

Dated: February 12, 2026
The following is ORDERED:



A handwritten signature in black ink, appearing to read "M. Ruthie Hagan".

M. Ruthie Hagan
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

In re
Jamtarsha L. Sanders
Debtor

Case No. 25-25681
Chapter 7

**OPINION AND ORDER GRANTING DEBTOR'S MOTION FOR SANCTIONS FOR
WILLFUL VIOLATION OF THE AUTOMATIC STAY**

This matter is before the Court on the Debtor's Motion for Sanctions for Violating the Automatic Stay [DE 12] seeking entry of an order pursuant to 11 U.S.C. § 362(k) finding Landlord Creditor Southwind Lake Apartments in willful violation of the automatic stay and awarding Debtor's actual damages and punitive damages, and the Landlord Creditor's Response thereto. [DE 13]

This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (O), and this Court is authorized to issue a final order in determination of this matter. Accordingly, the Court has both the statutory and constitutional authority to hear and determine these proceedings subject to the statutory appellate provisions of 28 U.S.C. § 158(a)(1) and Part VIII (“Bankruptcy Appeals”) of the Federal Rules of Bankruptcy Procedure. This decision constitutes the Court's findings of fact and conclusions of law under FED. R. CIV. P. 52, made applicable to this contested matter by FED. R. BANKR. P. 7052. Regardless of whether specifically referred to in this decision, the Court has examined the submitted materials, considered statements of counsel, considered the testimony given in this matter, considered all of the evidence, and reviewed the entire record of the case. Based upon that review, and for the following reasons, the Court hereby determines that Debtor’s Motion is granted.

**DISCUSSION OF BACKGROUND FACTS AND
PROCEDURAL HISTORY OF THE CASE**

The facts of this case are undisputed. Debtor fell behind in her rent payments and failed to pay her apartment rent during the months of October and November, 2025. As a result of the rent delinquency, Debtor’s Landlord, Southwind Lakes Apartments, filed a forcible entry and detainer action (“FED”) against Debtor in the Shelby County General Sessions Court on October 16, 2025. The FED warrant, however, was not served for some time. In the meantime, the Debtor, acting *pro se*, commenced this case under Chapter 7 of the Bankruptcy Code on November 5, 2025. Debtor listed her unexpired residential lease on Schedule G of her bankruptcy petition [DE 1] and also listed her landlord on the attached Creditor Matrix. [DE 1-2] The Bankruptcy Court accordingly entered its Notice of Chapter 7 Bankruptcy Case stating that the order for relief had been entered [DE 2] and the Bankruptcy Noticing Center sent notice of the bankruptcy filing to, among others, Southwind Lakes Apartments via first class mail on November 7, 2025. [DE 8]

Schedule J of the Chapter 7 bankruptcy petition indicates that Debtor's two minor children reside with her in the apartment. [DE 1] Out of an abundance of caution, Debtor made Landlord aware of the Chapter 7 filing via email to the property manager on November 5, 2025, followed by a telephone call with the property manager on November 7, 2025. [DE 20] At that time, Debtor had just started a new job and attempted to pay her past-due rent for October and arrange payment at a later date for the November rent, but was told by the property manager that the delinquent payments could not be split and the only amount that Landlord would accept was a payment of the arrearages in full. *Id.*

The bankruptcy case was still in its early stages when Debtor filed a Motion on December 8, 2025, seeking sanctions against Landlord and alleging a willful violation of the automatic stay. [DE 12] In spite of the many attempts to notify Landlord of the automatic stay in place, on Friday, December 5, 2025, Debtor arrived home to find the FED warrant attached to her front door, giving notice of her eviction hearing scheduled for December 11, 2025. The warrant was stamped "filed" on October 16, 2025. *Id.* Because the warrant was served on a Friday, Debtor's hands were tied until the following Monday, December 8, 2025, when she filed her Motion. Debtor sent a copy of the Motion to Landlord's counsel via email on December 8, 2025, and also indicated that she would be sending a certified copy to Counsel's office as well. [DE 20] Alleging Landlord's willful violation of the automatic stay pursuant to 11 U.S.C. § 362(k)(1), the Motion seeks actual damages due to Debtor being forced to take time off work from her new job in order to file the Motion, and damages for her emotional distress, fear of losing her home, and fear of losing her new job for the time she has been required to be off from work to address the issues with her Landlord. [DE 12] Debtor is also seeking punitive damages.

