

Dated: July 3, 2019



*Daniel P. Collins*

Daniel P. Collins, Bankruptcy Judge

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA**

<b>In re:</b>	)	<b>Chapter 7 Proceedings</b>
	)	
<b>EDMUNDO MUNOZ,</b>	)	<b>Case No. 2:19-bk-05828-DPC</b>
	)	
<b>Debtor.</b>	)	<b>SANCTIONS ORDER AGAINST</b>
	)	<b>SAUNDRA EHRHARDT AND</b>
	)	<b>AIRHARDT ENFORCEMENT</b>
	)	<b>SERVICE</b>

In the United States Bankruptcy Court for the District of Arizona, only licensed attorneys, certified bankruptcy petition preparers, or individuals filing *pro se* are permitted to prepare and file documents with this Court. Bankr. D. Ariz. L. R. 2090-2. L. R. 2090-2 permits only those bankruptcy petition preparers (as defined by 11 U.S.C. § 110) who are certified legal document preparers pursuant to the Rules of the Supreme Court of the State of Arizona to prepare documents for filing in this Court. A bankruptcy petition preparer who prepares documents for filing must sign the document and identify themselves within the document. 11 U.S.C. § 110(b)(1) and (c). A bankruptcy petition preparer must also file a declaration with the petition disclosing fees received. 11 U.S.C. § 110(h)(2).

A bankruptcy petition preparer who fails to comply with the provisions of 11 U.S.C. § 110, “may be fined not more than \$500 for each such failure.” 11 U.S.C. § 110(l)(1). Moreover, a bankruptcy petition preparer will be subject to triple the fine under § 110(l)(1) if the Court finds the bankruptcy petition preparer failed to inform the debtor that the debtor was filing for bankruptcy; or if the bankruptcy petition preparer “prepared a document for filing in a manner that failed to disclose the identity of the bankruptcy petition preparer.” 11 U.S.C. § 110(l)(2)(C) and (D).

1 This is Debtor Edmundo Munoz's ("Debtor") third bankruptcy filing in the past year.  
2 Debtor filed a chapter 7 bankruptcy on August 21, 2018, case number 2:18-bk-10076-BKM. The  
3 petition was filed by non-debtor Fatimata M. Sy, as evidenced by the identification provided to  
4 the Clerk's office at the time of filing (DE 3). The case was dismissed on September 7, 2018, for  
5 failure to pay the filing fee and to file the required documents. Debtor filed a second chapter 7  
6 bankruptcy on October 16, 2018, case number 2:18-bk-12612-PS. That petition was filed by non-  
7 debtor Jason Lamar Andrews, as evidenced by the identification provided to the Clerk's office at  
8 the time of filing (DE 3). That case was dismissed on November 2, 2018, for failure to pay the  
9 filing fee and to file the required documents.

10 On May 10, 2019, Debtor filed this current chapter 7 bankruptcy petition. On May 30,  
11 2019, Debtor filed a motion ("Motion") to disgorge the fees he paid to an uncertified bankruptcy  
12 petition preparer (DE 26). Debtor filed his Statement of Financial Affairs (DE 23) on May 30,  
13 2019, in which he identified a \$500 payment to Sandra Ehrhardt ("Ms. Ehrhardt") in August  
14 2018 for bankruptcy consultation and/or preparation of bankruptcy petition. According to Debtor,  
15 Ms. Ehrhardt also did the document preparation work for the filing of Debtor's first two  
16 bankruptcies.

17 On June 27, 2019, the Court held a hearing on Debtor's Motion and on the Court's Order  
18 to Show Cause Against Sandra Ehrhardt and Airhardt Enforcement Service ("OSC"). Ms.  
19 Ehrhardt was properly served with the Motion, the OSC and notice of the June 27, 2019 hearing.  
20 Ms. Ehrhardt failed to appear and explain the services she provided to Debtor, why her fees should  
21 not be disgorged, or why she should not be sanctioned by this Court.

