

# **BANKRUPTCY <sup>UP</sup>DATE**

## **September 19, 2023**

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### **LKA Decision**

You can use the link in the "Links" section below to view the following decision:

#### ***Northern Hills Collections, Inc. v. McArthur (In re McArthur)***

**Issue:** Whether a creditor was entitled to summary judgment determining nondischargeability under 11 U.S.C. §523(a)(2)(A) based upon the state court judgment the creditor obtained pre-petition?

**Ruling:** The creditor's summary judgment motion arguing res judicata and collateral estoppel was denied since the creditor failed to prove all of the elements of nondischargeability under 11 U.S.C. §523(a)(2)(A) were actually and necessarily decided by the state court. The state court's judgment contained a bald finding of "fraud," but did not include any findings or discussion concerning the justifiableness of the creditor's reliance, did not identify statements or actions showing how the debtor obtained money from the creditor, and did not determine the debtor's statements were not statements regarding the debtor's financial condition.

## **Links**

[\*Northern Hills Collections, Inc. v. McArthur \(In re McArthur\)\*](#)

[Previous Bankruptcy <sup>UP</sup> dates](#)

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