

Circuit Court for Prince George's County
Case No. C-16-CV-22-001303

UNREPORTED*

IN THE APPELLATE COURT

OF MARYLAND

No. 569

September Term, 2024

GRACE COLLINS

v.

KATHLEEN LYU RYAN, ET AL.

Berger,
Shaw,
Raker, Irma S.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Berger, J.

Filed: November 26, 2025

* This is an unreported opinion. This opinion may not be cited as precedent within the rule of stare decisis. It may be cited for its persuasive value only if the citation conforms to Rule 1-104(a)(2)(B).

This appeal arises from the entry of a declaratory judgment in the Circuit Court for Prince George’s County in favor of appellee, Kathleen Lyu Ryan (“Ms. Ryan”). Ms. Ryan alleged that her sister, appellant Grace Collins (“Ms. Collins”), entered a loan agreement on behalf of their now deceased mother, Duk Sun Lyu (“the Decedent”), acting as her power of attorney. Ms. Collins obtained an arbitration award that was subsequently entered as a monetary judgment in the United States District Court for the Central District of California. Ms. Collins sought to retain all funds from the monetary judgment received following breach of the loan agreement, alleging that she entered the loan agreement on her own behalf using funds from an account jointly owned by herself and the Decedent. Ms. Ryan alleged that the invested funds belonged solely to the Decedent, and any funds recovered from the monetary judgment should be returned to the Estate of Duk Sun Lyu (the “Estate”).

Following a two-day bench trial, the court found that Ms. Collins had used the jointly owned account as a “pass-through” to funnel funds from the Decedent’s solely owned account for the purpose of financing the loan. The court found that Ms. Collins had executed the loan agreement on the Decedent’s behalf and that the money belonged to the Decedent, and therefore, the monetary judgment received following the breach of the loan agreement belonged to the Estate. The court further found that in keeping the monetary judgment to herself, Ms. Collins breached her fiduciary duty as personal representative of the Estate. This appeal followed.

QUESTIONS PRESENTED

Ms. Collins presents five questions for our review, which we have recast into four questions and rephrased as follows:¹

- I. Whether the circuit court properly exercised jurisdiction in adjudicating Ms. Ryan’s Complaint.
- II. Whether the circuit court erred in denying Ms. Collins’ motion for summary judgment.
- III. Whether the circuit court erred in ruling that Ms. Collins treated the Checking Account as a “pass-through” account and because Duk Sun Lyu’s sole funds financed

¹ Ms. Collins phrased the questions as follows:

1. Did the Circuit Court err as a matter of law in applying the preponderance of the evidence standard when ruling on an issue involving the rebuttable presumption of ownership with a jointly owned savings account?
2. Did the Circuit Court err in determining that the monetary judgment adjudicated in the United States District Court for the Central District of California is the property solely of the Estate of Duk Sun Lyu because the Loan Agreement was funded by Duk Sun Lyu solely by using a joint account as a “pass-through” account?
3. Did the Circuit Court err as a matter of law in denying Appellant’s motion for summary judgment?
4. Did the Circuit Court have the jurisdiction to hear collateral attacks on a monetary judgment previously adjudicated in the United States District Court for the Central District of California?
5. Did the Circuit Court err in determining that Appellant, acting as personal representative, breached a fiduciary duty owed to the Estate of Duk Sun Lyu?

the loan, any funds received for the breach of contract belonged to the Estate.

IV. Whether the circuit court erred in finding that Ms. Collins breached her fiduciary duty to the Estate.

For the following reasons, we affirm the judgment of the circuit court pertaining to questions one and two. Because we hold that the record is ambiguous regarding which evidentiary standard the circuit court applied to rebut the presumption of joint ownership, we vacate the court’s order and remand to the circuit court for the limited purpose of applying the clear and convincing standard. We, therefore, do not address the fourth question, and vacate the court’s finding that Ms. Collins breached her fiduciary duty to the Estate. The trial court is directed to address this contention on remand.

BACKGROUND

The Joint Account and the Loan Agreement

In 2011, the Decedent executed a durable power of attorney, naming both her husband, Seung Lyun Lyu, and Ms. Collins as co-agents with the authority to “act in, manage and conduct all [her] financial and business affairs, and to sign, in [her] name and on [her] behalf, all or any documents.” In 2012, the Decedent granted Ms. Collins a personal signature card for a checking account ending in 6288 and later added Ms. Collins as power of attorney on a savings account ending in 4652 (the “Account”). Following Seung Lyun Lyu’s death in 2012, Ms. Collins served as the Decedent’s sole power of attorney. On April 9, 2016, the Decedent changed the status of both accounts -- which were formerly individual accounts solely owned by the Decedent -- to joint accounts with

the right of survivorship, naming Ms. Collins as a joint owner. Ms. Collins still retained her power of attorney status.

