SO ORDERED,

Judge Jamie A. Wilson
United States Bankruptcy Judge
Date Signed: June 10, 2026

The Order of the Court is set forth below. The docket reflects the date entered.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI

IN RE:

JOYCE M. HEWITT, **CASE NO. 24-02654-JAW**

DEBTOR. **CHAPTER 7**

ORDER: (A) DENYING EMERGENCY MOTION TO TEMPORARILY STAY LIQUIDATION AND MAINTAIN STATUS QUO PENDING HEARING; (B) DENYING MOTION TO RECONVERT CASE TO CHAPTER 13; AND (C) GRANTING TRUSTEE'S REQUEST FOR INFORMATION FROM DEBTOR

This matter came before the Court for hearing on June 8, 2026 (the "Hearing"), on the Emergency Motion to Temporarily Stay Liquidation and Maintain Status Quo Pending Hearing (the "Stay Motion") (Dkt. #137) filed by the debtor, Dr. Joyce M. Hewitt (the "Debtor")[1]; the Trustee's Objection to Debtor's Emergency Motion to Temporarily Stay Liquidation and Maintain Status Quo Pending Hearing (the "Trustee's Objection to Stay Motion") (Dkt. #142) filed by Stephen Smith, the chapter 7 trustee (the "Chapter 7 Trustee"); the Motion to Reconvert Case to Chapter 13 (the "Motion to Reconvert") (Dkt. #136) filed by the Debtor; and the Trustee's Response to Debtor's Motion to Reconvert Case To Chapter 13 (Dkt. #141) filed by the Trustee in the above-referenced chapter 7 bankruptcy case (the "Chapter 7 Case").

[1] At the Hearing, the Debtor introduced herself as Dr. Joyce Hewitt and stated that she holds a PhD and is a mental health provider. (Hr'g at 1:34 (June 8, 2026)). The Hearing was not transcribed. Citations are to the timestamp of the audio recording.

At the Hearing, the Debtor appeared *pro se*. The Chapter 7 Trustee, Stephen Smith, was present and was represented by Eileen N. Shaffer.

JURISDICTION

This Court has jurisdiction over the parties and the subject matter of this proceeding pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). Notice of the Hearing was proper under the circumstances.

FACTS[2]

The Court adopts and incorporates by reference the facts set forth in the order denying the Debtor's motion to voluntarily dismiss the Chapter 7 Case because of her bad faith (the "Order Denying Motion to Dismiss")[3] (Dkt. #134). The facts below include those necessary to provide context to the Court's rulings on the present motions filed by the Debtor.

The Debtor commenced her Chapter 7 Case on November 12, 2024. (Dkt. #1). After determining that there were assets in the bankruptcy estate, the Chapter 7 Trustee filed a notice to creditors to file proofs of claim. (Dkt. #30). Faced with the prospect of losing the Properties, the Debtor filed a motion to convert her case to a chapter 13 proceeding. (Dkt. #31). The Chapter 7 Trustee objected. (Dkt. #32). The parties reached an agreement, and an order was entered converting the chapter 7 case to a chapter 13 case. (Dkt. #40). The order converting the case provided that the Debtor could not dismiss her chapter 13 case but could only convert it back to a chapter 7 proceeding.

The Debtor filed a Chapter 13 Plan (the "Plan") (Dkt. #49) proposing to pay $400 per

[2] The following findings of fact and conclusions of law are made pursuant to Rules 7052 and 9014(c) of the Federal Rules of Bankruptcy Procedure. To the extent any of the findings of fact herein are considered conclusions of law, they are adopted as such, and vice versa.
[3] No appeal was taken and the Order Denying Motion to Dismiss became final. This Order uses the same definitions that appear in the Order Denying Motion to Dismiss.

month over 60 months. The Chapter 13 Trustee objected on the ground that the monthly Plan payments were too low.[4] (Dkt. #69). The Debtor agreed to increase the monthly Plan payments to $1,555 (Dkt. #75),[5] and the Plan was confirmed on October 24, 2025. (Dkt. #88). Because of a government shutdown lasting from October 1, 2025 to November 12, 2025, the Debtor became delinquent in her Plan payments and filed a motion asking the Court to suspend Plan payments through November 2025. (Dkt. #94). The Court granted her request. (Dkt. #101). After the suspension ended, the Trustee amended the wage order to increase the Debtor's monthly Plan payments to $1,700 to account for the suspended payments. (Dkt. #103).

