

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS**

TERRY LYNN SCHUCHMAN and
THOMAS L. SCHUCHMAN,

Appellants,

VS.

CJC ELECTRIC, INC. and
LAURA GRANDY, Trustee

Appellees.

No. 02-CV-0405-DRH
Consolidated with
02-CV-0406-DRH and
02-CV-0407-DRH

Bankruptcy No. 00-31918

Adversary No. 01-3172

MEMORANDUM AND ORDER

HERNDON, District Judge:

I. Introduction

On May 25, 2001, Laura Grandy, Trustee of the Chapter 7 Bankruptcy Estate of CJC Electric, Inc., filed an adversary action in the bankruptcy proceeding against Terry and Thomas Schuchman ("Appellants") to recover monies owed to the bankruptcy estate. On July 18, 2001, the Bankruptcy Court granted a default judgment against the Appellants. The Trustee filed a citation to discover assets against the Appellants on February 22, 2002, which was set for hearing on March 13, 2002. On March 13, 2002, Appellants filed a motion to vacate the default judgment and the entry of default. Bankruptcy Judge Kenneth Meyers determined that he would not issue an order on the citation. The Trustee moved to vacate the default judgment and dismiss the adversary action against the Appellants. The Bankruptcy Court granted the motion to vacate the default judgment and the adversary action was dismissed on March 19, 2002.

Meanwhile, on March 6, 2002, Appellants filed in the bankruptcy proceeding a "Motion to Set Aside a Void Judgment." Appellants motion sought reversal of a final Order issued July 11, 2001 by the Circuit Court of St. Clair County, Illinois which approved the foreclosure sale of Appellants' residence. On March 13, 2002, the Bankruptcy Court denied Appellants' "Motion to Set Aside a Void Judgment," finding that it lacked subject matter jurisdiction over the motion (Bankruptcy Record, Doc. 21). On March 20, 2002, the Bankruptcy Court issued a supplemental Order requiring the Appellants to obtain leave of the Court to file pleadings in the bankruptcy case. With leave of the Court, Appellants filed a motion to reconsider, which was denied by the Bankruptcy Court on April 1, 2002. On April 11, 2002, Appellants filed their notice of appeal in this Court.

II. Standard of Review

On appeal, the district court may affirm, modify or reverse a bankruptcy judge's judgment, order or decree or remand the case for further proceedings. Findings of fact shall not be set aside unless clearly erroneous. **Bankruptcy Rule 8013.** The district court is authorized to conduct a *de novo* review of questions of law or the legal significance accorded to facts. *Meyer v. Rigdon*, 36 F.3d 1375 (7th Cir. 1994).

III. Analysis

On March 13, 2002, the Bankruptcy Court determined that it lacked subject matter jurisdiction to entertain Appellants' motion to set aside the state court's judgment approving a foreclosure sale. Appellants now appeal the Bankruptcy Court's ruling.¹

¹Appellants' arguments are difficult to ascertain. However, the Court need not address these arguments because, as discussed herein, the *Rooker-Feldman* doctrine leaves this Court without subject matter jurisdiction.

The *Rooker-Feldman* doctrine precludes lower federal courts from exercising subject matter jurisdiction over claims seeking review of state court judgments or over claims that are "inextricably intertwined" with state court determinations. *Rooker v. Fidelity Trust Co.*, 263 U.S. 413, 415-16 (1923); *District of Columbia Court of Appeals v. Feldman*, 460 U.S. 462, 482-86 (1983); *Remer v. Burlington Area Sch. Dist.*, 205 F.3d 990, 996 (7th Cir. 2000). This doctrine "is based upon recognition of the fact that inferior federal courts generally do not have the power to exercise appellate review over state court decisions." *Garry v. Geils*, 82 F.3d 1362, 1365 (7th Cir. 1996). "Therefore, except for situations in which Congress has specifically authorized collateral review of state court judgments, a party who seeks to overturn a state court judgment must proceed through the state judicial system and can only seek federal court review in the United States Supreme Court." *4901 Corp. v. Town of Cicero*, 220 F.3d 522, 527 (7th Cir. 2000). "In assessing the applicability of the *Rooker-Feldman* doctrine, 'the fundamental and appropriate question to ask is whether the injury alleged by the federal plaintiff resulted from the state court judgment itself or is distinct from that judgment.'" *Maple Lanes Inc. v. Messer*, 186 F.3d 823, 825 (7th Cir. 1999) (citations omitted). "[I]f the injury which the federal plaintiff alleges resulted from the state court judgment itself, then *Rooker-Feldman* controls, and the lower federal courts lack jurisdiction over the claim." *Kamilewicz v. Bank of Boston Corp.*, 92 F.3d 506, 510 (7th Cir. 1996). "It does not matter that the state court judgment might be erroneous or even unconstitutional. Nor does it matter that the time for appeal to the United States Supreme Court may have passed." *Id.*

In this case, the state court issued a final Order approving the foreclosure sale of Appellants' residence. In a motion entitled "Motion to Set Aside a Void Judgment," Appellants ask the federal court to set aside this state court judgment. This is the "most straightforward presentment" of *Rooker-Feldman*. *Remer*, 205 F.3d at 996; *4901 Corp.*, 220 F.3d at 528. "Voiding (effectively reversing) the state court

judgment is something [this Court] may not do." **4901 Corp., 220 F.3d at 528.** Appellants must litigate the validity of the state court judgment in the state judicial system, pursuing the matter, if need be, to the United States Supreme Court. **Id.** The Bankruptcy Court correctly found that it was without subject matter to entertain Appellants' "Motion to Set Aside a Void Judgment." Accordingly, the Court **AFFIRMS** the decision of the Bankruptcy Court.

IV. Conclusion

For the reasons stated, the Court **AFFIRMS** the decision of the Bankruptcy Court. Further, the Court **DENIES as moot** Appellants' motion for oral argument (Doc. 11 - 1) and their motion for declaratory judgment (Doc. 11-2).

IT IS SO ORDERED.

Signed this 28th day of August, 2002.

/s/ DAVID R. HERNDON
United States District Judge