On December 4, 2016, Ms. Collins entered into a loan agreement with Richard Rionda of Hannibal Production (collectively “Hannibal Production”). Ms. Collins signed the agreement as “an individual,” and the agreement made no mention of the Decedent. Pursuant to the agreement, Ms. Collins agreed to lend Hannibal Production \$245,000.00 for the production of a live motion picture. The loan was to be repaid in full by December 5, 2017. Interest at a rate of 13%, amounting to \$31,850.00, was also to be paid prior to December 5, 2017, for a total repayment of \$276,850.00.

On December 7, 2016, Ms. Collins initiated a wire transfer, sending \$10,000 from the Account to Hannibal Production. On December 12, 2016, the Decedent endorsed a check in the amount of \$244,941.73, transferring the funds from her solely owned Capital One investment account to the Account. The following day, December 13, 2016, Ms. Collins initiated a second wire transfer, sending \$235,000 from the Account to Hannibal Production. Hannibal Production failed to repay the loan prior to the December 5, 2017 deadline.

Proceedings to Recover on the Loan Agreement

On October 11, 2018, Ms. Collins, acting pro se, filed a Complaint in the Circuit Court for Prince George’s County requesting injunctive relief. The Complaint named as plaintiffs Duk Sun Lyu and “Grace Collins, ([Power of Attorney] POA).” The Complaint alleged that “[Mr. Rionda] was the President of [Hannibal Production] at the time of the signing of the Loan Agreement (attached) between GC [Ms. Collins] (acting on behalf of

DSL [Duk Sun Lyu], who is 92yo and has Alzheimer[']s, as her power of attorney) and [Hannibal Production].” The Complaint further alleged that “GC repeatedly explained she was making this loan on behalf of her mothers’ long[-]term health needs” and that “[Hannibal Production] never intended to pay back GC/DSL for the loan and refused all requests from GC for such repayment[.]” The Complaint contains multiple references to the “DSL/GC loan” and the “DSL/GC monies.”

On November 11, 2018, Ms. Collins also filed a criminal action against Hannibal Production and signed the action “Grace Collins POA for Duk Sun Lyu.” The criminal action contains multiple references to “my mom’s money.” Ms. Collins alleged that when she talked to associates of Mr. Rionda, “people were surprised she invested her mother[']s money with him” and noted that on December 5, 2017, she wrote to Mr. Rionda saying that “she looked forward to receiving her mom’s money back[.]” Ms. Collins further alleged that “this is Elder care financial fraud abuse as [Mr. Rionda] clearly knew this was my mother’s money Duk Sun Lyu 92 [years old], [the] loan was made for her health care fund [and] he knew this[.]” The criminal case was ultimately dropped.

The civil Complaint was removed to the United States District Court for the District of Maryland, and then transferred to the United States District Court for the Central District of California. Pursuant to the arbitration clause contained in the loan agreement, on August 14, 2019, the matter was forwarded to arbitration proceedings. Duk Sun Lyu passed away on November 1, 2019, while the arbitration proceedings were pending. Ms. Collins was appointed personal representative of the Estate.

On December 31, 2019, Ms. Collins filed a petition for an emergency hearing to the Orphan’s Court for Prince George’s County, requesting to hire a new attorney to represent the Estate in the arbitration proceedings, and noting that failure to hire an attorney would disrupt the arbitration hearing schedule, which “will severely lessen our ability to recoup the investment loan . . . [w]hich is approx. 1/3 of the probate estate.” The court permitted Ms. Collins to retain new counsel for the Estate, and on March 10, 2020, Ralph Powers was retained to represent the Estate.

