UNITED STATES BANKRUPTCY COURT FOR THE MIDDLE DISTRICT OF NORTH CAROLINA, GREENSBORO DIVISION

John Paul H. Cournoyer, U.S. Bankruptcy Administrator v. David Wayne Schamens

Cournoyer v. Schamens · No. Adv. No. 24-02010 · Decided April 3, 2026

SUMMARY

The United States Bankruptcy Court for the Middle District of North Carolina grants the Bankruptcy Administrator's motion to strike David Wayne Schamens's answer and enters default judgment denying him a discharge. The court finds that Schamens persistently and willfully failed to comply with discovery obligations and multiple court orders, despite repeated warnings and extensions. The opinion addresses claims for denial of discharge under 11 U.S.C. § 727(a)(2), (3), (4), and (6), including alleged omissions and misrepresentations concerning assets, liabilities, litigation, and property interests.

CASE DETAILS

COURT	United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division
WRITING FOR THE COURT	Benjamin A. Kahn
JURISDICTION	United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division
DECIDED	April 3, 2026
DOCKET	Adv. No. 24-02010
DISPOSITION	default judgment
PROCEDURAL POSTURE	The Bankruptcy Administrator brought an adversary proceeding seeking denial of the debtor's discharge under 11 U.S.C. § 727(a)(2), (3), (4), and (6). After the debtor repeatedly failed to comply with discovery requests and court orders, the Bankruptcy Administrator moved for sanctions, including striking the answer and entering default judgment. The court granted the motion, struck the answer and discovery responses, deemed the requests for admission admitted, and entered default judgment denying discharge under § 727(a)(2), (3), and (4).

STANDARD OF REVIEW	A finding that a party deliberately disregarded a pretrial order is reviewed for clear error, but the range of discretion is narrower when the sanction is default judgment because of the party's right to a fair opportunity to be heard. The court applied the Wilson factors: bad faith, prejudice, need for deterrence, and effectiveness of lesser sanctions.
PRECEDENTIAL VALUE	unknown

TOPICS

discharge · adversary proceedings · discovery dispute · sanctions · default judgment

PRACTICE AREAS

Bankruptcy · Civil procedure · Discovery sanctions · Denial of discharge

QUESTIONS PRESENTED

1. Whether the debtor's repeated and willful failure to comply with discovery requests and court orders warranted striking his answer and entering default judgment under Federal Rule of Civil Procedure 37(b)(2)(A) and Federal Rule of Bankruptcy Procedure 3037.
2. Whether the complaint's allegations and the deemed admissions, taken as true after default, established grounds to deny the debtor's discharge under 11 U.S.C. § 727(a)(2), (3), and (4).
3. Whether the court needed to reach the claim under 11 U.S.C. § 727(a)(6).

HOLDINGS

1. Default judgment was warranted because the debtor acted in bad faith, his noncompliance substantially prejudiced the plaintiff, deterrence was necessary, and lesser sanctions would not secure compliance or permit resolution on the merits.
2. After the answer was stricken and default judgment entered, the factual allegations in the complaint, other than allegations concerning damages, were admitted, and the debtor's deficient responses to requests for admission could be stricken and deemed admitted; the court nevertheless had to determine whether the admitted facts stated a legally sufficient claim.
3. The debtor's discharge was denied under § 727(a)(2) because the admitted allegations established that he transferred, removed, or concealed estate property with the requisite actual intent to hinder, delay, or defraud creditors or the estate representative.
4. The debtor's discharge was denied under § 727(a)(3) because the admitted allegations established that he concealed, falsified, or failed to preserve recorded information from which his financial condition and business transactions could be ascertained.
5. The debtor's discharge was denied under § 727(a)(4) because the admitted allegations established that he knowingly and fraudulently made material false oaths, presented or used a false claim, and withheld

information concerning his property and financial affairs.

