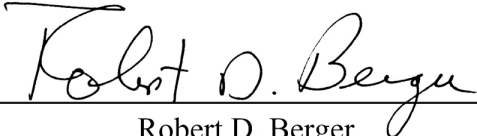


The relief described hereinbelow is **SO ORDERED**.

SIGNED this 9th day of June, 2026.




Robert D. Berger
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF KANSAS**

In re:

JULIE ANN TERRY,

Case No. 17-21615
Chapter 7

Debtor.

SOUTHAMPTON, LTD.,

Adv. No. 17-06080

Plaintiff,

v.

JULIE ANN TERRY,

Defendant.

**ORDER GRANTING PLAINTIFF'S SECOND AMENDED MOTION FOR
SUMMARY JUDGMENT**

Plaintiff Southampton, Ltd., has an Oklahoma judgment for fraudulent transfer against defendant Julie Terry. This is an adversary proceeding to determine, *inter alia*, whether the Oklahoma judgment is excepted from Terry's Chapter 7 discharge as a debt for "actual fraud" under 11 U.S.C. § 523(a)(2)(A).¹ It is before the Court on Southampton's second amended motion for summary judgment on the § 523(a)(2)(A) claim.² On May 1, 2026, the Court ordered the parties to show cause why the order below should not be entered.³ Terry acknowledged receipt of the show-cause order, but did not otherwise respond;⁴ Southampton did not respond at all. For those reasons, and for the reasons stated below, the Court will grant summary judgment to Southampton on the § 523(a)(2)(A) claim.

¹ ECF 1; *cf. id.* (asserting additional claims under 11 U.S.C. §§ 523(a)(4) and 727 that are not at issue here). The Court has jurisdiction over this proceeding under 28 U.S.C. §§ 1334(b) and 157(a) because it arises under § 523(a) of the Bankruptcy Code. The proceeding is core under 28 U.S.C. § 157(b)(2)(I) because it is a determination as to the dischargeability of a particular debt. Venue is proper under 28 U.S.C. § 1409(a) because Terry's bankruptcy case is pending in the District of Kansas.

² ECF 50; *cf.* ECF 51 (Southampton's brief); ECF 53 (Terry's response); ECF 54 (Southampton's reply). Terry is represented by attorney Jonathan Becker. Southampton is represented by attorneys Stephen Torline and Kevin Corcoran.

³ *See* ECF 62.

⁴ ECF 64.

I. Undisputed Facts

1. On November 9, 2012, Julie Terry's husband, Michael Terry,⁵ executed a promissory note in which he agreed to repay a \$500,000.00 loan from Southampton. (ECF 51-12, SH00121-23 & SH00133-36.⁶)

2. On September 5, 2013, Michael received \$518,000.00 from a settlement with his business partners. (ECF 59-2, SH01293-1306.)

3. On November 8, 2013, Southampton sued Michael in the district court of Dallas County, Texas, for an unpaid principal balance of \$390,283.80 on the promissory note. (ECF 51-12, SH00354-64.)

4. Around June 11, 2014, Michael paid cash for a home located at 5545 West 203rd Terrace in Stilwell, Kansas. (ECF 59-2, SH01373-74, SH01383.)

5. Although the deed did not disclose the amount Michael paid for the Stilwell home, a 2014 tax assessment valued the home at \$624,600.00. (ECF 59-2, SH01375-76.)

6. On July 9, 2014, Michael transferred ownership of the Stilwell home to Julie. (ECF 59-2, SH01387-88.)

7. On October 2, 2014, the Texas court entered judgment against Michael and in favor of Southampton for \$394,634.70 plus pre- and post-judgment interest and attorney fees. (ECF 59-2, SH01390-91.)

⁵ To avoid confusion, this order mostly refers to the Terrys as "Julie" and "Michael." The name "Terry," where used, refers to Julie Terry.

⁶ This order shortens Southampton's Bates stamps—SOUTHAMPTON00001, etc.—to "SH00001," etc. for easier reading.

8. On December 9, 2014, Michael filed for bankruptcy under Chapter 7 in the Western District of Oklahoma. (ECF 51-12, SH00366-68.)

