

**Stabler, Brad Allen and Brenda Lee** (Stabler v. Beyers), Adv. No. 09-1002, Case No. 03-10179, Chapter 7 (Bench Ruling, July 1, 2009). **Issue:** (1) Whether Debtors-Plaintiffs' adversary complaint should be dismissed for failure to state a claim upon which relief could be granted, when the adversary complaint sought a determination the debts described in counts 1, 3, and 4 of Defendant's state court counterclaim against them had been discharged in Debtors-Plaintiffs' chapter 7 case and related damages and injunctive relief, but the state court had already entered a letter decision in Defendant's favor on count 1 of his state court counterclaim holding the subject debts had not been discharged in bankruptcy, and Defendant was seeking to recover in counts 3 and 4 of his state court counterclaim only those amounts that were determined not to have been discharged in Debtors-Plaintiffs' chapter 7 case? (2) Whether the Court should abstain from hearing Debtors-Plaintiffs' complaint? **Ruling:** (1) Yes. With respect to count 1 of Defendant's state court counterclaim, the *Rooker-Feldman* doctrine did not apply, because the mere pendency of the state court action did not deprive the Court of jurisdiction. *Res judicata* (or claim preclusion) likewise did not apply, because the cause of action in count 1 of Defendant's state court counterclaim (recovery on a note) was not the same as the cause of action in the adversary proceeding (an alleged violation of the discharge injunction). However, collateral estoppel (or issue preclusion) did apply, and the Court was bound by the state court's determination that the debt described in count 1 of Defendant's state court counterclaim had not been discharged in Debtors-Plaintiffs' chapter 7 case. With respect to counts 3 and 4 of Defendant's state court counterclaim, Debtors-Plaintiffs offered no reasonable interpretation of the language in those counts that would permit the Court to conclude Defendant was in any way attempting to collect, recover, or offset a debt discharged in Debtors-Plaintiffs' bankruptcy. (2) Yes. The majority of the 12 factors set forth in *In re Williams*, 256 B.R. 885, 893-94 (B.A.P. 8th Cir. 2001), supported abstention. The remaining factors were either neutral or perhaps tipped the scales slightly against abstention, but none of them was sufficient to outweigh the factors that supported abstention.