UNITED STATES BANKRUPTCY COURT FOR THE MIDDLE DISTRICT OF GEORGIA, MACON DIVISION

W. Carl Reynolds, PC dba Reynolds, Horne & Survant v. Timothy Joseph Boyd

Boyd · No. Adversary Proceeding No. 26-5002 · Decided April 21, 2026

SUMMARY

This memorandum opinion addresses the defendant’s motion to dismiss an adversary proceeding concerning a fee-sharing agreement and alleged nondischargeable debts under 11 U.S.C. §§ 523(a)(2)(A), (4), and (6). The court denies dismissal of the contract-reformation and willful-and-malicious-injury claims, but dismisses the claims under §§ 523(a)(2)(A) and (4) unless amended. The opinion also discusses shotgun pleading, Rule 12(b)(6), Rule 9(b), fiduciary duties, and bankruptcy courts’ authority to reform contracts under 11 U.S.C. § 105.

CASE DETAILS

COURT	United States Bankruptcy Court for the Middle District of Georgia, Macon Division
WRITING FOR THE COURT	John T. Lafferty, III
JURISDICTION	United States Bankruptcy Court for the Middle District of Georgia, Macon Division
DECIDED	April 21, 2026
DOCKET	Adversary Proceeding No. 26-5002
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to dismiss a bankruptcy adversary complaint asserting that debts were nondischargeable under 11 U.S.C. §§ 523(a)(2)(A), (4), and (6), and seeking contract reformation under 11 U.S.C. § 105.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and determines whether they plausibly state a claim for relief. Legal conclusions are not accepted as true. Fraud and mistake allegations must satisfy Rule 9(b)'s particularity requirement, although intent, knowledge, malice, and other conditions of mind may be alleged generally.

PRECEDENTIAL VALUE	unpublished bankruptcy court memorandum opinion; precedential status unknown

TOPICS

motions to dismiss · adversary proceedings · chapter 11 · nondischargeable debts · contract interpretation

PRACTICE AREAS

Bankruptcy · Bankruptcy litigation · Civil procedure · Contracts and remedies

QUESTIONS PRESENTED

1. Whether the complaint constituted impermissible shotgun pleading under Federal Rules of Civil Procedure 8(a)(2) and 10(b).
2. Whether Counts II, III, and IV plausibly stated claims under Rule 12(b)(6).
3. Whether a bankruptcy court may reform a contract under 11 U.S.C. § 105 when reformation is sought in conjunction with Bankruptcy Code claims.
4. Whether the reformation claim adequately pleaded fraud or mistake under Rule 9(b).
5. Whether Count III adequately pleaded a fiduciary relationship sufficient for nondischargeability under 11 U.S.C. § 523(a)(4).
6. Whether Count IV adequately pleaded willful and malicious injury under 11 U.S.C. § 523(a)(6).
7. Whether Count I adequately pleaded justifiable reliance under 11 U.S.C. § 523(a)(2)(A).

HOLDINGS

1. The complaint was not impermissible shotgun pleading because the incorporated factual allegations were directly relevant to the claims in Counts II, III, and IV.
2. A bankruptcy court may reform a contract under § 105 when reformation is sought as relief in conjunction with other Bankruptcy Code provisions, including §§ 523(a)(4) and (6); § 105 itself does not create a private cause of action.
3. The reformation claim adequately pleaded fraud or mistake under Rule 9(b) because it identified the alleged omission of the Thompson case from the Letter Agreements, the circumstances of the agreements, and the resulting retention of fees.
4. Count III did not adequately plead a fiduciary relationship sufficient to support nondischargeability for defalcation under § 523(a)(4), because the alleged contractual relationship did not include trust-like duties to segregate funds or refrain from using them for non-trust purposes.
5. Count IV adequately pleaded a claim for a debt arising from willful and malicious injury under § 523(a)(6).
6. Count I did not adequately plead justifiable reliance on the defendant's alleged representation and was dismissed unless amended.

KEY QUOTATIONS

> *"It does not create a private cause of action, as the Defendant states, but it does allow courts to broadly grant relief in conjunction with another cause of action."* (II.b.i)

> *"The relationship between the parties, as pled, is inadequate to support a claim for defalcation because the Plaintiff failed to adequately plead that the Defendant owed the Plaintiff a fiduciary duty."* (II.c)

> *"That the Plaintiff's reliance was justified is a legal conclusion reciting an element of the cause of action"* (II.e)

FACTUAL BACKGROUND

The plaintiff employed the defendant as an attorney from 2007 through 2020, during which time they represented personal-injury plaintiffs. When the defendant left to establish the Boyd Law Firm, the parties exchanged letters memorializing a fee-sharing agreement. The letters did not mention the Thompson case, which was then in litigation and later generated a substantial recovery and attorneys' fees. The parties disputed the consequences of the omission and the handling of fees, including funds placed in a reserve account and later directed to the Boyd Law Firm rather than remitted to the plaintiff.

PROCEDURAL HISTORY

The parties had a fee-sharing agreement arising from the defendant's departure from the plaintiff's law practice. After the defendant filed a Chapter 11 petition, the plaintiff commenced this adversary proceeding on January 26, 2026. The defendant moved to dismiss on February 26, 2026. After briefing and a hearing on April 13, 2026, the court granted the motion as to Counts I and III unless amended and denied it as to Counts II and IV.

DISPOSITION

other

REMAND INSTRUCTIONS

None. Counts I and III were dismissed unless amended; Counts II and IV remained pending.

CASES CITED

- Weiland v. Palm Beach County Sheriff's Office, 792 F.3d 1313, 1320-21 (11th Cir. 2015)
- Strategic Income Fund, L.L.C. v. Spear, Leeds & Kellogg Corp., 305 F.3d 1293, 1295 (11th Cir. 2002)
- Ashcroft v. Iqbal, 556 U.S. 662, 664, 678-79 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- In re Woodruff, 213 B.R. 114, 115-16 (Bankr. W.D. Va. 1997)
- In re Rose, 314 B.R. 663, 681 n.11 (Bankr. E.D. Tenn. 2004)
- In re Trask, 462 B.R. 268, 273 (Bankr. App. 1st Cir. 2011)
- Prince v. Friedman, 42 S.E.2d 434, 436 (Ga. 1947)
- FindWhat Investor Group v. FindWhat.com, 658 F.3d 1282, 1296 (11th Cir. 2011)

- Durham v. Business Management Associates, 847 F.2d 1505, 1511 (11th Cir. 1988)
- In re Forrest, 47 F.4th 1229, 1241 (11th Cir. 2022)
- Mizzaro v. Home Depot, Inc., 544 F.3d 1230, 1237 (11th Cir. 2008)
- In re Bilzerian, 100 F.3d 886, 892 (11th Cir. 1996)
- Overlook Gardens Properties, LLC v. Orix, USA, LP, 884 S.E.2d 433, 443 (Ga. App. 2023)
- Papasan v. Allain, 478 U.S. 265 (1986)