At the same time, the California law firm Lowe & Associates was pursuing the claims against Hannibal Production. Through Mr. Powers’ representation, Ms. Collins attempted to pay Lowe & Associates from the Estate’s funds, filing a petition for attorneys’ fees on April 30, 2020. The petition noted that “there is currently ongoing litigation in the State of California wherein the Estate is suing for Breach of Contract in the approximate amount of \$250,000.00” and if successful, the litigation “will net the Estate a substantial amount of money which would be distributed to all three heirs.” The petition was ultimately denied. In seeking to recover his own attorneys’ fees in representing the Estate in other matters,² Mr. Powers filed a petition on January 21, 2021, which noted that “the Special Administrator [Ms. Collins] is pursuing a fraud case against a debtor of the Decedent in California,” and due to the denial of the prior fee petition, the “Special Administrator . . . lost her legal representation and is proceeding in a pro-se fashion. Thus,

² Ms. Ryan filed a caveat action on February 4, 2020, alleging multiple issues with the Decedent’s Will, and attempted to remove Ms. Collins as personal representative. Ms. Ryan dismissed the caveat action against the Estate on December 9, 2022, and Ms. Collins was restored from Special Administrator to Personal Representative.

more time is required by undersigned to maintain a working knowledge of the likelihood of success in recouping Decedent's funds."

Following the Decedent's death, there appeared to be some confusion regarding the Estate's status as a party to the arbitration. The Estate was ultimately removed as a party, although Ms. Collins continued to maintain that she was pursuing the claim on behalf of the Estate.³ An arbitration award was secured on May 7, 2021, and on January 18, 2022, the United States District Court for the Central District of California entered a monetary judgment in the amount of \$526,898.24 in favor of Ms. Collins. The District Court's judgment made no mention of the Decedent or the Estate.

On May 3, 2022, Ms. Collins was deposed in the caveat proceedings. When asked why the loan agreement was signed in her own name, Ms. Collins responded "I forgot to put the word POA next to it," referring to her own signature. After attesting that the Decedent was aware that Ms. Collins made the loan to Hannibal Production, Ms. Collins was asked if she cleared the decision with any other parties, to which she responded: "No,

³ Ms. Collins argues in her brief that this was because the arbitrator "found that Duk Sun Lyu (and by extension, the Estate of Duk Sun Lyu) had no valid claim in the matter." This is a mischaracterization of the arbitration and Ms. Collins own testimony. At trial, Ms. Collins testified that the law firm "Lowe & Associates fought on behalf of the estate" during the arbitration. Ms. Collins testified that "[t]he minute [Lowe & Associates] backed out [of the arbitration], the whole case was dismissed." She continued, "they declared that I had the right to sue in my own name -- [that] was the only way that I was able to win this judgment." Ms. Collins went on to pursue arbitration through counsel as the only remaining party. Ms. Collins, however, continued to represent in correspondence with counsel that she was pursuing recovery on the Estate's behalf. In our view, it is misleading to say the least in characterizing the dismissal of the arbitration following the withdrawal of the Estate's counsel as a finding by the arbitrator that the Estate was not a proper party.

I didn't have to. I was allowed to make investments on her behalf. That's what the POA papers say." Ms. Collins additionally testified as follows:

[MS. RYAN'S COUNSEL]: Was all the money that you invested with -- well, I am sorry -- that you gave to Mr. Del Castro and his production company, that 245,000, your mom's money?

[MS. COLLINS]: Yes, yes.

[MS. RYAN'S COUNSEL]: The answer is yes? So was any of that money yours?

[MS. COLLINS]: No.

On December 9, 2022, Ms. Ryan learned that Ms. Collins was no longer asserting that the California monetary judgment was probate property, and was now maintaining that the judgment belonged to Ms. Collins alone. Ms. Ryan filed a Complaint in the Circuit Court for Prince George's County on December 28, 2022, seeking a declaratory judgment ordering that the California monetary judgment belonged to the Estate of Duk Sun Lyu, and also alleged that Ms. Collins had breached her fiduciary duty as personal representative of the Estate.

Various filings were made throughout the discovery phase of trial. One such filing by Ms. Collins was a "request for reconsideration of summary judgement given new light of important discovery related to titling of the joint owned account in question," filed on February 26, 2024. The filing was essentially a motion for summary judgment. In the motion, Ms. Collins repeatedly asserted that the Account was a joint account with rights of survivorship and requested that the court grant summary judgment or dismissal. Ms. Ryan filed a motion to strike or deny the filing on March 7, 2024, alleging that it "fail[ed] to

identify the material facts about which there is no dispute” and was otherwise improper. The court did not rule on either motion.⁴

Following a two-day trial on April 9 and 10, 2024, the trial court found that the money used to fund the loan to Hannibal Production belonged to the Decedent; that Ms. Collins treated the jointly owned account as a “passthrough” account; and that Ms. Collins used money from the Estate to pay attorneys in pursuit of recovery from Hannibal Production. The court “declare[d] that the money loaned to Hannibal Production[] belongs solely to Duk Sun Lyu, that Grace Collins executed the loan agreement on behalf of her mother as the -- through her role as the power of attorney and not as a co-owner of the funds.” The court then found that the California monetary judgment belonged to the Estate. Before enumerating its findings, the court specifically noted that “the Court makes clear that its findings are by [a] preponderance of the evidence.” On April 30, 2024, the court entered an order to the same effect and directed that any monies recouped from the California judgment be deposited into an account for the Estate. This appeal followed.