KEY QUOTATIONS

> *"All four factors weigh in favor of these sanctions and default judgment against Defendant."* (Discussion § I)

> *"For the reasons set forth herein, the Court will strike Defendant's answer and his responses to Plaintiff's requests for admission, the requests for admission are deemed admitted, and the Court will enter a default judgment in favor of Plaintiff, denying Defendant's discharge under 11 U.S.C. § 727(a)(2), (3) & (4)."* (Conclusion)

FACTUAL BACKGROUND

The debtor filed a Chapter 11 bankruptcy case that was later converted to Chapter 7 and sought to retain or challenge interests connected to residential real property and an allegedly fraudulent deed of trust. He allegedly omitted assets, liabilities, business interests, pending litigation, and personal property from his bankruptcy schedules and made inconsistent or false statements in his schedules, statement of financial affairs, and creditors' meetings. In the adversary proceeding, he repeatedly failed to provide initial disclosures or adequate discovery responses, did not comply with multiple court orders, and admitted that he had made no effort to comply despite repeated warnings and extensions.

PROCEDURAL HISTORY

The adversary proceeding was commenced on July 11, 2024. The court denied the debtor's motion to dismiss or stay and found that the complaint plausibly stated claims under § 727. Although the debtor filed an answer, he failed to provide initial disclosures and respond adequately to discovery, despite multiple extensions, orders compelling compliance, hearings, and warnings that default judgment could result. The court found the debtor in continuing contempt of its orders and, after further noncompliance and repeated continuances, granted sanctions and entered default judgment.

DISPOSITION

default judgment

CASES CITED

- Smith v. Devine, 126 F.4th 331, 342 (4th Cir. 2025)
- Russell v. Absolute Collection Services, Inc., 763 F.3d 385, 396 (4th Cir. 2014)
- Young Again Products, Inc. v. Acord, 459 F. App'x 294, 301 (4th Cir. 2011)
- Rabb v. Amatex Corp., 769 F.2d 996, 1000 (4th Cir. 1985)
- Mut. Fed. Sav. & Loan Ass'n v. Richards & Assocs., Inc., 872 F.2d 88, 92 (4th Cir. 1989)
- Mey v. Phillips, 71 F.4th 203, 217, 219-20 (4th Cir. 2023)
- National Hockey League v. Metro. Hockey Club, Inc., 427 U.S. 639, 642-43 (1976)
- Opportunities Dev. Grp., LLC v. Andruss, Case No. 1:14-cv-00062, 2015 U.S. Dist. LEXIS 57614, at *10-12 (E.D. Va. Mar. 3, 2015)

- Anderson v. Found. for Advancement, 155 F.3d 500, 506 (4th Cir. 1998)
- Anderson v. Fed. Deposit Ins. Corp., 918 F.2d 1139, 1141 n.1 (4th Cir. 1990)
- Dugan v. Schamens, 833 F. App'x 981 (4th Cir. 2020)
- United States v. Schamens et al., Case No. 2:22-mj-10299-JBC-1 (D.N.J.)
- United States v. Renfrow, 612 F. Supp. 2d 677, 682-83 (E.D.N.C. 2009)
- In re Abell, 549 B.R. 631, 646, 674, 676 (Bankr. D. Md. 2016)
- Farouki v. Emirates Bank Int'l, 14 F.3d 244, 250 (4th Cir. 1994)
- In re McGalliard, 183 B.R. 726, 732 (Bankr. M.D.N.C. 1995)
- In re White, 128 F. App'x 994, 998-99 (4th Cir. 2005)
- In re Anderson, No. 03-13586C-7G, 2006 WL 995856, at *6 (Bankr. M.D.N.C. Feb. 13, 2006)
- Williamson v. Fireman's Fund Ins. Co., 828 F.2d 249, 251-52 (4th Cir. 1987)
- In re Worley, 517 B.R. 593, 601-02 (Bankr. M.D.N.C. 2014)
- In re Michael, 452 B.R. 908, 919 (Bankr. M.D.N.C. 2011)
- Matter of Beaubouef, 966 F.2d 174, 178 (5th Cir. 1992)
- Bermuda Properties, LLC v. Beard, No. 25CVD000297-290 (N.C. Ct. App. filed Dec. 16, 2025)
- Securities and Exchange Commission v. Schamens, No. 22-01219 (D.N.J.)