9. Michael's Schedule C claimed a homestead exemption for an asserted "marital interest" in the Stilwell home under 31 Okla. Stat. § 1(A)(1). (ECF 51-12, SH00384.)

10. On March 12, 2015, Southampton objected to Michael's claimed homestead exemption. (ECF 59-2, SH01394-95.)

11. On July 13, 2015, Southampton filed a petition against Julie in the district court of Stephens County, Oklahoma, for fraudulent transfer under Oklahoma's Uniform Fraudulent Transfer Act (the "UFTA"). (ECF 59-1, SH00479-93.)

12. The Stephens County petition alleged that Michael's \$518,000.00 settlement payment, his purchase of the Stilwell home, and his transfer of the Stilwell home to Julie were all fraudulent transfers. (ECF 59-1, SH00481-82.)

13. The petition sought remedies from Julie pursuant to 24 Okla. Stat. §§ 119 and 120, including "the full amount of the unlawful transfer to [Julie], up to the value of [Southampton's] outstanding loan," plus pre- and post-judgment interest, attorney fees, and costs. (ECF 59-1, SH00483.)

14. On November 5, 2015, the Oklahoma bankruptcy court ruled that the Stilwell home was not property of Michael's bankruptcy estate, sustained Southampton's objection to Michael's claimed homestead exemption, and granted

Southampton leave to pursue its claims in state court. (Bankr. W.D. Okla. Case No. 14-15035, ECF 89.)

15. On April 1, 2016, Southampton filed an amended petition against Julie in Stephens County, adding a claim for fraud. (ECF 59-1, SH00507-23.)

16. The amended petition sought an additional remedy: a constructive trust over the Stilwell home. (ECF 59-1, SH00512.)

17. On August 11, 2017, Southampton filed a second amended petition in Stephens County that added thirteen new defendants, including Michael, and three new plaintiffs. (ECF 59-2, SH00991-01002.)

18. On August 22, 2017, Julie filed for bankruptcy under Chapter 7 in the District of Kansas. (Bankr. D. Kan. Case No. 17-21615, ECF 1.)

19. On January 18, 2018, this Court granted Southampton relief from the automatic stay to proceed with its litigation against Julie in Stephens County “up to and including final judgment.” (Bankr. D. Kan. Case No. 17-21615, ECF 45.)

20. On April 26, 2018, Southampton and the three other plaintiffs filed a third amended petition in Stephens County against two defendants: Julie and Michael. (ECF 59-2, SH01009-01014.)

21. Like its predecessors, the third amended petition alleged that Michael’s \$518,000.00 settlement payment, his cash purchase of the Stilwell home, and his transfer of the Stilwell home to Julie were all fraudulent transfers. (ECF 59-2, SH01010, SH01012.)

22. Like its predecessors, the third amended petition sought remedies pursuant to 24 Okla. Stat. §§ 119-120. (ECF 59-2, SH01012.)

23. On August 7, 2020, Southampton and another plaintiff, Southwest Reinsure, Inc.,⁷ moved for summary judgment in Stephens County on the UFTA claim. (ECF 51-12, SH00089-94.)

24. The motion for summary judgment argued:

After failing to pay his promissory note obligation to Plaintiffs, [Michael] received a large sum of money, purchased a second home, and then transferred title to that second home into his wife's sole possession during the pendency of litigation in [an] effort to avoid his payment obligations. This transfer was fraudulent and the "badges of fraud" are established in this case as a matter of law.

(ECF 51-12, SH00084.)

25. The motion pointed out that the Texas litigation was pending when Michael purchased the Stilwell home and transferred it to Julie for no consideration. (ECF 51-12, SH00087.)

26. The motion argued that Michael transferred the home to Julie "for the purpose of keeping [assets] out of the hands of his creditors." (ECF 51-12, SH00087 (cleaned up).)

27. The motion argued:

Because there is no dispute that Michael Terry transferred the money he received pursuant to the Settlement into the Kansas Property, then quickly placed

⁷ At the time he executed the Southampton promissory note, Michael also executed a separate agreement providing that Southwest Reinsure would act as Southampton's collection agent on the note. (ECF 51-12, SH00133-36.)

the home in solely his wife's name to avoid his creditors (who had already filed suit against him), summary judgment must issue for this fraudulent transfer.