STANDARD OF REVIEW

We have reiterated the standard of review following a bench trial as follows:

Our review of a judgment in a case that was tried to the court is governed by Rule 8-131(c). We “review the case on both the law and the evidence” and “will not set aside the judgment of the trial court on the evidence unless clearly erroneous” with “due regard to the opportunity of the trial court to judge the credibility of the witnesses.” Md. Rule 8-131(c). “The deference shown to the trial court’s factual findings under

⁴ On June 7, 2024, the court struck the filing from the record. On June 18, 2024, due to this pending appeal, the court filed an order vacating the June 7, 2024 order striking the motion.

the clearly erroneous standard does not, of course, apply to legal conclusions.” *Griffin v. Bierman*, 403 Md. 186, 195 (2008) (quoting *Nesbit v. Gov’t Employees Ins. Co.*, 382 Md. 65, 72 (2004)). “We review de novo the circuit court’s application of the law to the undisputed facts before it.” *PNC Bank, Nat’l Ass’n v. Braddock Props.*, 215 Md. App. 315, 322 (2013).

Montgomery Cnty. v. Fraternal Ord. of Police, 222 Md. App. 278, 294 (2015), *vacated on other grounds*, 446 Md. 490 (2016).

We review a court’s decision to deny a motion for summary judgment for abuse of discretion. *Dashiell v. Meeks*, 396 Md. 149, 165 (2006) (noting that “on appeal, the standard of review for a denial of a motion for summary judgment is whether the trial judge abused his discretion and in the absence of such a showing, the decision of the trial judge will not be disturbed”). Similarly, “we generally review a trial court’s decision to grant or deny declaratory judgment under an abuse of discretion standard.” *Sprenger v. Pub. Serv. Comm’n of Md.*, 400 Md. 1, 21 (2007).

DISCUSSION

I. The circuit court properly exercised jurisdiction in adjudicating Ms. Ryan’s Complaint.

Ms. Collins first contends that the Circuit Court for Prince George’s County lacked jurisdiction to entertain Ms. Ryan’s Complaint. In support, Ms. Collins alleges that the court was required to give full faith and credit to the judgment of the United States District Court for the Central District of California, and Ms. Ryan’s action of “reopening the merits of a foreign judgment” should be prohibited on collateral estoppel and lack of jurisdiction grounds. Ms. Collins asserts that the California judgment dismissed the Estate as a party

and Ms. Ryan should be barred from attempting to include it now. Ms. Collins further argues that because the case was initially filed in Prince George's County and removed to Federal court in California, this indicates that the Circuit Court for Prince George's County lacks jurisdiction in the present case.

Ms. Ryan counters that Ms. Collins' argument is predicated on the doctrine of res judicata rather than collateral estoppel, and even so, the dismissal of the Estate as a party was not decided on the merits and should not be given preclusive effect. Furthermore, Ms. Ryan argues, her suit is not a collateral attack intending to undermine the California judgment, rather she sought a declaratory judgment regarding the ownership of the funds to be recovered from Hannibal Production.

First, Ms. Collins argues that the initial removal of the action to the United States Circuit Court for the District of Maryland and then further removal to the United States District Court for the Central District of California indicates that the Circuit Court for Prince George's County conceded that it lacked jurisdiction. We disagree. That action was filed by Ms. Collins and the Decedent against Hannibal Production. The action met the requirements to be removed to federal court, and due to the provision in the loan agreement indicating that California law would govern, was appropriately removed from Maryland to California. The present action was not brought under the loan agreement. Ms. Ryan was not a party to the loan agreement proceedings, and it is not clear in what capacity she could have joined as a party considering that Ms. Collins was pursuing recovery in the arbitration proceedings allegedly on behalf of the Estate. The previous removal from the

Circuit Court for Prince George’s County has no affect on the jurisdiction of the court to entertain Ms. Ryan’s action seeking a declaratory judgment.

