

The relief described hereinbelow is SO ORDERED.

SIGNED this 20th day of January, 2023.

Robert D. Berger United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF KANSAS

In re:

FAMILY LIFE CONCEPTS LLC,

Debtor.

Case No. 22-20560 Chapter 7

ORDER GRANTING MOTION TO DISMISS

This matter comes before the Court on the Chapter 7 trustee's motion to

dismiss the case for cause under 11 U.S.C. § 707(a).¹ To determine whether such

cause exists, the Court must examine:

all of the facts and circumstances leading up to the filing of this case to include the debtor's motive in filing the

¹ ECF 16.

case, the purposes which will be achieved in this case, and whether the debtor's motive and purposes are consistent with the purpose of chapter 7, that is, to provide an honest debtor with a fresh start in exchange for the debtor's handing over to a trustee all of the debtor's nonexempt assets for liquidation for the benefit of the debtor's creditors.

In re Asset Resol. Corp., 552 B.R. 856, 862 (Bankr. D. Kan. 2016) (quoting In re Bilzerian, 258 B.R. 850, (Bankr. M.D. Fla. 2001)). The Court may dismiss the case "if judicial economy would by furthered with no substantial detriment to the debtor or creditors." Id. (quoting 6 Collier on Bankruptcy ¶ 707.03[2] (Alan N. Resnick & Henry J. Sommer eds., 16th ed.)). "Ultimately, the decision to dismiss a Chapter 7 case for cause rests within the sound discretion of the bankruptcy court." Id. (quoting In re Kaur, 510 B.R. 281, 286 (Bankr. E.D. Cal. 2014)).

In this case, the Chapter 7 trustee points out that there are no assets in the bankruptcy estate and that the debtor (an LLC) is not eligible for a Chapter 7 discharge.² The debtor, Family Life Concepts, does not dispute the trustee's observations, but responds that "[w]ithout misconduct, bad faith, or lack of good faith, [such] allegations should be found as inadequate cause for dismissal."³

Here, as in *Asset Resolution*: "This is not a Chapter 7 case filed to maximize value for creditors, corporations do not receive a discharge, the Debtor has no

² ECF 16 at 1.

³ ECF 20 at 4. Quoting *Collier on Bankruptcy* ¶ 707.03, Family Life also argues that "the ability of the debtor to pay his debts in whole or in part does not constitute adequate cause for dismissal." ECF 20 at 2. But the point of that quote is that a debtor who *can* pay shouldn't be forced out of Chapter 7 (and possibly into Chapter 13) for that reason alone—the quote says nothing about an LLC who *can't* pay.

business to reorganize, and there are no assets for the Trustee to liquidate." *In re Asset Resol. Corp.*, 552 B.R. at 863. While Family Life argues that "there are other purposes that may be served by a bankruptcy besides a discharge,"⁴ it has not identified any such purposes here—suggesting that whatever Family Life hopes to achieve in bankruptcy court, it is not pursuing a fundamental bankruptcy purpose. The Court finds that there is no reason for Family Life to remain in Chapter 7; that dismissal would further judicial economy with no substantial detriment to any party; and that cause exists to dismiss this case under 11 U.S.C. § 707(a).

The trustee's motion to dismiss is hereby granted.

IT IS SO ORDERED.

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⁴ ECF 20 at 4.