

*In re* Daisy Menendez

13-36867-BKC-LMI

The Debtor made two transfers from a non-exempt account into exempt annuities. One transfer was made the day before the bankruptcy filing and emptied out the account; the other transfer was made almost a year and a half before the Debtor filed the bankruptcy petition. As to the transfer made the day before the bankruptcy filing, the Court held that the transfer was fraudulent because of the timing, the fact that she used some of the funds to pay her bankruptcy lawyer and the presence of other badges of fraud. However, as to the transfer that took place over a year and a half before the Debtor filed, the Court held that the Debtor was able to overcome the presumption of fraud by testifying that she transferred the money pursuant to a financial advisor's advice and because the Debtor left more than half the money in the non-exempt account even though there were already multiple judgments against her at the time of the first transfer. Accordingly, the Court ordered the Debtor to turnover the amount of the second transfer to the Trustee.