

UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT
OF TEXAS, FORT WORTH DIVISION

Albert M. Abbood v. Steven Boyd Mitchell and Jana Diane Mitchell

Abbood · No. Adversary No. 21-04053; Bankruptcy Case No. 20-43264-ELM · Decided December 29, 2025

SUMMARY

This memorandum opinion concerns a creditor’s action under 11 U.S.C. § 727(d) to revoke the Chapter 7 discharge of Steven Boyd Mitchell and Jana Diane Mitchell. The plaintiff alleged that the debtors fraudulently failed to disclose Mr. Mitchell’s ownership interest in the Savor Culinary Services business and related income and transfers. The opinion addresses the parties’ disclosures, the alleged relinquishment and later renewal of the ownership interest, and the evidence presented at trial.

CASE DETAILS

COURT	United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division
JURISDICTION	United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division
DECIDED	December 29, 2025
DOCKET	Adversary No. 21-04053; Bankruptcy Case No. 20-43264-ELM
DISPOSITION	other
PROCEDURAL POSTURE	Creditor-plaintiff brought an adversary proceeding seeking revocation of chapter 7 debtors' previously granted discharge under 11 U.S.C. § 727(d)(1) and (d)(2). After a trial, the bankruptcy court denied the requested revocation.
STANDARD OF REVIEW	The plaintiff bore the burden of proving all applicable elements of revocation under 11 U.S.C. § 727(d) by a preponderance of the evidence.
PRECEDENTIAL VALUE	Unknown; memorandum opinion from the United States Bankruptcy Court for the Northern District of Texas.
PARTIES	Albert M. Abbood v. Steven Boyd Mitchell, Jana Diane Mitchell

TOPICS

- discharge
- chapter 7
- adversary proceedings
- bankruptcy fraud
- bankruptcy disclosure requirements

PRACTICE AREAS

bankruptcy

bankruptcy discharge

adversary proceedings

bankruptcy fraud

bankruptcy disclosure requirements

QUESTIONS PRESENTED

1. Whether the debtors' discharge should be revoked under 11 U.S.C. § 727(d)(1) because it was obtained through fraudulent concealment of a prepetition ownership interest and its transfer, where the plaintiff had sufficient pre-discharge information to investigate and timely object.
2. Whether the post-petition ownership interest acquired by Mitchell constituted property of the chapter 7 estate such that the discharge should be revoked under 11 U.S.C. § 727(d)(2).

HOLDINGS

1. The plaintiff proved that the debtors' prepetition transfer and concealment of Mitchell's Savor ownership interest could have supported denial of discharge under § 727(a)(2) and that the original SOFA contained a fraudulent false oath under § 727(a)(4)(A), but he failed to prove that he did not know of the fraud until after discharge. Because the plaintiff had sufficient pre-discharge facts to put him on notice of possible fraud, revocation under § 727(d)(1) was unavailable.
2. The debtors' knowing prepetition relinquishment or cancellation of Mitchell's Savor ownership interest, undertaken to hinder collection of the judgment and protect the business from bankruptcy administration, would have supported denial of discharge under § 727(a)(2) had a timely objection been filed.
3. The debtors' purposeful omission of the Savor ownership interest, its transfer, and Mitchell's managerial connection from the original SOFA constituted a false oath that would have supported denial of discharge under § 727(a)(4)(A) had the objection been timely.
4. The post-petition Savor ownership interest did not constitute property of the chapter 7 estate, and the plaintiff therefore failed to establish the first element of § 727(d)(2).

KEY QUOTATIONS

“the revocation of a discharge under § 727(d) is ‘an extraordinary remedy to be sparingly applied.’”

“The Plaintiff, however, successfully brought to light Mr. Mitchell’s prepetition acquisition of the Savor Ownership Interest and the prepetition transfer (relinquishment/cancellation) of such interest during the course of the § 341 Meeting.”