(ECF 51-12, SH00088.)

28. The motion argued: "Plaintiffs seek summary judgment on the ground that the evidentiary material filed herewith establishes that there is no substantial controversy as to any material fact of Defendant Julie Terry's liability to turn over the fraudulent transfer made to her by her husband, Michael Terry." (ECF 51-12, SH00089.)

29. The motion argued that Michael's transfer of the Stilwell home to Julie was "fraudulent as a matter of law" under 24 Okla. Stat. § 116, asserting that "nearly every badge of fraud exists here" and citing record evidence to that effect. (ECF 51-12, SH00090-94.)

30. The motion alleged that the total amount due under the Texas judgment against Michael was \$547,778.49 as of the motion date. (ECF 51-12, SH00094 n.3.)

31. Pointing out that the value of the Stilwell home exceeded \$547,778.49, the motion requested judgment against Julie for \$547,778.49 pursuant to 24 Okla. Stat. § 120(B)⁸ and an attachment against the Stilwell home pursuant to 24 Okla. Stat. § 119. (ECF 51-12, SH00094-95.)

⁸ Under 24 Okla. Stat. § 120(B), a creditor may recover judgment for the value of the fraudulently-transferred asset or the amount necessary to satisfy the creditor's claim, whichever is less.

32. On July 12, 2021, while the summary judgment motion was pending, Southampton and the other plaintiffs filed a motion to compel discovery responses from Julie and Michael. (ECF 59-3, SH01518-22.)

33. On August 31 and September 7, 2021, the Stephens County court ordered Julie and Michael to respond to discovery within 21 days and ruled that the plaintiffs' 26 requests for admissions were deemed admitted by Julie and Michael. (ECF 59-3, SH01572-75.)

34. On November 23, 2021, Southampton and the other plaintiffs moved to strike Julie and Michael's pleadings in the case, alleging that they had "completely failed to follow the Court's discovery orders." (ECF 59-3, SH01576-89; *id.* at SH01577 (containing quoted language).)

35. The motion also "re-urged" summary judgment on the UFTA claim, arguing that Southampton was entitled to summary judgment due to the various "badges of fraud" associated with Michael's transfer of the Stilwell home to Julie. (ECF 59-3, SH01576 & SH01585-87.)

36. The motion requested judgment against Julie and Michael for \$547,778.49 plus pre- and post-judgment interest, attorney's fees, costs and expenses, and an attachment against the Stilwell home. (ECF 59-3, SH01587-88.)

37. On February 16, 2022, the Stephens County court struck Julie and Michael's pleadings as a sanction for their violation of the court's September 7, 2021 discovery order. (ECF 59-3, SH01606-07.)

38. On March 10, 2022, Southampton and the three other plaintiffs filed a second motion re-urging summary judgment on the UFTA claim. (ECF 51-10, SH00048-61.)

39. The March 10, 2022 motion argued that Southampton was entitled to summary judgment due to the various “badges of fraud” associated with Michael’s transfer of the Stilwell home to Julie. (ECF 51-10, SH00058-59.)

40. The motion argued: “[T]he evidence is clear and now uncontroverted that under the Uniform Fraudulent Transfer Act, . . . Defendants made the complained of transfer with actual intent to hinder, delay and/or defraud the creditor Plaintiffs.” (ECF 51-10, SH00049.)

41. The motion requested judgment against Julie and Michael for \$547,778.49 plus pre- and post-judgment interest, attorney’s fees, costs and expenses, and an attachment against the Stilwell home pursuant to 24 Okla. §§ 119 and 120. (ECF 51-10, SH00059-60.)

42. On April 1, 2022, the Stephens County court granted Southampton’s motion for summary judgment; its motion re-urging summary judgment; and its second motion re-urging summary judgment. (ECF 51-2, SH00001-2.⁹)

43. The court entered judgment against Julie and Michael for \$547,778.49 plus pre- and post-judgment interest, attorney fees, costs and expenses, and an

⁹ Although its caption refers only to the second motion re-urging summary judgment, the order itself granted all three motions. (ECF 51-2, SH00001.)

attachment on the Stilwell home as provided by 24 Okla. Stat. § 119. (ECF 51-2, SH00001-2.)