Ms. Collins’ argument regarding collateral estoppel -- or *res judicata* -- similarly fails. Ms. Collins characterizes Ms. Ryan’s suit as a collateral attack of a foreign judgment, and “[u]nder the doctrine of full faith and credit, the forum court will not rehear a case on its merits because the judgment is *res judicata* as to the nature and the amount of the plaintiff’s claim.” *Osteoimplant Tech., Inc. v. Rathe Prods., Inc.*, 107 Md. App. 114, 121 (1995) (quoting *Thompson v. Safeway Enters., Inc.*, 67 Ill. App. 3d 914, 916 (1979)). Ms. Ryan, however, argues that she is not attempting to relitigate the merits of the case or undermine the California judgment; rather, her suit was “an effort to determine to whom the funds recovered as part of that judgment belong to,” despite judgment being entered for Ms. Collins.

Ms. Collins characterizes Ms. Ryan’s suit as barred by the doctrine of collateral estoppel. We have described the difference between the doctrines of collateral estoppel and *res judicata* as follows:

Collateral estoppel is concerned, therefore, not with the legal consequences of a judgment but only with the findings of ultimate fact, when they can be discovered, that necessarily lay behind that judgment. *Res judicata*, by contrast, is concerned with the legal consequences of a judgment regardless of whether the judgment was based on the ultimate factual merits or on the basis of a legal ruling having nothing to do with the ultimate factual merits.

John Crane Inc. v. Puller, 169 Md. App. 1, 27-28 (2006) quoting *Burkett v. State*, 98 Md. App. 459, 464-65 (1993). Although *res judicata* more correctly applies to Ms. Collins’

arguments in the present instance, we now address why neither doctrine barred the court from hearing Ms. Ryan’s lawsuit.

Under the doctrine of collateral estoppel, a court may not relitigate an issue decided in a prior adjudication if that issue was “(1) identical to the issue to be decided in the present action; (2) there was a final judgment on the merits in the prior adjudication; (3) the party against whom the doctrine is asserted was a party to the prior adjudication or was in privity with a party to the prior adjudication; and (4) the party against whom the doctrine is asserted had a fair opportunity to be heard on the issue in the prior adjudication.” *Cunningham v. Balt. Cnty.*, 246 Md. App. 630, 669 (2020) (internal citations omitted). The issue decided in the present action, whether Ms. Collins was properly a joint owner of the Account, was not at issue in the California arbitration or judgment by the District Court, which determined that Hannibal Production breached the loan agreement and entered judgment for Ms. Collins. Furthermore, Ms. Ryan was not a party in the California action, nor in privity with any party in the prior action and had no opportunity to be heard. As such, the court was not collaterally estopped from hearing Ms. Ryan’s action for declaratory relief.

“The doctrine of res judicata bars the relitigation of a claim if there is a final judgment in a previous litigation where the parties, the subject matter and causes of action are identical or substantially identical as to issues actually litigated and as to those which could have or should have been raised in the previous litigation.” *Anne Arundel Cnty. Bd. of Educ. v. Norville*, 390 Md. 93, 106-07 (2000). Once again, the California case included Ms. Collins, the Decedent -- and later, the Estate -- and Hannibal Production. Ms. Ryan

was not a party to the suit. The issues involved in the California case pertained to the breach of the loan agreement by Hannibal Production. As Ms. Collins continuously avowed that she was pursuing the litigation and arbitration on behalf of the Decedent and to recover the Decedent's money for the Estate, the issue of which party owned the money used to fund the loan agreement was never in contention.

Ms. Collins mischaracterizes the dismissal of the Estate from the arbitration as proof that the arbitrator determined that the claims of the Decedent and later the Estate were not valid. This allegation is unfounded and not supported by the record. Indeed, Ms. Collins' own testimony indicates that the Estate's dismissal was on procedural grounds after counsel representing the Estate withdrew. The claims and issues presented by Ms. Ryan in her suit for declaratory judgment are wholly separate from those considered in the California adjudication. Neither of the doctrines of collateral estoppel nor res judicata precluded the trial court from exercising jurisdiction. As such, the circuit court had jurisdiction to hear the matter and issue a judgment.

II. The circuit court did not err in denying Ms. Collins motion for summary judgment.

Ms. Collins next contends that the court "effectively denied" the motion that she filed on February 26, 2024, which she describes as a motion for summary judgment. Ms. Collins argues that this was in error, as she was entitled to summary judgment because there was no genuine dispute of material fact regarding Ms. Collins' ownership of the funds in the Account due to its status as a jointly owned Account. As such, Ms. Collins essentially argues that the court erred in allowing the case to move forward to trial instead

of granting her motion for summary judgment. Ms. Ryan argues that ownership of the Account is precisely the type of factual issue that renders summary judgment inappropriate and requires a trial on the merits.