FACTUAL BACKGROUND

Before the debtors filed bankruptcy, Steven Mitchell obtained an ownership interest in the Savor Culinary Services business and Savor Culinary Services 2020, LLC. After plaintiff's counsel sent notice of a state-court judgment and threatened execution against that interest, Mitchell and the other participants relinquished or canceled the interest, and the debtors omitted the relevant ownership, transfer, and managerial information from their original bankruptcy schedules and statement of financial affairs. The debtors later disclosed some of the

information in an amended statement of financial affairs, after the § 341 meeting and after discharge. Mitchell subsequently acquired a new ownership interest in Savor 2020 LLC after the bankruptcy petition date and after the discharge.

PROCEDURAL HISTORY

The defendants filed a joint chapter 7 bankruptcy petition on October 22, 2020, and received a discharge on February 19, 2021. The plaintiff did not timely object to discharge by the February 14, 2021 deadline, later filed an adversary proceeding seeking revocation, and filed an amended complaint. The court conducted a trial on May 25, 2023, and issued findings of fact and conclusions of law under Federal Rule of Civil Procedure 52.

DISPOSITION

other

CASES CITED

- Marrama v. Citizens Bank of Massachusetts, 549 U.S. 365, 367 (2007)
- Grogan v. Garner, 498 U.S. 279, 286 (1991)
- Local Loan Co. v. Hunt, 292 U.S. 234, 244 (1934)
- In re Tabibian, 289 F.2d 793, 795 (2d Cir. 1961)
- United States v. Johnston, 267 B.R. 717, 722-23 (N.D. Tex. 2001), aff'd, 48 Fed. Appx. 917 (5th Cir. 2002)
- Keeffe v. Natalie, 337 B.R. 11, 14 (N.D.N.Y. 2006), aff'd, 222 Fed. Appx. 97 (2d Cir. 2007)
- Humphreys v. Stedham (In re Stedham), 327 B.R. 889, 897-98 (Bankr. W.D. Tenn. 2005), aff'd, 2006 WL 8463575 (W.D. Tenn. 2006)
- Neary v. Darby (In re Darby), 376 B.R. 534, 539 (Bankr. E.D. Tex. 2007)
- Fokkena v. Peterson (In re Peterson), 356 B.R. 468, 475 (Bankr. N.D. Iowa 2006)
- Lightfoot v. Landry (In re Landry), 350 B.R. 51, 56-57 (Bankr. E.D. La. 2006)
- United States v. Harrison, 366 B.R. 656, 660 (S.D. Tex. 2007), aff'd, 273 Fed. Appx. 315 (5th Cir.), cert. denied, 555 U.S. 971 (2008)
- Collins v. Zolnier (In re Zolnier), 2024 WL 206357, at *3 (Bankr. S.D. Tex. 2024)
- Beaubouef v. Beaubouef (In re Beaubouef), 966 F.2d 174, 178 (5th Cir. 1992)
- Cadle Co. v. Duncan (In re Duncan), 562 F.3d 688, 695 (5th Cir. 2009)
- Hughes v. Wells (In re Wells), 426 B.R. 579, 599 (Bankr. N.D. Tex. 2010)
- Morton v. Dreyer (In re Dreyer), 127 B.R. 587, 593-94 (Bankr. N.D. Tex. 1991)
- Sholdra v. Chilmark Fin. LLP (In re Sholdra), 249 F.3d 380, 382-83 (5th Cir. 2001), cert. denied, 534 U.S. 1042 (2001)
- Lambert v. Varga (In re Varga), Adversary No. 21-04083, 2025 WL 3273589, at *17-*18 (Bankr. N.D. Tex. Nov. 22, 2025)
- Buckeye Retirement Co. v. Heil (In re Heil), 289 B.R. 897, 903 (Bankr. E.D. Tenn. 2003)
- Mid-Tech Consulting, Inc. v. Swendra (In re Swendra), 938 F.3d 885, 888 (8th Cir. 1991)

- Citicorp Real Estate, Inc. v. DaMaia (In re DaMaia), 217 F.3d 838 (4th Cir. 2000)
- Werner v. Puente (In re Puente), 49 B.R. 966, 968 (Bankr. W.D.N.Y. 1985)

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