SO ORDERED,

Judge Jamie A. Wilson
United States Bankruptcy Judge
Date Signed: June 11, 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:

KEVIN DALE CAMP,	**CASE NO. 25-01352-JAW**
DEBTOR.	**CHAPTER 7**

ORDER GRANTING JOINT MOTION TO APPROVE
COMPROMISE AND SETTLEMENT PURSUANT TO RULE 9019

This matter came before the Court for hearing on June 8, 2026 (the "Hearing"), on the Joint Motion to Approve Compromise and Settlement Pursuant to Rule 9019 (the "Joint Settlement Motion") (Dkt. #127), filed jointly by J. Stephen Smith, the chapter 7 trustee ("Trustee") for the bankruptcy estate of Kevin Dale Camp (the "Debtor"),[1] and Roberts, Bridges & Boydston, PLLC ("RB&B"); the Objection to Joint Motion to Approve Compromise and Settlement Pursuant to Rule 9019 (the "Objection") (Dkt. #137) filed by the Debtor; the Trustee's Amended Reply to Objection to Joint Motion to Approve Compromise and Settlement Pursuant to Rule 9019 (the "Reply") (Dkt. #141) filed by the Trustee; and the Joinder in Trustee's Amended Reply to Objection to Joint Motion to Approve Compromise and Settlement Pursuant to Rule 9019 (the "Joinder") (Dkt. #142) filed by RB&B in the above-referenced bankruptcy case (the "Bankruptcy Case").

[1] The Debtor is an attorney practicing criminal defense law in Mississippi.

At the Hearing, Jim F. Spencer, Jr. represented the Trustee and Eileen N. Shaffer represented the Debtor. G. Todd Burwell appeared on behalf of RB&B. The Trustee testified at the Hearing in support of the settlement.

Jurisdiction

This Court has jurisdiction over the parties to and the subject matter of the Adversary 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]

Debtor's Retention of RB&B

In 2021, the Debtor retained RB&B to represent him in divorce proceedings filed against him by his now ex-wife Amanda Camp in the Chancery Court of Madison County, Mississippi, *Amanda H. Camp v. Kevin Dale Camp*, Cause No. 2021-532-C ("Divorce Proceedings"). In an Agreed Judgment of Divorce,[3] the Madison Chancery Court approved a property settlement agreement under which Amanda Camp agreed to pay the Debtor $157,500 in two equal installments, with $78,750 payable within thirty days and the balance of $78,750 payable within one year. Amanda Camp paid the Debtor the first installment in April 2023. (Dkt. #112 at 2).

Fee Dispute Between the Debtor & RB&B

Before the second installment became due, a dispute arose between the Debtor and RB&B regarding the amount of attorneys' fees and costs charged by RB&B for the legal services it provided the Debtor in the Divorce Proceedings. On November 12, 2024, just before the second $78,750 payment by Amanda Camp under the Agreed Judgment became due, RB&B filed a Notice

[2] Pursuant to Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure, the following constitutes the findings of fact and conclusions of law of the Court.
[3] The Agreed Judgment was filed under seal in the Divorce Proceedings. (Dkt. #112 at 1-2).

of Attorney's Lien in the Divorce Proceedings. (Cl. #4-1 at 5). Days later, RB&B sued the Debtor in the County Court of Rankin County, Mississippi to collect the past due balance of its attorneys' fees. *Roberts, Bridges & Boydston, PLLC v. Kevin D. Camp*, Cause No. 2023-2126 ("Collection Action"). This litigation between the Debtor and RB&B was contentious. (Hr'g at 2:24-2:25 (June 8, 2026)).[4]

Amanda Camp's Interpleader Action

Because the Debtor and RB&B asserted competing claims to the second $78,750 payment, Amanda Camp filed an interpleader complaint in the County Court of Rankin County, Mississippi, *Amanda H. Camp v. Kevin D. Camp and Roberts, Bridges & Boydston, PLLC*, Civil Action No. 24-718 ("Interpleader Action").[5] The Rankin County Court authorized the interpleader of the funds and consolidated the Interpleader Action with the Collection Action. Amanda Camp deposited $78,750 into the registry of the Rankin County Court where it remains today.

Summary Judgment Award in Favor of RB&B in Collection Action

In the Collection Action, the Rankin County Court, the County Court entered an order on March 13, 2025 granting summary judgment in favor of RB&B in the amount of $105,133.75 plus interest. (Cl. #4-1 at 12-17). RB&B thereafter filed a motion seeking additional attorneys' fees and expenses incurred in bringing the Collection Action. (Cl. #4-1 at 18-29). The Debtor filed a motion to reconsider, which was not heard because of the Debtor's intervening bankruptcy filing.

