied in part and admitted in part. In further answering, Dr. Alexander denies that he personally paid any amount of

cash for the time share. The HUD-1 from the purchase, as previously produced, reflects a “Cash From Seller” balance of \$32.00 and a “Trade-In/Equity” amount of \$9,990 evidencing the parties’ trade in of a previously owned time share for an upgraded one. All other averments in paragraph 28 are admitted.

29. The averments in paragraph 29 of the Complaint are denied.

CONCEALING BANK ACCOUNTS

30. The averments in paragraph 30 of the Complaint are denied.

31. The averments in paragraph 31 of the Complaint are admitted.

32. The averments in paragraph 32 of the Complaint are admitted.

33. The averments in paragraph 33 of the Complaint are denied, as evidenced by the Motion for Relief filed in this matter August 26, 2013 [doc. 15].

34. The averments in paragraph 34 of the Complaint are denied.

35. The averments in paragraph 35 of the Complaint are admitted.

36. The averments in paragraph 36 of the Complaint are denied.

37. The averments in paragraph 37 of the Complaint are denied.

38. The averments in paragraph 38 of the Complaint are denied.

39. The averments in paragraph 39 of the Complaint are denied.

COUNT II-11 U.S.C. §727(a)(3)

40. Paragraph 40 of the Complaint is an incorporation paragraph not requiring an answer.

41. The averments in paragraph 41 of the Complaint are denied.

42. The averments in paragraph 42 of the Complaint are denied in part and admitted in part. In further answering Debtors submit that some documentation to the U.S. Trustee was outstanding prior to the filing of the Complaint. However, Debtors

produced hundreds of documents to the U.S. Trustee, attended two Meeting of Creditors at the request of the U.S. Trustee and Chapter 7 Trustee and have been nothing but cooperative with all parties in this matter. Without any communication to the Debtors in almost ninety (90) days, ten (10) days prior to the U.S. Trustee's deadline to file this objection to discharge, she submits no less than fourteen (14) additional categories of documents and/or questions for answering by the Debtors.

43. The averments in paragraph 43 of the Complaint are admitted.

44. The averments in paragraph 44 of the Complaint are admitted.

45. The averments in paragraph 45 of the Complaint are denied.

COUNT III-11 U.S.C. §727(a)(4)(A)

46. Paragraph 46 of the Complaint is an incorporation paragraph not requiring an answer.

47. The averments in paragraph 47 of the Complaint are denied.

48. The averments in paragraph 48 of the Complaint are denied.

49. The averments in paragraph 49 of the Complaint are admitted.

50. The averments in paragraph 50 of the Complaint are admitted.

51. The averments in paragraph 51 of the Complaint are admitted.

52. The averments in paragraph 52 of the Complaint are admitted.

53. The averments in paragraph 53 of the Complaint are denied. These reflect cumulative totals of draws taken from the business by Dr. Alexander over the life of the business through December 31, 2012, not solely for the year ending 2012. As the 2012 Profit & Loss reflects gross income of the business of only \$99,310.85, Dr. Alexander could not have taken draws of over \$140,000.00 in 2012 as the money didn't exist.

Similarly on the Balance Sheets ending December 31, 2010 and December 31, 2011,

“Draws” totaled -\$140,543.62, meaning the draws for 2012 actually only totaled \$1,273.95 and no draws were taken in 2011.

54. The averments in paragraph 54 of the Complaint are denied.
55. The averments in paragraph 55 of the Complaint are denied.
56. The averments in paragraph 56 of the Complaint are admitted.
57. The Debtors can neither admit nor deny the averments made in paragraph 57 of the Complaint as they have no recollection as to the exact amount of their mortgage payment for every month in 2011.
58. The Debtors can neither admit nor deny the averments made in paragraph 58 of the Complaint as they have no recollection as to the exact amount of their mortgage payment for every month in 2012.
59. The averments in paragraph 59 of the Complaint are denied as it is unclear what “per year” the U.S. Trustee is referring to.
60. The Debtors can neither admit nor deny the averments made in paragraph 60 of the Complaint as they have no recollection as to the exact amount of their mortgage payment for every month in 2011.
61. The Debtors can neither admit nor deny the averments made in paragraph 61 of the Complaint as they have no recollection as to the exact amount of their mortgage payment for every month in 2012.
62. The averments in paragraph 62 of the Complaint are admitted in part and denied in part. In further answering, Debtors admit that in 2012 the lien on their 2008 Navigator was satisfied. Debtors deny that the lien was satisfied in a lump sum of \$21,292.26, Debtors made monthly payments on the vehicle until it was paid in full.

63. The averments in paragraph 63 of the Complaint are denied. The “Net Income” reflected is actually \$20,228.58.
64. The averments in paragraph 64 of the Complaint are denied.
65. The averments in paragraph 65 of the Complaint are admitted.
66. The averments in paragraph 66 of the Complaint are denied.
67. The averments in paragraph 67 of the Complaint are admitted.
68. The averments in paragraph 68 of the Complaint are admitted.
69. The averments in paragraph 69 of the Complaint are denied. The U.S. Trustee seems to be confusing what Dr. Alexander was making in his business over a year prior to filing the instant bankruptcy case, and prior to the suspension of his license, with what he was making at the time of filing. He has produced his monthly profit and loss statements for the months in 2013 that he based these figures on. It would obviously follow that upon resuming business he will lose several patients and that it will take some time to build business back up to the level he had previously, if he is able to do so at all.
70. The averments in paragraph 70 of the Complaint are denied as that is not Dr. Alexander’s recollection of his testimony when in fact he produced profit and loss statements for June, July and August 2013 to the Chapter 7 Trustee *prior* to attending the first scheduled Meeting of Creditors and giving his testimony.
71. The averments in paragraph 71 are denied in part and admitted in part. In further answering, Debtors deny that such documents were “later produced”, they were produced to the Chapter 7 Trustee on September 6, 2013. Additionally, the August

gross income was \$14,516.00 and not \$13,516.00 as alleged. All other averments in this paragraph are admitted.

72. The averments in paragraph 72 of the Complaint are denied.

73. The averments in paragraph 73 of the Complaint are admitted.

74. The averments in paragraph 74 of the Complaint are admitted.

75. The averments in paragraph 75 of the Complaint are admitted.

76. The averments in paragraph 76 of the Complaint are denied. With the per diem interest accumulation of \$2.96 over the period of 139 days between the payoff effective date and the petition date, and after credit for the payments made, the amount due would be \$17,067.75. Whether by the Trustee's calculation or the Debtors', this amount is still more than the estimated value of the Debtors vehicle. Furthermore it should be noted that the Chapter 7 Trustee has thoroughly investigated the Debtors' assets and issued a Report of No Distribution on November 13, 2013 [doc. 31].

77. The averments in paragraph 77 of the Complaint are denied. The Chapter 7 Trustee has issued a Report of No Distribution on November 13, 2013 [doc. 31].

78. The averments in paragraph 78 of the Complaint are denied.

WHEREFORE, Harold O. Alexander and Patricia D. Alexander respectfully request this Honorable Court deny all relief requested by the United States Trustee.

/s/Tiffany S. Franc
Tiffany S. Franc, #29347
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that on this 17th day of March 2014, a copy of the foregoing was electronically served upon all registered users of the Court's CM/ECF system and via first class mail, postage pre-paid upon:

Lynn A. Kohen
Trial Attorney, U.S. Trustee
6305 Ivy Lane, Ste. 600
Greenbelt, MD 20770

/s/Tiffany S. Franc
Tiffany S. Franc