



## Opinion 534

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**Opinion Title:** 07/29/2009 PUBLISHED In re Rupp v. Ayres, Case No. 07-2002, Judge Thurman.

**Body:** In this adversary proceeding, the Court considered allegations of fraud asserted by the Chapter 7 Trustee against a number of defendants who participated pre-petition in an alleged short sale of the Debtor's residence. A realtor who specializes in short sales convinced the Debtor to proceed with a listing by producing a sham buyer for the residence and convincing the Debtor's lenders to discount their claims. All the while, and without the knowledge of the Debtor or her lenders, the realtor and his business associates were marketing the property to a third party who had money and financing to buy the home for approximately \$100,000 more than the short sale offer. After the sale to the third party closed, the Debtor was induced to sign the documents necessary for the alleged short sale. The Court found fraud, fraudulent transfer under both state and federal law, and negligence, and allowed for an additional hearing for determination of punitive damages.

**File:**  [534.pdf](#) [1]

**Judge:** [Judge William T. Thurman](#) [2]

**Date:** Wednesday, July 29, 2009

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