The Debtor's Bankruptcy Case

The Debtor filed a chapter 7 petition for relief on May 30, 2025. (Dkt. #1). In the Bankruptcy Case, the Trustee notified creditors that assets had been discovered that could result

[4] The Hearing was not transcribed. Citations are to the timestamp of the audio recording.
[5] The Trustee questions why the Interpleader Action was filed in Rankin County Court rather than in Madison Chancery Court where the Agreed Judgment was entered. (Dkt. #112 at 3 n.1).

in a distribution to creditors and that creditors who wished to share in the distribution must file a proof of claim. (Dkt. #11, #12). The Claims Register shows that unsecured creditors filed claims totaling $983,305.70. Included in this amount is the unsecured priority tax claim of $39,674.89 owed to the Internal Revenue Service. (Cl. #2-1). The Trustee testified that the estate will not have sufficient funds to pay unsecured creditors in full. (Hr'g at 2:15-2:16). The Summary of Schedules lists Debtor's assets of $998,853.09 against liabilities of $1,158,406.36. (Dkt. #2 at 1).

RB&B's Claim Against the Estate

RB&B filed a claim totaling $208,056.04 of which RB&B asserts a secured claim of $78,750 based on its purported attorney's lien. The Trustee testified at the Hearing that he investigated the basis for RB&B's attorney's lien, understood the legal theory and issues related to "constructive possession" of the funds, and instructed his counsel to file an objection to the secured portion of the claim. (Hr'g at 2:10, 2:14). As a result, the Trustee filed the Motion for Turnover of Property of the Estate (the "Turnover Motion") (Dkt. #77) seeking an order requiring the Rankin County Court to turn over the interpled funds of $78,750 and the Objection to Proof of Claim No. 4 Filed by Roberts, Bridges & Boydston, PLLC (the "Claim Objection") (Dkt. #78), challenging RB&B's attorney's lien. RB&B responded to the Turnover Motion and Claim Objection by filing the Response in Opposition to Trustee's Motion for Turnover of Property of the Estate. (Dkt. #84) and the Response in Opposition to Trustee's Objection to Proof of Claim No. 4 Filed by Roberts, Bridges & Boydston, PLLC. (Dkt. #91). The Trustee filed his Response to Roberts, Bridges & Boydston, PLLC's Response to Objection to Claim (Dkt. #112).

Proposed Settlement of RB&B's Secured Claim

The Trustee and RB&B filed their Joint Settlement Motion, asking the Court to approve a settlement of the Turnover Motion and Claim Objection pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure ("Rule 9019"). They propose to enter into an agreed order authorizing the Rankin County Court to release the interpled funds to the Trustee. Upon receipt of those funds, the Trustee will disburse $58,750 to RB&B in full satisfaction of the secured portion of its claim and retain $20,000 for the benefit of the estate. RB&B would then amend its proof of claim to assert only an unsecured claim of $149,306.04. (Dkt. #127; Hr'g at 2:12).

The Debtor's Objection to the Settlement of RB&B's Secured Claim

The Debtor filed the only objection to the proposed settlement. (Dkt. #137). The Debtor contends that there is no basis for the Trustee to compromise and settle RB&B's claim. He does not object to the amount of RB&B's claim but to its secured status, essentially for the same reasons asserted by the Trustee in the Turnover Motion and Claim Objection. According to the Debtor, the entire amount owed RB&B is unsecured because an attorney must "hold or retain" funds to assert an attorney's lien under Mississippi law and RB&B never held or retained possession of the interpled funds. Instead, the interpled funds were deposited by Amanda Camp with the Rankin County Court. He objects to the Trustee's payment of $58,750 to a creditor with a "questionable" secured claim. (Hr'g at 2:25).

The Trustee's and RB&B's Response to the Debtor's Objection

In his Reply, the Trustee challenges the Debtor's standing to object to the settlement because of the insolvency of the bankruptcy estate. (Dkt. #141). RB&B joins the Trustee in his challenge to the Debtor's standing and, in the alternative, asks the Court to overrule the Debtor's objection based on applicable law concerning attorney's liens. (Dkt. #142).

At the Hearing, the Trustee, who has 27 years of experience, testified that the settlement is fair and reasonable and in the best interest of the bankruptcy estate and creditors because the estate would probably not net $20,000 if the matter were fully litigated. (Hr'g at 2:09, 2:15). The Trustee stated that given the cost of litigating the validity of RB&B's attorney's lien, the $78,750 would not go very far and that he had already incurred legal fees. (Hr'g at 2:13, 2:15). Burwell outlined the case law supporting the merits of RB&B's secured claim, and the Trustee admitted that he was unsure about the estate's position. (Hr'g at 2:13). The Trustee believes RB&B would likely appeal if the estate prevailed. (Hr'g at 2:14). In that regard, counsel for RB&B detailed the contentious litigation history between the parties in the Collection Action. (Hr'g at 2:24-2:25). The Trustee does not believe the estate will receive any funds absent settlement. (Hr'g at 2:`14). Counsel for the Trustee, RB&B, and the Debtor presented the Court with case law supporting their respective positions.