On December 9, 2025, Debtor placed a call to Landlord’s attorney and received a reply email a short time later from Counsel’s legal assistant, informing her that it was not necessary for Debtor to appear in the General Sessions court for the December 11 eviction hearing as the FED action would be dropped from the court’s docket due to the bankruptcy filing, that the prepetition rent arrearages for October and November would be discharged in bankruptcy, and that Debtor would need to pay her December rent, which was already delinquent. *Id.* Debtor then contacted her property manager to make arrangements to pay her December rent, and was told by the property manager that she would accept the payment “with reservation.” *Id.* Debtor stated to the Court that her December rent was paid.

Landlord filed its Response in Opposition to Debtor’s Motion for Sanctions [DE 13] on December 10, 2025, contending that the FED action was commenced on October 16, 2025 — prior to the bankruptcy — and that due to the slow pace at which General Sessions Court operates, service of the FED warrant was not issued until December 1, 2025. Under these circumstances where a bankruptcy case has been filed during the lag time in General Sessions Court, Counsel’s usual practice is to drop the FED action at the initial court hearing. *Id.* “Simply put, what is before the Court is a misunderstanding that is the result of the sluggish pace at which General Sessions processes FEDs — and not any misconduct of Lessor.” *Id.*

The next day, on December 11, 2025, Landlord filed its Motion for relief from the automatic stay, alleging a pre-petition rent arrearage of \$4,070 and a post-petition rent delinquency of \$2,035 representing non-payment for the month of December. [DE 15] The Motion also seeks a \$275 attorney fee plus \$199 court costs, as well as a waiver of the Rule 4001(a)(3) 14-day stay. *Id.* On the same day, Landlord filed a claim in the case for \$4,070 — the amount of the pre-petition rent arrearage incurred in October and November plus associated costs and fees. [Claim #1]

Debtor filed her Opposition to the Motion for stay relief [DE 20], setting forth additional facts and copies of email correspondence exchanged with Landlord's Counsel's legal assistant, including an email from the legal assistant which states:

You do realize that the automatic stay was not violated. We have responded to that and if you had just reached out to us prior to filing the Motion, you would have realized that timeline. You spoke with them through email on November 5th, but the filing of the eviction went downtown for processing with General Sessions on October 16th, so anything you told them on November 5th would not have affected the fact that the filing was already in the process of being issued by the court. General Sessions court has been taking 2 months to process filings, so a filing in October is being issued in December. Once we learned of the bankruptcy, the case that was set by General Sessions was dropped from the calendar. We have done everything in our power to deal with issues as they arise. All you need to know at this time however, is that if you pay December 26th as planned, then the Motion will be continued from its current setting in January to a later date in January to give you time to pay January's rent. We will withdraw the Motion if you are able to pay January's rent in January.

Id. Debtor sums up her grievances in her Opposition to the Motion for relief from the automatic stay as follows:

Due to the fact that I was informed I would not be responsible for Pre-Petition Rents owed (October and November 2025) and that I am now allowed to pay December 2025 and this notification came on December 9, 2025 shows that I did not intentionally try to pay late. This makes the Motion For Relief From The Automatic Stay invalid and the Expedited Hearing is clearly an attempt to hastily deprive me of the rights that they continuously violated.