44. The court based its judgment on the evidence presented, the pleadings, the arguments of counsel, and the court's file. (ECF 51-2, SH00001.)

45. On April 28, 2022, the Stephens County court entered a corrected order removing the sentence "Defendants were represented by counsel who appeared at the hearing and argued to the Court" from its April 1, 2022 order. (ECF 51-3, SH00005-6.)

46. Julie and Michael appealed the orders striking their pleadings and granting summary judgment on the UFTA claim to Oklahoma's Court of Civil Appeals. (ECF 51-4, SH00007-19.)

47. The Court of Civil Appeals affirmed both orders, finding no abuse of discretion in the decision to strike Julie and Michael's pleadings and holding that "[t]he undisputed facts show Plaintiffs were entitled to judgment as a matter of law." (ECF 51-4, SH00008.)

48. The Court of Civil Appeals held:

The undisputed evidence shows Michael Terry knew he was in litigation to recover debt he owed to Plaintiffs, during which he used settlement funds from the car dealership to purchase a house and quickly transferred it to Julie Terry, a relative. Michael Terry sought to avoid having the Kansas property be included in his Bankruptcy estate in a filing in which he asserted the property belonged to Julie Terry and therefore could not be used to pay his debts. The evidentiary materials attached to Plaintiffs' Motion for Summary Judgment support several of the "badges" of fraud set out in the UFTA. Because [the] Terrys failed to participate in

discovery to the point that their pleadings were struck, there is no evidence contradicting Plaintiffs' motion or creating a question of fact on whether the conveyance was made with intent to hinder, delay, or defraud Plaintiffs from collecting a debt.

(ECF 51-4, SH00018.)

49. The Court of Civil Appeals found that the trial court had entered judgment on the merits and not a default judgment. (ECF 51-4, SH00012.)

50. On January 12, 2023, the Oklahoma Supreme Court issued a mandate directing the Stephens County court to enter the judgment of the Court of Civil Appeals on the record. (ECF 51-5, SH00022.)

II. Conclusions of Law

Under the Oklahoma UFTA:

A. A transfer made or obligation incurred by a debtor is fraudulent as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

1. with actual intent to hinder, delay, or defraud any creditor of the debtor; or
2. without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:
 - a. was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction, or
 - b. intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

B. In determining actual intent pursuant to the provisions of paragraph 1 of subsection A of this section, consideration may be given, among other factors, to whether:

1. the transfer or obligation was to an insider;
2. the debtor retained possession or control of the property transferred after the transfer;
3. the transfer or obligation was disclosed or concealed;
4. before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit;
5. the transfer was of substantially all the debtor's assets;
6. the debtor absconded;
7. the debtor removed or concealed assets;
8. the value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;
9. the debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred;
10. the transfer occurred shortly before or shortly after a substantial debt was incurred; and
11. the debtor transferred the essential assets of the business to a lienor who transferred the assets to an insider of the debtor.

24 Okla. Stat. § 116. The factors listed in § 116(B) are sometimes referred to as “badges of fraud.” *See Land O'Lakes Inc. v. Schaefer*, 3 F. App'x 769, 772 (10th Cir. 2001).

Debts for money or property obtained by false pretenses, a false representation, or actual fraud are excepted from an individual debtor’s Chapter 7 discharge. *See* 11 U.S.C. § 523(a)(2)(A). “Actual fraud” under § 523(a)(2)(A) has two parts: actual and fraud. *Husky Int’l Elecs., Inc. v. Ritz*, 578 U.S. 355, 360 (2016).¹⁰ Anything that counts as “fraud” and is done with wrongful intent is actual fraud. *Id.* at 360. Thus, a transfer that is fraudulent under § 116(A)(1) of the UFTA—i.e., one made with actual intent to hinder, delay, or defraud a creditor—constitutes actual fraud under § 523(a)(2)(A). *See id.* at 357 (holding that actual fraud includes “a fraudulent conveyance of property made to evade payment to creditors”). In contrast, a transfer that is fraudulent under § 116(A)(2) of the UFTA—i.e., one made without reasonably equivalent value, where either the debtor’s remaining assets were unreasonably small in relation to a business or transaction, or the debtor would incur debts beyond his ability to repay as they came due—would require additional proof of wrongful intent to constitute actual fraud under § 523(a)(2)(A).