Discussion

A. The Debtor's Standing to Object to the Proposed Settlement

A chapter 7 debtor ordinarily does not have standing to challenge the settlement of a claim against the estate because a debtor in a liquidation proceeding is "hopelessly insolvent and thus has no pecuniary interest in the administration of the estate." *In re Solomon*, 129 F.3d 608 n.10 (5th Cir. 1997); *see Dean v. Seidel (In re Dean)*, 18 F.4th 842, 844 (5th Cir. 2021) ("Appellants cannot demonstrate bankruptcy standing when the court order to which they are objecting does not directly affect their wallets."). The Fifth Circuit Court of Appeals, however, has recognized exceptions to the solvent estate rule. First, "[a]n equity interest holder may be a party in interest if 'there exists a possibility that there will be a surplus after payment of claims.'" *Okorie v. Citizens Bank (In re Okorie),* No. 24-60255, 2024 WL 4471734 (5th Cir. Oct. 11, 2024) (unpublished) (citing *In re Curry*, 409 B.R. 831, 837-38 (Bankr. N.D. Tex. 2009)). Second, a debtor may be a party in interest "if the sustained claim objection will pay more towards a non-discharged debt." *Id*.

The Trustee convincingly testified (without any dispute by the Debtor) that unsecured creditors will not be paid in full and that the Bankruptcy Case is not a surplus case (Hr'g at 2:15-2:16), meaning that the Debtor will not receive a distribution under 11 U.S.C. § 726(a)(6). The first exception set forth in *Okorie* does not apply. The Court, however, finds that the Debtor has standing to object under the second *Okorie* exception because of the Internal Revenue Service's unsecured priority tax claim of $38,674.89 for the 2024 tax year—a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(1)(B)(ii). A successful objection to RB&B's secured claim may result in more money being freed up to pay a greater distribution on the Debtor's nondischargeable tax debt. Therefore, the Court is satisfied that the Debtor has a pecuniary interest in the proposed settlement and accepts and considers the Debtor's objection.

B. Rule 9019 Settlement

The Joint Settlement Motion does not require the Court to render a decision on the merits of RB&B's secured claim but to determine, pursuant to Rule 9019, whether the joint settlement proposed by the Trustee and RB&B is "fair and equitable and in the best interest of the estate." *Conn. Gen. Life Ins. Co. v. United Cos. Fin. Corp. (In re Foster Mortg. Corp.)*, 68 F.3d 914, 917 & n.2 (5th Cir. 1995). Rule 9019 provides, "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." FED. R. BANKR. P. 9019(a). To minimize litigation and expedite the administration of a bankruptcy estate, "[c]ompromises and settlements are favored in bankruptcy." 10A COLLIER ON BANKRUPTCY ¶ 9019.01 (16th ed. 2026).

The Fifth Circuit has identified three factors that a bankruptcy court must consider in assessing a Rule 9019 motion "with a focus on comparing 'the terms of the compromise with the likely rewards of litigation.'" *Official Comm. of Unsecured Creditors v. Moeller (In re Age Ref., Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015) (quoting *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 602 (5th Cir. 1980)). A bankruptcy court must evaluate: (1) the probability of success in litigating the adversary claim; (2) the complexity and likely duration of litigation; and (3) all other factors bearing on the wisdom of the compromise. *Id.* The third prong's "other factors" include: (a) "the best interests of the creditors, 'with proper deference to their reasonable views'"; and (b) "'the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.'" *Id.* (quoting *Official Comm. of Unsecured Creditors v. Cajun Elec. Power Coop., Inc. (In re Cajun Elec. Power Coop., Inc.)*, 119 F.3d 349, 356 (5th Cir. 1997)). These factors may be summarized as requiring the compromise to be "fair and equitable" and "in the best interest of the estate." *Cajun Electric*, 119 F.3d at 355.

1. Probability of Success in Litigating Claim

"[I]t is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement." *Cajun Electric*, 119 F.3d at 356. Instead, the bankruptcy court "need only apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision." *Id.* (internal quotations & citation omitted).