All of the reasons outlined above illustrate the blatant disregard for 11 U.S.C. [§] 362, my case, and this court. I have made repeated attempts to keep all parties informed and follow all rules and codes pertaining to my case and have been constantly met with misinformation and a lack of concern for how their actions would affect my case and already fragile financial situation. The Violation of the Automatic Stay has caused me to miss unpaid time from work on several occasions, spend money to create and send motions and oppositions via First Class Mail to inform all parties as mandated by law, live in fear of housing instability over the holiday season, and

fear the loss of my job while still under my probationary period. All while trying to rebuild my finances during bankruptcy. This stress has taken a toll on my work life, my home life, and the lives of my dependents. Southwind Lakes Apartments and their representatives have shown a lack of regard for and attention to my Chapter 7 Bankruptcy Case and should not be rewarded with relief from the stay or the sanctions being requested.

Id., ¶¶ 7-8. Debtor is seeking actual damages in the amount of \$4,544 consisting of pre-petition rents, attorney fees and filing fees, and punitive damages in the amount of \$7,360 “and any other damages the court finds just and appropriate.” *Id.*

At the hearing on the Motion for sanctions and the Motion for relief from the automatic stay on January 7, 2026, Landlord’s Counsel argued that Debtor can show no damages resulting from any alleged violation of stay, that Debtor was simply served “a piece of paper” and the Landlord dropped the FED action immediately upon learning of the bankruptcy, which was apparently upon receipt of the Debtor’s Motion for sanctions. Debtor asserted that she did everything she could to keep all parties informed of her case and her attempts to pay rent, that she was misinformed and given incorrect legal advice by Counsel’s legal assistant, and that Landlord committed multiple violations of the automatic stay and is not operating in good faith.

It is against this factual background that the Court turns to its analysis of the issues presented.

LAW AND ANALYSIS

Willful Violation of the Automatic Stay

From the moment a bankruptcy petition is filed under Chapter 7, 11, 12, or 13, the debtor and the debtor’s estate¹ are afforded the protection of an automatic stay against essentially all

¹ It should be noted that a possessory interest — such as in a lease — even without a legal interest, is property of the bankruptcy estate and subject to the automatic stay. *See* 11 U.S.C. §§ 362(a) and 541.

creditor collection activity, without any action by the bankruptcy judge. This broad protection is established in Bankruptcy Code § 362(a), which provides that the filing of a bankruptcy petition

operates as a stay, applicable to all entities, of . . . (1) the commencement or continuation . . . of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title; (2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case under this title; (3) any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.

11 U.S.C. § 362(a). The legislative history outlines the reasoning for this central element of bankruptcy law:

The automatic stay is one of the fundamental debtor protections provided by the bankruptcy laws. It gives the debtor a breathing spell from his creditors. It stops all collection efforts, all harassment, and all foreclosure actions. It permits the debtor to attempt a repayment or reorganization plan, or simply to be relieved of the financial pressures that drove him into bankruptcy.

H.R. Rep. No. 95-595, at 340 (1977), reprinted in 1978 U.S.C.C.A.N. 5963, 6296-97.

The automatic stay “neither extinguishes a debt nor creates rights in the debtor. . . . The stay merely suspends proceedings.” JEFFRY H. GALLET & MAUREEN M. FINN, SPOUSE AND CHILD SUPPORT IN NEW YORK § 5:11 (2022) (citations omitted). Hence, the filing of a bankruptcy petition prohibits the commencement or continuation of a judicial action against the debtor, any act to collect on a claim against the debtor, the enforcement of any judgment against the debtor, the exercise of setoff rights, and any act to obtain possession of or create a lien on the debtor’s property. HON. WILLIAM HOUSTON BROWN, BANKRUPTCY AND DOMESTIC RELATIONS MANUAL 96 (Gavin Phillips et al. eds., 2007). It also provides protection for individual creditors “from the

effects of a race to the courthouse, thereby promoting the equal treatment of creditors.” *In re Witham*, 579 B.R. 787, 792 (Bankr. E.D. Ky. 2017).

In most bankruptcy cases², the automatic stay remains in effect until the bankruptcy case is either dismissed or otherwise concluded, or unless an interested party files a motion for termination of the automatic stay pursuant to 11 U.S.C. § 362(d).