The Debtor again became delinquent in her Plan payments, and the Chapter 13 Trustee moved to convert the Debtor's bankruptcy case to a chapter 7 proceeding. (Dkt. #106). The Court granted the Chapter 13 Trustee's motion, and the case was converted to a chapter 7. (Dkt. #108). Before the conversion, the Debtor had made only four partial monthly Plan payments totaling $2,100. (Dkt. #142-1). At no point did she ever make the regular Plan payment of $1,700.

The reconversion of her chapter 13 case to a chapter 7 proceeding meant the Properties were again subject to liquidation by the Chapter 7 Trustee, who, with the Court's approval, hired an auctioneer and law firm to handle the sales process. (Dkt. #116, #119).

On April 3, 2026, the Debtor filed a motion attempting to voluntarily dismiss the Chapter 7 Case (Dkt. #121), which the Court denied on May 19, 2026 (Dkt. #134). In the Order Denying Motion to Dismiss, the Court concluded that the Debtor had acted in bad faith:

> The actions of the Debtor show that she seeks dismissal of her Chapter 7 Case because the Chapter 7 Trustee has targeted the Properties for sale. The sale process

[4] The Chapter 13 Trustee asserted that the Plan was not filed in good faith because the Debtor failed to disclose $95,800 in non-exempt real and personal property in her bankruptcy schedules; received $18,000 in settlement of a personal injury claim shortly before filing the Chapter 7 Case; sold stock in 2024 for roughly $8,000; failed to provide for payment of the mortgage arrearage in the Plan; and withheld copies of her Cash App statements. (Dkt. #69).

[5] In the agreed order resolving the Chapter 13 Trustee's objection to the Plan, the Debtor agreed to pay at least $76,850 to timely filed unsecured creditors. (Dkt. #75). Based on this agreement, a separate order was entered directing the Debtor to pay $1,555 monthly to the Chapter 13 Trustee. (Dkt. #80).

> will provide a source of distribution to unsecured creditors who might otherwise receive nothing. The Debtor's attempt to dismiss her Chapter 7 Case is an effort to prevent creditors from receiving those sale proceeds.

(Dkt. #134 at 10).

On May 26, 2026, the Debtor filed the Motion to Reconvert and related Stay Motion. The Debtor now contends that her present financial circumstances have substantially changed since her prior chapter 13 proceeding for the following reasons:

1. She has been unable to work since March 9, 2026 because of a medical condition and is currently under a doctor's care;
2. She was relieved from duty from her federal employment on April 14, 2026;
3. Her current income has been substantially reduced and primarily consists of VA disability compensation; and
4. She has filed claims for workers' compensation benefits and federal disability retirement, both of which remain pending.

(Dkt. #136 at 2). She proposes a "temporary" chapter 13 plan payment of $100 per month while her claims for workers' compensation benefits and federal disability retirement remain pending. (Dkt. #136 at 3). The Debtor attached to the Motion to Reconvert numerous documents, including medical records; a letter dated April 14, 2026 terminating her employment; filings related to her applications for workers' compensation, federal disability retirement, and social security benefits; an updated calculation of her monthly expenses; correspondence with her prior bankruptcy counsel; a letter from the VA outlining her current benefits; and separate affidavits signed by her and her spouse Frederick Hewitt. (Dkt. #136-1).

As to the Chapter 7 Trustee's attempts to sell the Properties, the Debtor contends that the liquidation "may unnecessarily disrupt ongoing domestic relations matters and adversely affect substantial equitable interests asserted by the soon-to-be-ex-husband." (Dkt. #136 at 3). In her affidavit, she notifies "the Chapter 7 trustee and the Court of significant events affecting real property located at: 116 Mason Boulevard[,] Jackson, Mississippi." (Dkt. #136-1 at 41). She reports that her sister had occupied the property until March 1, 2026, and that the property had been damaged by a fire in May 2026. She suspects her sister's ex-boyfriend may have knowledge of the incident. (Dkt. #136-1 at 42). In her Stay Motion, the Debtor asks the Court to prevent the Chapter 7 Trustee from selling the Properties until the Motion to Reconvert is resolved.

The Trustee opposes all relief requested by the Debtor. He argues that "the monthly plan payments required for her Chapter 13 Plan would be substantial and the Debtor was unable to make them when she was employed." (Dkt. #141 at 2). The Trustee asks the Court to order the Debtor to provide certain information about the occupants of the Properties. (Dkt. #142 at 1-2).