RB&B filed a Notice of Attorney's Lien in the Divorce Proceedings. RB&B defines a charging lien as a lien that an attorney has "upon judgments and decrees, including any proceeds thereof" that the attorney has procured for a client. *See In re Blount*, 168 B.R. 133, 140 (Bankr. N.D. Miss. 1994). RB&B's Notice of Attorney's Lien provided notice that it had file a lawsuit against the Debtor for the collection of his past due balance and that monies of $78,750 owed by his ex-wife, Amanda Camp, pursuant to a Final Judgment of Divorce should be paid to RB&B. The filing of the Notice of Attorney's Lien, according to RB&B, perfected its lien.

Under Mississippi law, an attorney "may impose a special or charging lien entitling the attorney to recover his fee from the proceeds of the judgment of a case." *Tyson v. Moore*, 613 So.

2d 817, 826 (Miss. 1992). The Trustee argues in the Claim Objection that the charging lien only applies to money in the attorney's actual possession. (Dkt. #112 at 4). RB&B disagrees that possession must be actual, citing *Brothers in Christ, Inc. v. American Fidelity Fire Insurance*, for the proposition that "[p]ossession in this sense need not be actual, but may be constructive." 680 F. Supp. 815, 818 (S.D. Miss. 1987). The Trustee argues that *Brothers in Christ* looked to *Abernethy v. Savage*, 141 So. 329 (Miss. 1932) for that proposition but that *Abernethy* recognized constructive possession only when the funds are under the attorney's control. (Dkt. #112 at 5). RB&B's filing of the Notice of Attorney's Lien, according to the Trustee, did not place the funds under its control.

The Trustee also argues that the facts here are different because Amanda Camp interpled the funds into Rankin County Court whereas the Agreed Judgment was issued by Madison County Chancery Court. He contends that the Rankin County Court lacked jurisdiction to enforce any lien on funds in its possession until it issued a final judgment determining RB&B's right to recover attorneys' fees from the Debtor. Because no final judgment was entered before the Debtor filed for bankruptcy because of the Debtor's pending motion to reconsider, the Trustee argues that RB&B does not have a perfected pre-petition lien.

The Trustee testified that he has considered the probability of success for his objection to RB&B's secured claim and conducted a cost benefit analysis to determine that it is not a "slam dunk" for either side. (Hr'g at 2:13). Clearly, given the testimony of the Trustee and arguments by counsel at the Hearing, there is room for legal argument and disagreement as to the merits of RB&B's secured claim and for the reasons explained below, the estate is unable to absorb the risk of litigation because it has no assets available to liquidate in order to pay administrative claims.

For all of these reasons, the Court finds that this first factor weighs in favor of approving the settlement.

2. Complexity & Expense of Litigation

The issues raised by the parties present complex legal questions but little disputed facts. Litigation probably would cost the estate substantial legal fees in relative proportion to the amount the Trustee would recover if he prevailed. (Hr'g at 2:13). In light of the Trustee's testimony that the estate is insolvent, additional legal fees of any amount would negatively impact unsecured creditors. Further, given the prior relationship between the Debtor and RB&B, the Trustee testified that an appeal was likely if RB&B did not prevail. (Hr'g at 2:14). The settlement of the dispute between the Trustee and RB&B would resolve two contested matters. Thus, approval of the settlement would mean that the estate would incur no further litigation expenses and would receive $20,000. The Court finds that this second factor weighs in favor of approving the settlement.

3. Other Relevant Factors Bearing on the Wisdom of the Settlement

The Debtor maintains that the settlement is not fair to him because it results in payment of a "questionable" claim. His opposition to the settlement does not question whether the settlement is in the best interests of creditors of the estate or whether it was the result of arm's-length bargaining, both of which are relevant factors in assessing the wisdom of a proposed settlement. *Cajun Electric*, 119 F.3d at 356. Here, the Debtor does not purport to represent the interests or views of creditors of the estate—his only interest is in having the RB&B claim declared unsecured so that the funds could be paid to his nondischargeable priority tax debt. However, Debtor's position assumes that the Trustee would prevail in the claim dispute with RB&B and that the estate could afford the fight—it can't. Moreover, he presented no evidence at the Hearing of any collusion or fraud, and the Court finds none. The Trustee's testimony at the Hearing established that he negotiated the settlement in good faith and that he fully investigated the claim. (Hr'g at 2:07-2:10). Accordingly, the Court finds that the balance of relevant factors weighs in favor of approving the proposed settlement.

Conclusion

The Court finds that this settlement is "fair and equitable" when considering the likely rewards, costs, and risks of litigation. *See Foster Mortg.*, 68 F.3d at 917. The Court thus concludes that the settlement should be approved, the Joint Settlement Motion should be granted, and the Objection should be overruled.

IT IS, THEREFORE, ORDERED that the settlement is approved and the Joint Settlement Motion is granted.

IT IS FURTHER ORDERED that the Objection is overruled.

##END OF ORDER##