A. Collateral estoppel / issue preclusion

After the parties’ summary-judgment briefing was complete, the Court ordered them to submit additional briefs on the collateral-estoppel effect of the

¹⁰ The relevant question is whether the debtor is liable for the fraud, not whether she personally committed the fraud. *See Bartenwerfer v. Buckley*, 598 U.S. 69, 72 (2023) (“Written in the passive voice, § 523(a)(2)(A) turns on how the money was obtained, not who committed fraud to obtain it.”).

Oklahoma judgment.¹¹ The doctrine of collateral estoppel, also known as issue preclusion, “prevents a party that has lost the battle over an issue in one lawsuit from relitigating the same issue in another lawsuit.” *Melnor, Inc. v. Corey (In re Corey)*, 583 F.3d 1249, 1251 (10th Cir. 2009). The preclusive effect of a state court’s judgment is determined under the law of that state. *See McCain Foods USA Inc. v. Shore (In re Shore)*, 317 B.R. 536, 541 (B.A.P. 10th Cir. 2004) (citing *Marrese v. Am. Acad. of Orthopaedic Surgeons*, 470 U.S. 373, 380 (1985)). Thus, to determine whether the Oklahoma judgment has collateral-estoppel effect in this proceeding, the Court must look to Oklahoma law.

In Oklahoma, “[i]ssue preclusion prevents relitigation of facts *actually litigated and necessarily determined* in an earlier proceeding between the same parties or their privies.” *State ex rel. Okla. Bar Ass’n v. Giger*, 93 P.3d 32, 38 (Okla. 2004). “An issue is actually litigated and necessarily determined if it is properly raised in the pleadings, or otherwise submitted for determination, and judgment would not have been rendered but for the determination of that issue.” *Okla. Dep’t of Pub. Safety v. McCrady*, 176 P.3d 1194, 1199 (Okla. 2007). “The doctrine [of issue preclusion] may not be invoked if the party against whom the earlier decision is interposed did not have a ‘full and fair opportunity’ to litigate the critical issue in the previous case.” *Id.*

¹¹ ECF 57; *cf.* ECF 59 (Southampton’s brief); ECF 61 (Terry’s brief). Principles of collateral estoppel apply in bankruptcy proceedings under § 523(a). *Grogan v. Garner*, 298 U.S. 279, 284 n.11 (1991).

There is no dispute that Terry and Southampton were parties to the Oklahoma litigation. Terry does not argue (nor does the record suggest) that she lacked a full and fair opportunity to litigate the UFTA claim in Oklahoma.¹² The issue before the Court is whether Southampton's UFTA claim was "actually litigated and necessarily determined."

An issue is "necessarily determined" if judgment would not have been rendered but for the determination of that issue. *Nealis v. Baird*, 996 P.2d 438, 458 (Okla. 1999). The Oklahoma judgment itself does not specify which of the three transfers identified in Southampton's third amended petition—Michael's \$518,000 settlement payment, his cash purchase of the Stilwell home, or his transfer of the Stilwell home to Julie—was fraudulent. Nor does it specify whether that transfer was fraudulent under § 116(A)(1) or (2) of the UFTA. However, the judgment was precipitated by Southampton's motion for summary judgment and its two motions re-urging summary judgment. Aside from passing references, all three motions were based on one transfer: Michael's transfer of the Stilwell home to Julie.