Bankruptcy debtors have a private right of action against creditors for any willful violation of the automatic stay that causes injury to the debtor. In such cases, the debtor “shall recover actual damages, including costs and attorneys’ fees, and, in appropriate circumstances, may recover punitive damages.” 11 U.S.C. § 362(k)(1). Even if a violation of the automatic stay is not deemed to be “willful,” *any* action taken in violation of the stay is void ab initio. *See In re Kennedy*, No. 20-25503 (Bankr. W.D. Tenn. July 02, 2021) (finding perfection of a lien to be in violation of the stay and therefore void). A creditor may violate the automatic stay even if the creditor has no knowledge of the bankruptcy filing. Once a creditor learns of the bankruptcy filing, the creditor’s actions, or omissions, may rise to the level of “willful,” thus subjecting the offending creditor to strict liability for damages.

“A violation is willful if the creditor deliberately carried out the prohibited act with knowledge of the debtor’s bankruptcy case.”³ *In re Webb*, No. 2012 WL 2329051, at *15 (B.A.P. 6th Cir. April 9, 2012) (quoting *In re Printup*, 264 B.R. 169, 173 (Bankr. E.D. Tenn. 2001)). The *Webb* Court went on to state:

² In some cases where the debtor is a repeat filer, the automatic stay may be in place for only 30 days, or may not be triggered at all by the bankruptcy filing. *See* 11 U.S.C. § 362(c)(3). In such cases the debtor must petition the bankruptcy court for an extension or imposition of the automatic stay. *Id.*

³ Bankruptcy Code § 342(g)(2) provides that “[a] monetary penalty may not be imposed on a creditor for a willful violation of a stay in effect under section 362(a) (including a monetary penalty imposed under section 362(k)) . . . unless the conduct that is the basis of such violation . . . occurs after such creditor receives notice effective under this section of the order for relief.”

[It is] incumbent upon creditors to take the necessary steps to halt or reverse any pending State Court actions or other collection efforts commenced prior to the filing of a bankruptcy petition, including garnishment of wages, repossession of automobile, foreclosure of a mortgage or a judgment lien and, thereby, maintain, or restore, the status quo as it existed at the time of the filing of the bankruptcy petition.

Id. at *14 (quoting *In re Banks*, 253 B.R. 25, 30 (Bankr. E.D. Mich. 2000)). The debtor need not show nor even allege a creditor's specific intent to violate the automatic stay.

A specific intent to violate the stay is not required, or even an awareness by the creditor that her conduct violates the stay. It is sufficient that the creditor knows of the bankruptcy and engages in deliberate conduct that, it so happens, is a violation of the stay. Moreover, where there is actual notice of the bankruptcy it must be presumed that the violation was deliberate or intentional. Satisfying these requirements itself creates strict liability. There is nothing more to prove except damages.

Id. at *15 (quoting *In re Daniels*, 206 B.R. 444, 445 (Bankr. E.D. Mich. 1997)). A creditor's good-faith belief that its intentional actions did not violate the automatic stay is not a defense. *Id.*

In this case, the Bankruptcy Noticing Center sent notice of the bankruptcy filing and the order for relief to Landlord via first class mail on November 7, 2025. [DE 8] Even if, for some reason, Landlord did not receive the BNC's notice (which it has not alleged), it absolutely received actual knowledge when Debtor personally made Landlord aware of her Chapter 7 filing via email to the property manager on November 5, 2025, followed by a telephone conversation with the property manager on November 7, 2025. [DE 20] Despite the repeated notice of the Chapter 7 case, Landlord failed to dismiss the pending FED action in the General Sessions court, resulting

in a willful violation of the automatic stay.⁴ In these cases, “[t]he creditor sets in motion the process. The creditor is very much in the driver’s seat and very much controls what is done thereafter if it chooses. If the continuation [of a state court action] is to be stayed, it (the creditor) cannot choose to do nothing and pass the buck to the debtor.” *Johnston v. Parker (In re Johnston)*, 321 B.R. 262, 283-84 (D. Ariz. 2005) (citation omitted). Furthermore, although “state court judges generally refrain from proceeding once they are made aware of a bankruptcy filing, the burden is on the creditor not to seek relief against a debtor in violation of the stay.” *Id.* at 283 (citation omitted). Based on the facts set forth above, the Court finds that Landlord’s post-petition continuation of the prosecution of the pre-petition FED action against the Debtor constitutes a willful violation of the automatic stay. Accordingly, the Court is required under § 362(k)(1) to impose sanctions against Landlord in an amount equal to Debtor’s actual damages.⁵