“It has long been recognized, in Maryland and elsewhere, that motions may be denied by implication.” *Frase v. Barnhart*, 379 Md. 100, 116 (2003). Certain actions, such as calling a case for trial, imply that a court is denying a motion for summary judgment. *Yungblud v. Fallston Supply Co., Inc.*, 180 Md. App. 389, 399 (2008). As noted, a court has broad discretion to deny a motion for summary judgment. *Dashiell*, 396 Md. at 165. “[A] trial court may even exercise its discretionary power to deny a motion for summary judgment when the moving party has met the technical requirements of summary judgment.” *Id.* For an abuse of discretion to warrant reversal, “[t]he decision under consideration has to be well removed from any center mark imagined by the reviewing court and beyond the fringe of what that court deems minimally acceptable.” *Conwell L. LLC v. Tung*, 221 Md. App. 481, 499 (2015) (quoting *Hariri v. Dahne*, 412 Md. 674, 687 (2010)).

In proceeding to trial, the court effectively denied Ms. Collins motion for summary judgment. Ms. Collins arguments in favor of summary judgment were premised on the notion that she was entitled to invest money from the Account with Hannibal Production because she was a joint owner of the Account. In her Complaint, Ms. Ryan alleged that despite the title of the Account as jointly owned, the funds belonged solely to the Decedent and Ms. Collins was acting as power of attorney rather than a joint owner of the Account. This is clearly a fact-driven issue. The court, therefore, did not abuse its discretion in

effectively denying Ms. Collins' motion for summary judgment by allowing the case to proceed to a trial on the merits.

III. The record is ambiguous regarding the evidentiary standard applied by the circuit court in determining whether Ms. Collins shared joint ownership of the Account.

At the conclusion of the two-day trial, the circuit court made the following findings:

The Court finds that the loan was funded by Duk Sun Lyu alone and not as a joint account holder with the Defendant, Ms. Collins. When Hannibal Production failed to pay the loan as agreed, Ms. Collins, on October 11, 2018, filed a complaint in the Circuit Court for Prince George's County in Case No. CAL-18-37261, and she listed both herself as POA and Duk Sun Lyu as the plaintiffs. On or about November 14, 2018, the Defendants removed the case to federal court, and the matter was closed in the Circuit Court for Prince George's County on November 26, 2018.

Between the years 2019 and 2020, Ms. Collins paid \$32,235.62 in money from the Estate of Duk Sun Lyu in an effort to recover the funds that had been loaned to Hannibal Productions. In her various efforts to recover the funds loaned to Hannibal Productions and/or its principal, Richard Del Castro, Ms. Collins repeatedly referred to the money at issue as her mother's money. On January the 18th of 2022, Ms. Collins obtained a money judgment in the principal amount of \$526,898.24 plus post-judgment interest against the Defendant, Richard Rionda Del Castro, individually, and Hannibal Productions, Inc. The money was based on the defendants in that federal case breaching the loan agreement that had been made between Hannibal Productions (sic) and Grace Collins.

On December 9th of 2022, Ms. Collins began to assert that the money in the -- and this is after the death of her mother -- that the money owed by Hannibal Productions (sic) was hers alone, that it was owed to her and not to the Estate. And beginning December 20 of 2022, Ms. Ryan through counsel made a series of demands to Ms. Collins that the money that recovered in the lawsuit should have been turned over to the

estate, which Ms. Collins has, to today, declined to do. She hired a law firm to recover money, the money judgment, which has been successful to some degree.

* * *

So the Court finds that, in this case, under the circumstances -- now, there's been some argument made by Ms. Collins that, because she was a co-owner of the account and that the account was titled jointly with her mother with a right of survivorship, that she's not -- that the money that's collected on the judgment was solely hers. As the Court has through its questions and in explaining the Plaintiff's claims to Ms. Collins, the money at issue here is not money that was in the account prior to Ms. Lyu's death -- and I'm referring to Duk Sun Lyu. This is money that was loaned prior to her passing and that, when the loan was not repaid, Ms. Lyu was still alive, and lawsuit was filed to recover the money in her name.

It's clear to the Court that Ms. Collins believed at the time the loan was made that she was using her mother's money to make this loan or investment, so to speak, where she in a one year's time would recover \$31,000, which is more than what could have been recovered from simple bank interest. And that's why she loaned her mother's money to Mr. Del Castro, believing she would receive it back in one year with a return of \$31,000. Now, it's a little more than \$31,000.