DISCUSSION

The Motion to Reconvert is yet another attempt[6] by the Debtor to prevent the Chapter 7 Trustee from selling the Properties. For the reasons outlined in the Order Denying Motion to Dismiss, the Court finds that the Motion to Reconvert should be denied as a bad faith filing. *See Marrama v. Citizens Bank of Mass*., 549 U.S. 365 (2007) (holding that a conversion from chapter 7 to chapter 13 may be denied on grounds of bad-faith conduct). Even in the absence of the Debtor's bad faith conduct, the Court finds that allowing the Debtor to convert her chapter 7 case to a chapter 13 proceeding would be futile because cause would exist for reconversion.

To reconvert her Chapter 7 Case to a chapter 13 proceeding, the Debtor must satisfy 11 U.S.C. § 706(d), which provides that "a case may not be converted to a case under another chapter of this title unless the debtor may be a debtor under such chapter." 11 U.S.C. § 706(d); *see In re Harmon*, No. 18-10579, 2022 WL 20451952, *3 (Bankr. E.D. La. June 9, 2022). Upon reconversion, the Debtor would be bound by the Plan that was confirmed before the conversion of

[6] As part of an unauthorized property settlement agreement in her divorce proceedings, the Debtor intentionally transferred the Properties to her husband on March 18, 2026, knowing that she had failed to obtain relief from the automatic stay or approval from the Bankruptcy Court. (Dkt. #134 at 7). At the Chapter 7 Trustee's request, the Chancellor set aside the property settlement agreement and voided the deeds. (Dkt. # 134)

her prior chapter 13 case to chapter 7. 11 U.S.C. § 1327. The Debtor, however, was unable to maintain her previous chapter 13 plan payments of $1,700 per month or even make one full monthly play payment during the time that she was gainfully employed by the VA. Since then, her financial circumstances have worsened. Her employment at the VA ended, and she has a medical condition that allegedly renders her unable to work.

She admits that she is unable afford the monthly payment amount in the confirmed Plan. That amount would significantly increase to account for all missed Plan payments. She proposes instead to pay $100 per month on a temporary basis until she begins receiving workers' compensation and federal disability retirement benefits. (Hr'g at 1:36-1:37). The documents attached to the Motion, however, show only that she has applied for these benefits; at this juncture, that additional income is speculative. (Dkt. #136-1 at 14-17).

The Debtor's proposed $100 monthly payment will not support her Chapter 13 Plan because of the value of the non-exempt assets. 11 U.S.C. § 1325(a)(4). The Chapter 7 Trustee estimates fire insurance proceeds for the fire damage to the property at 116 Mason Boulevard to range from $20,000 to $30,000, an amount that would require a monthly Plan payment of at least $1,000. (Hr'g at 1:51). That amount is a tenfold increase from the amount proposed by the Debtor.

Given the Debtor's present financial condition, even if she converted her Chapter 7 Case to a chapter 13 proceeding, it would ultimately end in a conversion back to chapter 7. This case has been pending more than eighteen months, and the Debtor has time and again demonstrated her inability to comport with the requirements of chapter 13. Accordingly, the Court finds that the Motion to Reconvert should be denied.

In the Stay Motion, the Debtor seeks a temporary stay of all efforts to sell the Properties pending resolution of the Motion to Reconvert. Having determined that the Motion to Reconvert should be denied, the Court finds that the Stay Motion should be denied as moot.

CONCLUSION

The Court has expended considerable judicial resources in this matter, having previously denied the Debtor's motion to dismiss because of her bad faith. (Dkt. #134). The Court again finds that the Debtor's bad faith precludes the present relief she seeks. Aside from the bad faith issues, the Plan is simply not feasible and reconverting her Chapter 7 Case to a chapter 13 proceeding is not in the best interest of the Debtor's creditors. For the past eighteen months, creditors have remained unpaid while the Debtor has received the full benefit of the automatic stay.

IT IS, THEREFORE, ORDERED that the Stay Motion is denied as moot.

IT IS FURTHER ORDERED that the Motion to Reconvert is denied.

IT IS FURTHER ORDERED that within seven days of the date of this Order, the Debtor shall send an email to counsel for the Chapter 7 Trustee at eshaffer@eshaffer-law.com providing the names, telephone numbers, and email addresses of the occupants of the Properties located at:

- 649 Forest Avenue, Jackson, MS 39206; and
- 116 Mason Blvd., Jackson, MS 39212.

##END OF ORDER##