Southampton's first motion argued that Michael transferred the home to Julie "in [an] effort to avoid his payment obligations," "for the purpose of keeping [assets] out

¹² Section 28 of the Restatement (Second) of Judgments sets out circumstances for courts to consider in determining whether a party had a full and fair opportunity to litigate. *See Miller v. Miller*, 956 P.2d 887, 898 (Okla. 1998). A party may not have had a full and fair opportunity to litigate if, for example, the party was laboring under a mental or physical disability that impeded effective litigation; another party was concealing material information; the jury's verdict was an obvious compromise; or the amount in controversy was so much smaller that preclusion would be plainly unfair. *See Restatement (Second) of Judgments § 28 cmt. j* (Am. L. Inst. 1982).

of the hands of his creditors” and “to avoid his creditors.” *See* Undisputed Facts *supra* ¶¶ 24, 26-27. The third motion argued that Michael made the transfer with actual intent to hinder, delay, or defraud. *See id.* ¶ 40. All three motions argued that Southampton was entitled to judgment as a matter of law due to the undisputed badges of fraud associated with the transfer, *see id.* ¶¶ 29, 35, 39—which, under § 116(B), demonstrate actual intent for purposes of § 116(A)(1). Thus, all three motions for summary judgment argued that Michael’s transfer of the Stilwell home to Julie was fraudulent under § 116(A)(1).

In listing the badges of fraud associated with Michael’s transfer of the Stilwell home to Julie, all three motions for summary judgment pointed out that Michael made the transfer for no consideration.¹³ However, none of the motions argued that Michael’s remaining assets were unreasonably small in relation to a business or transaction, or that he would incur debts beyond his ability to pay as they became due. Thus, none of the motions argued, nor could any of them have established, that Michael’s transfer of the Stilwell home to Julie was fraudulent under § 116(A)(2).

Because all three motions argued that Michael’s transfer of the Stilwell to Julie was fraudulent under § 116(A)(1), and none argued or could have established that the transfer was fraudulent under § 116(A)(2), the Oklahoma judgment must be a determination that Michael’s transfer of the Stilwell home to Julie was

¹³ One “badge of fraud” examines whether the transferor received reasonably equivalent value for the transferred asset. *See* 24 Okla. Stat. § 116(B)(8).

fraudulent under § 116(A)(1)—i.e., done with actual intent to hinder, delay, or defraud Southampton. Because the judgment would not have been rendered but for that determination,¹⁴ the Oklahoma court “necessarily determined” the UFTA claim under § 116(A)(1).

As to the final element of issue preclusion, Terry suggests that the UFTA claim might not have been “actually litigated” because (according to Terry) “the Oklahoma court granted judgment as a sanction, not as a determination of fraud.”¹⁵ Although she cites nothing to support her argument, Terry is presumably referring to the general rule that a default judgment is not actually litigated for issue-preclusion purposes. *Cf.* Restatement (Second) of Judgments § 27 cmt. e (“In the case of a judgment entered by confession, consent, or default, none of the issues is actually litigated.”). There are two problems with her argument. First, a default judgment entered as a *sanction* constitutes an exception to the general rule. *See, e.g., In re Corey*, 583 F.3d at 1250-51 (holding that fraud claim was “actually litigated” where default judgment was entered as sanction for party’s obstructive behavior);¹⁶ *Clark v. Zwanziger (In re Zwanziger)*, 741 F.3d 74, 78 n.4 (10th Cir.

¹⁴ As noted by the Oklahoma Court of Civil Appeals: “The granting of summary judgment ultimately depends upon a determination by the trial court of whether there is a substantial controversy as to any material fact. Even when no counterstatement has been filed, it is still incumbent upon the trial court to insure that the motion is meritorious.” ECF 51-4 at SH00012 (quoting *Spirgis v. Circle K Stores, Inc.*, 743 P.2d 682, 685 (Okla. Ct. App. 1987)).

¹⁵ ECF 61 at 3; *see also* ECF 53 at 3 (“Unfortunate for Plaintiff, the Oklahoma state court granted judgment as a sanction.”), ECF 53-1 at 3 (“Plaintiff has a judgment for fraud based discovery abuses.”).

