UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF IDAHO

Keri Stewart v. Phetdavanh Sengsourinho

Stewart v. Sengsourinho · No. Adv. No. 25-06045-NGH; Case No. 25-00358-NGH · Decided May 6, 2026

SUMMARY

The United States Bankruptcy Court for the District of Idaho considered whether debts arising from a divorce decree were nondischargeable under 11 U.S.C. § 523(a)(2)(A), (a)(4), (a)(5), or (a)(6). The court concluded that the plaintiff failed to prove false representation, fiduciary fraud or embezzlement, a domestic support obligation, or willful and malicious tortious injury, and dismissed the complaint.

CASE DETAILS

COURT	United States Bankruptcy Court for the District of Idaho
WRITING FOR THE COURT	Noah G. Hillen
JURISDICTION	United States Bankruptcy Court for the District of Idaho
DECIDED	May 6, 2026
DOCKET	Adv. No. 25-06045-NGH; Case No. 25-00358-NGH
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff brought an adversary proceeding seeking a determination that debts arising from a divorce decree were excepted from discharge under 11 U.S.C. § 523(a)(2)(A), (a)(4), (a)(5), and (a)(6). After a trial, the bankruptcy court dismissed the complaint.
STANDARD OF REVIEW	Plaintiff bore the burden of proving nondischargeability by a preponderance of the evidence. Exceptions to discharge are construed liberally in favor of the debtor to preserve the debtor's fresh start.
PRECEDENTIAL VALUE	Unknown; memorandum of decision from a bankruptcy court with no reporter citation.
PARTIES	Keri Stewart v. Phetdavanh Sengsourinho

TOPICS

nondischargeable debts · adversary proceedings · divorce · bankruptcy · community property

PRACTICE AREAS

bankruptcy · family law · contracts

QUESTIONS PRESENTED

1. Whether the debt was nondischargeable under 11 U.S.C. § 523(a)(2)(A) for false pretenses, false representation, or actual fraud.
2. Whether the debt was nondischargeable under 11 U.S.C. § 523(a)(4) for fraud or defalcation while acting in a fiduciary capacity, embezzlement, or larceny.
3. Whether the payment obligations in the divorce decree constituted a domestic support obligation nondischargeable under 11 U.S.C. § 523(a)(5).
4. Whether the debt was nondischargeable under 11 U.S.C. § 523(a)(6) for willful and malicious injury.

HOLDINGS

1. The debt was not shown to be nondischargeable under § 523(a)(2)(A) because Stewart failed to prove knowingly false representations made with intent to deceive, reliance, and proximate loss caused by the alleged misrepresentations.
2. The debt was not shown to be nondischargeable under § 523(a)(4) because Stewart did not prove an express trust, fiduciary capacity, or that Sengsourinho possessed and fraudulently appropriated property belonging to another.
3. The debt arising from Sengsourinho's obligation to make payments on the 2013 Ford was not a nondischargeable domestic support obligation because the evidence showed a property-settlement obligation rather than alimony, maintenance, or support.
4. The debt was not shown to be nondischargeable under § 523(a)(6) because Stewart failed to establish that Sengsourinho caused a willful and malicious injury through tortious conduct.

KEY QUOTATIONS

> *"Exceptions to discharge are construed liberally in favor of the debtor in order to preserve a debtor's fresh start."*

> *"Even if a breach of contract is intentional, and a debtor intends to cause injury by breaching the contract, the breach is not, by itself, 'tortious conduct,' and is not excepted from discharge pursuant to § 523(a)(6)."*

FACTUAL BACKGROUND

The parties divorced in December 2021 pursuant to a stipulated Judgment and Decree of Divorce. The decree awarded Stewart the 2013 Ford F150, while requiring Sengsourinho to continue making the loan payments, and assigned Sengsourinho obligations concerning a boat, the vehicle, and certain credit-card debt. Sengsourinho eventually defaulted on some obligations, leaving Stewart liable to creditors; Stewart obtained personal loans, took possession of the boat without Sengsourinho's consent, paid off the boat loan, and later retained the boat. Stewart sought to except the resulting debt from discharge under several provisions of § 523.

PROCEDURAL HISTORY

Stewart initiated the adversary proceeding in July 2025, and Sengsourinho filed an answer. The bankruptcy court held a trial on April 15, 2026, took the matter under advisement, and dismissed the complaint after concluding that Stewart failed to prove nondischargeability under any of the asserted provisions.

DISPOSITION

dismissed

CASES CITED

- Ghomeshi v. Sabban (In re Sabban), 600 F.3d 1219, 1222 (9th Cir. 2010)
- Murray v. Woodman (In re Woodman), 451 B.R. 31, 38 (Bankr. D. Idaho 2011)
- Cal-Micro, Inc. v. Cantrell (In re Cantrell), 329 F.3d 1119, 1125 (9th Cir. 2003)
- Otto v. Niles (In re Niles), 106 F.3d 1456, 1459 (9th Cir. 1997)
- Transamerica Com. Fin. Corp. v. Littleton (In re Littleton), 942 F.2d 551, 555 (9th Cir. 1991)
- Moore v. United States, 160 U.S. 268, 269 (1895)
- Cheirett v. Biggs (In re Biggs), 563 B.R. 319, 325 (Bankr. D. Idaho 2017)
- King v. Lough (In re Lough), 422 B.R. 727, 735 (Bankr. D. Idaho 2010)
- Seixas v. Booth (In re Seixas), 239 B.R. 398, 402, 404 (9th Cir. BAP 1999)
- Shaver v. Shaver, 736 F.2d 1314, 1316 (9th Cir. 1984)
- Kritt v. Kritt (In re Kritt), 190 B.R. 382, 387 (9th Cir. BAP 1995)
- Ormsby v. First Am. Title Co. of Nevada (In re Ormsby), 591 F.3d 1199, 1206 (9th Cir. 2010)
- Lockerby v. Sierra, 535 F.3d 1038, 1041-43 (9th Cir. 2008)
- Bank of Idaho v. Powell (In re Powell), 2012 WL 2373405, at *4 (Bankr. D. Idaho June 22, 2012)