

SO ORDERED



Maria Elena Chavez-Ruark

MARIA ELENA CHAVEZ-RUARK
U.S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at Greenbelt**

In re:

TWANNIE D. COX,

Debtor.

Case Number: 21-14641-MCR
(Chapter 7)

**ORDER ENJOINING LORRAINE THOMAS FROM ACTING
AS BANKRUPTCY PETITION PREPARER FOR FIVE YEARS**

On July 15, 2021 (the “Petition Date”), Twannie D. Cox (the “Debtor”) filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code [Dkt. No. 1]. On page 8, the petition asks, “Did you pay or agree to pay someone who is not an attorney to help you fill out your bankruptcy forms?” In response, the Debtor checked the “yes” box and identified Lorraine Thomas (“Ms. Thomas”) as the person who assisted her.

Also on the Petition Date, the Debtor filed a Bankruptcy Petition Preparer’s Notice, Declaration, and Signature (Official Form 119) [Dkt. No. 6] (the “BPP Notice”), which the Debtor and Ms. Thomas signed. In the BPP Notice, Ms. Thomas declared under penalty of perjury “If rules or guidelines are established according to 11 U.S.C. § 110(h) setting a maximum fee for services that bankruptcy petition preparers may charge, I or my firm notified

the debtor of the maximum amount before preparing any document for filing or before accepting any fee from the debtor.”

In addition, on the Petition Date, the Debtor filed a Disclosure of Compensation of Bankruptcy Petition Preparer (Official Form 2800) [Dkt. No. 7] (the “BPP Fee Disclosure”), which states the Debtor paid Ms. Thomas \$130.00 for document preparation services and is signed by Ms. Thomas.

The maximum fee for a bankruptcy petition preparer in Maryland is \$125.00 unless the preparer provides additional documentation to justify a higher fee. Local Bankr. R. 2016-2(b) (“For purposes of this Rule, a fee not exceeding \$125.00 shall be presumed reasonable for bankruptcy petition preparation services.”); (<https://www.mdb.uscourts.gov/prose/bankruptcy-petition-preparers>) (“In the District of Maryland, the maximum fee for this service is \$125.00, unless the preparer provides additional documentation (Form 2800) to justify their excess fee.”). If a bankruptcy petition preparer’s fee exceeds \$125.00, then “the bankruptcy petition preparer must attach to Official Form B2800 a signed declaration providing notice to the debtor of this Rule and describing the rate for services, the tasks performed, the time spent on each task, and providing a short, plain statement justifying the excess fees.” Local Bankr. R. 2016-2(a).

According to the BPP Fee Disclosure, Ms. Thomas charged the Debtor an amount in excess of the presumed reasonable fee under the Local Bankruptcy Rules of this Court, but she did not comply with Local Bankruptcy Rule 2016-2(a) by attaching the requisite supplemental signed declaration to the BPP Fee Disclosure.

As a result, on July 20, 2021, the Court issued an Order That Bankruptcy Petition Preparer Show Cause Why Fees Should Not Be Refunded [Dkt. No. 17] (the “Fee Show Cause”).

Order”). The Fee Show Cause Order states that Ms. Thomas did not attach the supplemental declaration required by the Local Bankruptcy Rules. The Fee Show Cause Order required that Ms. Thomas show cause in writing by August 2, 2021 why she should not be required to refund all fees she received from the Debtor because she failed to complete the required filings. On July 22, 2021, the Bankruptcy Noticing Center docketed a Certificate of Notice [Dkt. No. 19], stating that it sent a copy of the Fee Show Cause Order to the Debtor, the Office of the United States Trustee and the Chapter 7 trustee.

Upon realization that the Bankruptcy Noticing Center did not send a copy of the Fee Show Cause Order to Ms. Thomas, on August 6, 2021, the Court entered an Amended Order That Bankruptcy Petition Preparer Show Cause Why Fees Should Not Be Refunded [Dkt. No. 21] (the “Amended Fee Show Cause Order”), which extended the deadline for Ms. Thomas to show cause to August 20, 2021 but was otherwise identical to the original Fee Show Cause Order. On August 8, 2021, the Bankruptcy Noticing Center docketed a Certificate of Notice [Dkt. No. 22], stating that it sent a copy of the Amended Fee Show Cause Order to Ms. Thomas at the address she used on the BPP Notice and the BPP Fee Disclosure and also to the Debtor, the Office of the United States Trustee and the Chapter 7 trustee. Ms. Thomas did not respond to the Amended Fee Show Cause Order.