¹⁶ *Compare* Restatement (Second) of Judgments § 27 cmt. e (“In the case of a judgment entered by confession, consent, or default, none of the issues is actually

2014) (“[I]n *Corey* we specifically made an exception to the general rule that issue preclusion does not apply to unlitigated issues because of the appellant’s ‘obstructive and delaying tactics’ that merited a ‘sanction.’”); *Oil States Indus., Inc. v. Nambakam (In re Nambakam)*, Case No. 19-13549-SAH, Adv. No. 19-01108-SAH, 2021 WL 3777567, at *7 (W.D. Okla. Aug. 25, 2021) (holding that party against whom default judgment was entered as sanction had “effectively waived the ‘actually litigated’ element of issue preclusion” under Oklahoma law). Second, Terry’s argument does not precisely reflect the actions taken by the Oklahoma court, which did not, strictly speaking, enter judgment as a sanction. Rather, the court sanctioned the Terrys by striking their pleadings, after which it granted Southampton’s now-unopposed motions for summary judgment. And issues determined on a motion for summary judgment, even an unopposed motion, *are* actually litigated for purposes of issue preclusion. *See Union Oil of Cal. v. Bd. of Equalization*, 913 P.2d 1330, 1332, 1334 (Okla. 1996) (distinguishing default judgment from unopposed summary judgment and holding that latter was entitled to collateral-estoppel effect); Restatement (Second) of Judgments § 27 cmt. d (Am. L. Inst. 1982).¹⁷ Either way, Southampton’s UFTA claim was “actually litigated” in Oklahoma.

litigated.”), *with In re Corey*, 583 F.3d at 1251 (“The context of the language quoted from the Restatement . . . makes clear that the type of ‘default’ being considered was not a default imposed as a sanction but a default resulting from an affirmative decision not to contest a matter.”).

¹⁷ Oklahoma courts look to section 27 of the Restatement in determining whether an issue was “actually litigated.” *See, e.g., Nealis v. Baird*, 996 P.2d 438, 458 & n.90 (Okla. 1999).

Terry's remaining arguments on issue preclusion address the elements of "false representation" under § 523(a)(2)(A) and are therefore inapposite.¹⁸ Southampton's claim against Terry under § 116(A)(1) of the UFTA was actually litigated and necessarily determined by the Oklahoma court. Because the Oklahoma judgment satisfies all of the elements of issue preclusion under Oklahoma law, that judgment has preclusive effect here. Terry is therefore bound by that court's determination that Michael's transfer of the Stilwell home to her was fraudulent under § 116(A)(1) of the UFTA.

B. Summary judgment

Summary judgment is appropriate when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a).¹⁹ A fact is "material" if it is essential to the proper disposition of the claim under the substantive law. *Adler v. Wal-Mart Stores, Inc.*, 144 F.3d 664, 670 (10th Cir. 1998) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). A dispute is "genuine" if there is sufficient evidence on either side so that a rational trier of facts could resolve the issue either way. *Id.*

The Oklahoma judgment conclusively establishes Terry's liability to Southampton for fraudulent transfer under § 116(A)(1) of the UFTA. Under *Husky*,

¹⁸ See, e.g., ECF 61 at 3-5 (arguing that false representation under § 523(a)(2)(A) has five elements; that false representation under Oklahoma law has four elements; and that "[u]nder any calculation four cannot be the same as five"); cf. *Chain of Command (Star Trek: The Next Generation)*, WIKIPEDIA, [https://en.wikipedia.org/wiki/Chain_of_Command_\(Star_Trek:_The_Next_Generation\)](https://en.wikipedia.org/wiki/Chain_of_Command_(Star_Trek:_The_Next_Generation)) (last visited Apr. 22, 2026) ("There are *four* lights!").

¹⁹ Fed. R. Civ. P. 56 applies to this adversary proceeding via Fed. R. Bankr. P. 7056.

such transfers—fraud done with wrongful intent—constitute actual fraud under § 523(a)(2)(A). For that reason, there is no genuine dispute as to any material fact on Southampton’s § 523(a)(2)(A) claim. Southampton is therefore entitled to judgment as a matter of law that the Oklahoma judgment is excepted from Terry’s Chapter 7 discharge under § 523(a)(2)(A).

III. Conclusion

Southampton’s second amended motion for summary judgment on its claim under § 523(a)(2)(A) is hereby granted.

IT IS SO ORDERED.

###