

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

IN RE: *

JOHN LESLIE DIAMOND and *

ANITRA L. DIAMOND *

Debtors *

* * * * *

FARMERS NATIONAL BANK OF * Case No. 88-5-1388

MARYLAND * Adversary No. A88-0310-SD

Plaintiff *

vs.

JOHN L. DIAMOND and ANITRA *

L. DIAMOND *

Defendants *

* * * * *

CONSENT ORDER ENTERING JUDGMENT FOR
DAMAGES AND NONDISCHARGEABILITY OF DEBT

It appearing that the parties, FARMERS NATIONAL BANK OF MARYLAND, Plaintiff, and JOHN LESLIE DIAMOND and ANITRA L. DIAMOND, Defendants, have reached an amicable settlement of the controversies herein, and have consented to the stipulations, terms, and conditions as set forth hereafter, and said agreement has been duly approved by the Trustee; and

WHEREAS, the Plaintiff and Defendants stipulate and agree to the following facts:

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1. The debtors, JOHN L. DIAMOND and ANITRA L. DIAMOND, filed a voluntary petition for relief under 11 U.S.C. chapter 7 on May 9, 1988.

2. Michael G. Rinn, Esquire, was appointed and is now serving as Trustee.

3. Farmers National Bank of Maryland, Plaintiff, filed a Complaint to Determine Dischargeability of Debt on September 30, 1988, alleging that the Debtors had induced the Plaintiff to extend credit to the Debtors by means of a materially false credit application.

4. Under the terms of the loan agreement executed by the debtors, there is now due and owing the amount of \$28,108.38 to the Plaintiff, including principal, interest, and attorney's fees.

5. While denying any willful intent to defraud the Plaintiff, the Debtors concede the existence of at least one material omission or misstatement on their credit application to the Plaintiff, which could result in a finding of nondischargeability of the entire debt if the instant litigation was pursued to its conclusion.

6. The parties hereto desire to avoid the additional cost and expense of further litigation and resolve their differences.

7. The entry of judgment as specified herein will not affect the bankruptcy estate nor the rights of any other creditor;

NOW, THEREFORE, upon the foregoing facts and stipulations, it is

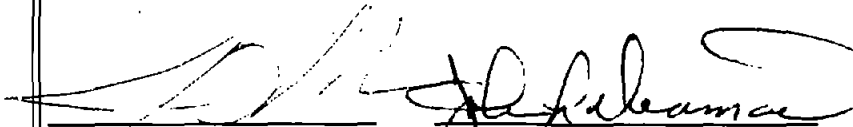
ORDERED that judgment be and it is hereby granted in favor of FARMERS NATIONAL BANK OF MARYLAND against JOHN LESLIE DIAMOND and ANITRA L. DIAMOND, Defendants, in the amount of \$28,108.38 plus interest and costs; and it is further

ORDERED that said judgment and underlying debt shall not be discharged in bankruptcy and are hereby declared nondischargeable, pursuant to 11 U.S.C. § 523 (a)(2)(B).

Dated: 11/17/89



E. Stephen Derby
U.S. Bankruptcy Judge



Jerome B. Richman
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Annapolis, MD 21401
Attorney for
Farmers National
Bank



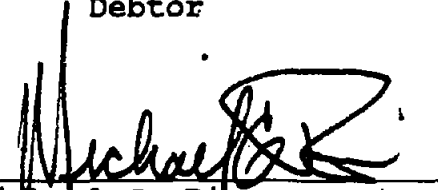
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