22 Ms. Ehrhardt failed to sign Debtor's bankruptcy petition or to print her name and address  
23 in this case or in Debtor's two prior bankruptcy cases in violation of 11 U.S.C. § 110(b)(1) and  
24 (c). Ms. Ehrhardt also failed to provide her certification number, business phone number and email  
25 address pursuant to Local Bankruptcy Rule 2090-2(a), and failed to file the required Disclosure  
26 of Compensation in any of Debtor's three bankruptcy cases. Further, Ms. Ehrhardt charged an  
27 amount above the presumed reasonable fee amount of \$200.00 and has not filed a motion for  
28 approval of such excessive fees. *See In re Thueson*, 4-08-bk-10121-JMM, 2009 WL 1076888

1 (Bankr. D. Ariz. March 12, 2009) (an application must be made to the court for bankruptcy  
2 petition preparer fees in excess of \$200 per bankruptcy case); *In re Hill*, 450 B.R. 885, 897 (B.A.P.  
3 9th Cir. 2011) (§ 110 in essence precludes allowance of compensation greater than \$200 even  
4 based on superior credentials). Finally, to this Court's knowledge, Ms. Ehrhardt is not certified  
5 by the Supreme Court of Arizona as a bankruptcy petition preparer.

6 Ms. Ehrhardt was involved in the filing of at least five other cases in this District: (1) 2:  
7 17-bk-05078-DPC; (2) 2:17-bk-08485-MCW; (3) 2:17-bk-11144-MCW; (4) 2:18-bk-07904-PS;  
8 and (5) 2:17-bk-05479-MCW. In all five cases, Ms. Ehrhardt committed similar violations of 11  
9 U.S.C. § 110 and/or Local Rule 2090-2. In another case, the Honorable Brenda K. Martin issued  
10 a Sanctions Order against Ms. Ehrhardt because of her violations of 11 U.S.C. § 110 and Local  
11 Rule 2090-2. Ms. Ehrhardt and Airhardt Enforcement Service, and all its employees, agents and  
12 contractors were barred from preparing documents for filing in the U.S. Bankruptcy Court for the  
13 District of Arizona. Ms. Ehrhardt was ordered to return and refund \$1,200 to the debtor and Ms.  
14 Ehrhardt was fined \$900 for her violations of 11 U.S.C. § 110.

15 **IT IS HEREBY ORDERED** that Ms. Ehrhardt shall pay the sum of \$2,500 (\$500 for  
16 each of the other violative cases she filed in this District) to the Clerk of this Bankruptcy Court  
17 within 10 business days of this Order. When such funds (or any portion thereof) are received by  
18 the Clerk, they shall be held in *custodia legis* pending further order of this Court.

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20 **DATED AND SIGNED ABOVE.**  
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Notice to be sent to the following:

Ms. Sandra Ehrhardt  
13229 N. Verde River Dr., Suite 201  
Fountain Hills, AZ 85268

Ms. Sandra Ehrhardt  
18626 N. Palomar Dr.  
Sun City West, AZ 85375

Ms. Sandra Ehrhardt  
3001 W. Indian School Rd., #218  
Phoenix, AZ 85017

Fatimata M. Sy  
915 W Alta Vista Rd., #1048  
Phoenix, AZ 85041

Jason Lamar Andrews  
1616 W Pasadena Ave., #113  
Phoenix, AZ 85015

United States Trustee  
230 N. First Ave., Suite 204  
Phoenix, AZ 85003

Edmundo Munoz  
5056 W. Desert Cove  
Glendale, AZ 85304

David M. Reaves  
PO Box 44320  
Phoenix, AZ 85064-4320

Judge Brenda K. Martin  
United States Bankruptcy Court  
District of Arizona  
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Phoenix, AZ 85003

Arizona Supreme Courts Building  
Certification and Licensing Division  
1501 West Washington Street, Suite 104  
Phoenix, Arizona 85007