On August 26, 2021, the Court entered an Order Directing Bankruptcy Petition Preparer to Refund All Fees [Dkt. No. 26] (the “Refund Order”), which directed Ms. Thomas, within fourteen (14) days, to “refund to the Debtor all fees collected in this matter, and file a certification that states the amount of such refund, the date thereof, and the person to whom it was paid.” On August 28, 2021, the Bankruptcy Noticing Center docketed a Certificate of Notice [Dkt. No. 27], confirming that it sent a copy of the Refund Order to Ms. Thomas at the

address she used on the BPP Notice and the BPP Fee Disclosure and also to the Debtor, the Office of the United States Trustee and the Chapter 7 trustee. Ms. Thomas did not file the certification as directed in the Refund Order, and there is nothing in the case docket that indicates Ms. Thomas refunded the fee as directed.

On September 16, 2021, the Court issued an Order That Bankruptcy Petition Preparer Lorraine Thomas Show Cause Why She Should Not Be Held In Contempt [Dkt. No. 28] (the “Contempt Show Cause Order”), which directed Ms. Thomas to show cause in writing within fourteen (14) days why she should not be held in contempt for failing to comply with the Refund Order and directed Ms. Thomas to appear at a contempt hearing on October 13, 2021 at 2:00 p.m. by videoconference. On September 18, 2021, the Bankruptcy Noticing Center docketed a Certificate of Notice [Dkt. No. 29], confirming that it sent a copy of the Contempt Show Cause Order to Ms. Thomas at the address she used on the BPP Notice and the BPP Fee Disclosure and also to the Debtor, the Office of the United States Trustee and the Chapter 7 trustee. Ms. Thomas did not respond to the Contempt Show Cause Order or appear at the hearing as directed in the Contempt Show Cause Order.

On October 12, 2021, the Court attempted to reach Ms. Thomas by telephone at the number she listed on the BPP Notice and the BPP Fee Disclosure, but the call disconnected after numerous rings, leaving the Court unable to leave a voicemail message. On October 18, 2021, the Court attempted to reach Ms. Thomas by email at an email address she used in another bankruptcy case and requested that Ms. Thomas contact the Court. Ms. Thomas did not respond to the Court’s voicemail and email messages.

Upon consideration of the foregoing, this Court finds that Ms. Thomas has failed to comply with the Refund Order and holds her in contempt. Accordingly, it is, by the United States Bankruptcy Court for the District of Maryland,

ORDERED, that pursuant to 11 U.S.C. § 110(j)(2)(B), as a result of her failure to comply with the Refund Order, Ms. Thomas is, for a period of five (5) years from the date of entry of this Order, enjoined from acting in any jurisdiction of the United States as a bankruptcy petition preparer as defined in 11 U.S.C. § 110(a)(1), which includes but is not limited to:

1. Acting as a bankruptcy petition preparer as defined in 11 U.S.C. § 110;
2. Using or directing any agent, representative, entity, corporation, partnership, association or structure of any kind or any name, fictitious or otherwise, to act as a bankruptcy petition preparer, as defined in 11 U.S.C. §110;
3. Accepting any fees, in any jurisdiction of the United States, for acting as a Bankruptcy Petition Preparer;
4. Assisting any person or entity in drafting or preparing any petition, schedule, motion, pleading or other document to be submitted to any court on a debtor's behalf, or under a debtor's signature (for purposes of this paragraph, the term "assist" includes, in addition to any other action that would constitute assistance under the ordinary usage of the term: (a) the gathering of information for the purpose of drafting or preparing any petition, schedule, motion, pleading or document to be filed in any court; (b) the provision to a debtor of a completed petition, schedule, motion, pleading or document for the purpose filing the petition, schedule, motion, pleading or document in any court; and/or (c) the provision to any person of a form petition, schedule, motion, pleading of document, obtained via the internet, form book, data bank, or other similar source; and
5. Otherwise participating in any form or fashion in any jurisdiction of the United States in the rendering of legal advice, consultation, consideration and/or preparation of any petition or document which is contemplated to be filed as or in a case under Title 11 of the United States Code;

and it is further

ORDERED, that nothing in this Order shall be deemed or interpreted to prohibit, limit

or otherwise abridge Ms. Thomas' rights to proceed *pro se* in any legal proceeding and that the restrictions above shall not apply to any petition, pleading, motion or document that Ms. Thomas prepares or files in any court on her own behalf; and it is further

ORDERED, that any and all prior orders of this Court directing Ms. Thomas to take any action, pay any fine and/or refund any fees (including but not limited to the Refund Order) remain in full force and effect.

cc: Debtor – Twannie D. Cox
Bankruptcy Petition Preparer – Lorraine Thomas
Office of the United States Trustee
Chapter 7 Trustee – Janet M. Nesse

END OF ORDER