Actual Damages

As set forth above, Debtor has alleged that Landlord’s actions have “caused [her] to miss unpaid time from work on several occasions, spend money to create and send motions and oppositions via First Class Mail to inform all parties as mandated by law,” as well as the infliction of emotional distress and fear of losing her job and/or her home. [DE 20] A debtor “seeking damages under § 362(k) must prove, by a preponderance of the evidence, that damages were

⁴ Landlord’s argument that it had no ability to stop the service of process is without merit. In this case, Landlord used a private process server of its choice. Landlord had a duty to contact the process server to stop all continued actions against the Debtor.

As this Court previously noted in a similar case, despite counsel’s assertions that the change in Clerk of Court of the General Sessions Court in Shelby County, Tennessee, has caused multiple delays in eviction proceedings, it does not alleviate the obligation to stop all actions against bankruptcy debtors.

⁵ It is clear to the Court that Debtor, in her repeated efforts to communicate with Landlord and then with Landlord’s attorney, attempted to mitigate her damages by attempting to avoid this controversy over Landlord’s continued prosecution of the FED action.

proximately caused by and reasonably incurred as a result of the violation of the automatic stay.” *In re Witham*, 579 B.R. at 793-94 (citations and internal quotation marks omitted). “To that end, [a] debtor must be able to demonstrate the amount of damages incurred with a reasonable degree of certainty and must support this claim with evidence.” *Id.* at 794 (citations and internal quotation marks omitted). The Court finds that Debtor is entitled to recover actual damages constituting her out-of-pocket expenses incurred as a result of Landlord’s willful violation of the automatic stay.

Punitive Damages

Pursuant to § 362(k), the Court, in its discretion, may also award punitive damages if it finds a willful violation of the stay. “A party seeking punitive damages under § 362(k) must demonstrate that the creditor’s conduct was ‘egregious, vindictive, or intentionally malicious.’” *Id.* at 795. (citations omitted). Further, “[w]hile proof of an overt wrongful intent is not required, it must be shown that the creditor acted in bad faith or otherwise undertook its actions in reckless disregard of the law.” *Id.* (citations omitted). The Court finds that Landlord had notice of the bankruptcy filing but failed to cease prosecution of the FED action in General Sessions court in reckless disregard of the law. The Debtor not only incurred actual expenses as a result of Landlord’s actions (or inaction, as the case may be), but also suffered emotional distress. Landlord is a “sophisticated party” in its dealings with Debtor and has the ability to pay. *See Id.* at 796. These factors tip the scales towards an award of punitive damages. In order to deter similar conduct by Landlord in the future, the Court finds that, in addition to actual damages, punitive damages are also warranted in this case.

CONCLUSION

Based on the facts presented, the Court finds that the actions of Landlord Southwind Lakes Apartments in continuing its prosecution of an FED action in the General Sessions court after

being notified of Debtor's Chapter 7 bankruptcy filing constitute a willful violation of the stay. A separate hearing will be held on **Wednesday, February 25, 2026 at 11:30 a.m.** in the United States Bankruptcy Court, Courtroom No. 680, 200 Jefferson Avenue, Memphis, Tennessee to determine actual damages and punitive damages. Debtor shall be prepared at the hearing to offer evidence supporting her claim for actual expenses incurred, including but not limited to any earnings statements from her employer, expense receipts and pertinent testimony.

The Bankruptcy Court Clerk shall serve a copy of this Opinion and Order on the following interested parties:

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