

Bond Case Briefs

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BANKRUPTCY - KANSAS

In re Grillot

United States Bankruptcy Court, D. Kansas - December 21, 2017 - 578 B.R. 651

Creditor moved to dismiss debtor's Chapter 7 case for substantial abuse. Debtor filed motion for summary judgment, asserting his debts were not primarily consumer debts.

The Bankruptcy Court denied the motion, and the case proceeded to trial.

The Bankruptcy Court held that debtor's guaranty of his estranged wife's company's industrial revenue bond obligations was not a "consumer debt."

Chapter 7 debtor's guaranty of his estranged wife's company's industrial revenue bond obligations in connection with a commercial development project in exchange for her waiver of spousal support was not a "consumer debt," for purposes of statute permitting dismissal for substantial abuse; the guaranty debt was incurred primarily on behalf of a business venture and commercial transaction, and not for a personal, family or household purpose.