It's not until after her mother passed and after she believed, now, she could have all of the money that she is saying that the money was hers. But it's clear that the money that was loaned to Ms. Del Castro, number one, came from funds that were not actually in the account. The account was used as a passthrough for the money that was received from the Capital One investment account in order to make the loan to Mr. Del Castro. And so the Court finds that it was Ms. Duk Sun Lyu's money.

So the Court declares that the money loaned to Hannibal Productions belongs solely to Duk Sun Lyu, that Grace Collins executed the loan agreement on behalf of her mother as the -- through her role as the power of attorney and not as a co-owner

of the funds. The judgment issued in the United States District Court for the Central District of California in case number 2:21-CV-06197-ODW (GJSX) in the amount of \$526,898.24 plus post-judgment interest is the exclusive property of the Estate of Duk Sun Lyu. Said judgment has, since it was issued, been solely the property of the Estate of Duk Sun Lyu.

Before detailing its findings, the court specifically stated that “its findings are by [a] preponderance of the evidence.”

Ms. Collins argues that the circuit court erred when it found that the funds in the Account used to fund the loan to Hannibal Production belonged solely to the Decedent, and, following her passing, any funds recouped from the California monetary judgment belong to the Estate. Ms. Collins further contends that in determining whether Ms. Ryan met her burden of persuasion to demonstrate that Ms. Collins was not a joint owner of the Account, the trial court incorrectly applied the preponderance of the evidence standard rather than a more stringent clear and convincing evidence standard required to rebut the presumption of joint ownership.

Ms. Ryan argues that the heightened clear and convincing burden of persuasion only applies to a specific set of facts not presented in this case. Ms. Ryan further maintains that even though the court applied the preponderance of the evidence standard, we should still affirm because she presented sufficient evidence to meet the clear and convincing standard.

“Maryland courts have long held, in a variety of contexts, that the titling of a bank account and the right to withdraw from the account does not necessarily indicate ownership.” *Morgan Stanley & Co., Inc., v. Andres*, 225 Md. App. 181, 197 (2015). When an individual is added to a bank account as a co-owner, there is a presumption of joint

ownership of the account, such that any party listed as an owner on the account has equal claim to all of the monies contained in the account. *Id.* at 193. This presumption may be rebutted, however, by clear and convincing evidence to the contrary. *Id.* at 197.

Morgan Stanley is instructive in our analysis regarding joint account ownership. *Morgan Stanley* concerned a jointly held account between a father and son. *Id.* at 183. Father, in an attempt to prevent Morgan Stanley from recovering Son's debts from the account, alleged that despite Son's name on the account and its status as a jointly owned account, the funds were solely his and should be protected from garnishment by Morgan Stanley. *Id.* at 184-85. The Court noted that "[v]arious factors are considered by courts when determining ownership of the funds within a joint account, but the two primary factors considered are: (1) the exercise of control over the funds in the account, and (2) contribution, or the source of funds within the account." *Id.* at 193. A trial court may additionally consider "circumstances relevant to each case, such as whether a party's social security number appeared on an account, which party's name appeared on checks, which party paid taxes on interest from the account, which party kept possession of the passbook or other documents pertaining to the account, and which party signed checks from the account." *Id.*

In holding that the trial court correctly found that the funds in the account belonged solely to Father, the Court noted that "[c]ritically . . . the parties had stipulated that Father was the original source of all funds held in the joint account." *Id.* at 199. The court also found that Father had established the joint account for Son to oversee the remodeling of Father's vacation home. *Id.* The Court affirmed the ruling that Father had proved by clear

and convincing evidence that he was the sole owner of the funds in the joint account. *Id.* at 200.

Ms. Ryan urges us to adopt the clear and convincing evidence standard only in the specific case presented in *Morgan Stanley* -- when one joint owner of a personal account seeks to avoid garnishment of the account by a third-party creditor to recover debts owed by the other joint owner. This is an extremely narrow interpretation of the holding in *Morgan Stanley*, and we decline to adopt it.⁵ Instead, we apply the standard articulated in *Morgan Stanley* that the clear and convincing standard must be utilized in any instance to rebut the presumption of joint ownership of an account.

In this instance, it is unclear whether the court applied a preponderance of the evidence standard rather than the required clear and convincing evidence standard in determining that the Decedent was the sole owner of the Account. The court makes reference to the preponderance of the evidence standard, and then states a number of its factual findings pertaining to the Account, the loan agreement, and the arbitration proceedings. Several pages in the transcript later, the court stated:

The account was used as a passthrough for the money that was received from the Capital One investment account in order to make the loan to Mr. Del Castro. And so the Court finds that it was Ms. Duk Sun Lyu's money.

⁵ We recognize that *Morgan Stanley* concerns a creditor that sought to recover funds that did not necessarily belong to the debtor. While the Court repeatedly emphasized that it was the third-party creditor who sought to recoup the funds and a joint owner who sought to establish that the funds were solely his, we read nothing in the opinion to indicate that the clear and convincing standard should not also apply when a joint owner claims the funds belong to her and a third party seeks to establish that the funds solely belonged to the other joint owner.

So the Court declares that the money loaned to Hannibal Productions belongs solely to Duk Sun Lyu, that Grace Collins executed the loan agreement on behalf of her mother as the -- through her role as the power of attorney and not as a co-owner of the funds.

The court does not state that this finding -- that Ms. Collins was not a joint owner of the Account -- was made by a preponderance of the evidence, nor does the court state that this finding is by clear and convincing evidence. As noted above, the court was required to apply the clear and convincing standard in considering whether Ms. Ryan rebutted the presumption for joint ownership. Perhaps this is the standard the court applied, but due to its previous statement that its factual findings were generally by a preponderance of the evidence, we cannot be sure.

Ms. Ryan urges that if we determine that the court did not apply the clear and convincing evidentiary standard, we apply the standard ourselves and find that Ms. Ryan presented clear and convincing evidence to rebut the presumption for joint ownership. Because it is possible that the court applied the preponderance of the evidence standard and made no specific finding on the record that the evidence was clear and convincing, we are unable to determine whether the trial court could have definitively reached the same conclusion applying the clear and convincing evidence standard. As noted, we review the court's factual findings under a clearly erroneous standard of review. *Montgomery Cnty.*, 222 Md. App. at 294. “[W]e are obligated to apply that test in the light of the proper standard of proof, a standard which the trial court did not follow. In failing to do so, it erred.” *Loyola Fed. Sav. & Loan Ass’n v. Trenchcraft, Inc.*, 17 Md. App. 646, 659 (1973).

Because it is ambiguous whether the court applied a preponderance of the evidence standard or a clear and convincing standard in determining whether Ms. Ryan met her burden to rebut the presumption of joint ownership, we are constrained to vacate the trial court's finding that Ms. Collins did not share joint ownership of the Account and that the funds belonged solely to the Decedent. As such, we remand for the court to specifically apply the clear and convincing burden of persuasion as outlined in *Morgan Stanley*. Indeed, in our view, the trial court may certainly reach the same conclusion on the record before it. Nevertheless, we remand for the trial court to clearly apply the proper standard in rebutting the presumption of joint ownership. We are not directing the trial court to engage in any further evidentiary proceedings. The sole basis for a remand is for the trial court to clarify its application of the clear and convincing standard to assess whether Ms. Ryan satisfied her burden of rebutting the presumption of joint ownership. Should the trial court conclude that Ms. Ryan met her burden, the trial court's factual findings can be addressed in a new Declaratory Judgment Order consistent with the factual findings entered by the court in its Declaratory Judgment Order on April 30, 2024.

CONCLUSION

Accordingly, we hold that the trial court did not err in exercising jurisdiction to hear the case at bar in light of the judgment entered by the United States District Court for the Central District of California, or in effectively denying Ms. Collins motion for summary judgment. We vacate the court's issuance of a declaratory judgment and remand for further proceedings to determine whether Ms. Ryan proved by clear and convincing evidence that the funds in the Account were solely held by the Decedent.

Lastly, because the trial court found that Ms. Collins breached her fiduciary duty as personal representative of the Estate since she was claiming the California monetary judgment funds as her own, we must necessarily vacate that finding as well. If, after reassessing the factual evidence on remand, the court determines that Ms. Ryan presented clear and convincing evidence to rebut the presumption of joint ownership of the Account and that the judgment should belong to the Estate, the court may very well arrive at the same finding that Ms. Collins breached her fiduciary duty. We, therefore, remand to the Circuit Court for Prince George's County with the limited instruction to apply the clear and convincing evidence standard to determine ownership of the funds in the Account and to determine whether, in light of that finding, Ms. Collins breached her fiduciary duty to the Estate.

**JUDGMENT OF THE CIRCUIT COURT
FOR PRINCE GEORGE'S COUNTY
AFFIRMED, IN PART, AND VACATED, IN
PART. CASE REMANDED FOR FURTHER
PROCEEDINGS CONSISTENT WITH
THIS OPINION. COSTS TO BE PAID ONE-
HALF BY APPELLANT AND ONE-HALF
BY APPELLEE.**