

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF  
MICHIGAN, SOUTHERN DIVISION

Latunski, by Conservator Paul Latunski v. Deehl

Latunski v. Deehl · No. 25-03052-jda · Decided March 10, 2026

SUMMARY

The United States Bankruptcy Court for the Eastern District of Michigan addresses cross-motions for summary judgment in an adversary proceeding concerning whether a state-court judgment for trespass and ejectment is nondischargeable under 11 U.S.C. § 523(a)(2)(A) or § 523(a)(6). The court concludes that res judicata and the Rooker-Feldman doctrine do not bar the dischargeability proceeding. Based on the excerpt, the court grants summary judgment concerning the § 523(a)(6) claim and denies summary judgment concerning the § 523(a)(2)(A) claim, while recognizing that the debtor's vicarious liability presents a dispositive issue under § 523(a)(6).

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States Bankruptcy Court for the Eastern District of Michigan, Southern Division                                                                                                                                                                                                                                                                    |
| WRITING FOR THE COURT | Joel D. Applebaum                                                                                                                                                                                                                                                                                                                                         |
| JURISDICTION          | United States Bankruptcy Court for the Eastern District of Michigan, Southern Division                                                                                                                                                                                                                                                                    |
| DECIDED               | March 10, 2026                                                                                                                                                                                                                                                                                                                                            |
| DOCKET                | 25-03052-jda                                                                                                                                                                                                                                                                                                                                              |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                     |
| PROCEDURAL POSTURE    | Adversary proceeding seeking a determination that a state-court trespass and ejectment judgment was nondischargeable under 11 U.S.C. §§ 523(a)(2)(A) and 523(a)(6), decided on cross-motions for summary judgment.                                                                                                                                        |
| STANDARD OF REVIEW    | Summary judgment is appropriate when no genuine dispute of material fact exists and the moving party is entitled to judgment as a matter of law. The court applied collateral estoppel under the law that would be given effect by the state court and reviewed the dischargeability issues de novo within the bankruptcy court's exclusive jurisdiction. |
|                       |                                                                                                                                                                                                                                                                                                                                                           |

## PRECEDENTIAL VALUE

Unpublished bankruptcy court opinion; precedential status not indicated in the source.

## TOPICS

nondischargeable debts

chapter 7

adversary proceedings

summary judgment

real estate

## PRACTICE AREAS

bankruptcy

bankruptcy discharge

real estate

civil procedure

## QUESTIONS PRESENTED

1. Whether res judicata barred the bankruptcy court from determining the dischargeability of the state-court judgment.
2. Whether the Rooker-Feldman doctrine barred the bankruptcy court from determining the dischargeability of the state-court judgment.
3. Whether collateral estoppel established the elements of nondischargeability under 11 U.S.C. § 523(a)(6).
4. Whether a debt arising from Deehl's fraudulent interference with Latunski's redemption rights was nondischargeable under 11 U.S.C. § 523(a)(2)(A) when Deehl did not obtain money or property from Latunski.
5. Whether the entire state-court judgment, including statutory treble damages and other liabilities traceable to the injury, was nondischargeable under § 523(a)(6).

## HOLDINGS

1. Res judicata does not bar a bankruptcy court from determining the dischargeability of a state-court judgment because bankruptcy courts have exclusive jurisdiction over dischargeability proceedings.
2. Rooker-Feldman does not prevent the bankruptcy court from determining whether the state-court judgment is dischargeable, although it prevents review of the existence or merits of the state-court debt.
3. Collateral estoppel established that Deehl's debt arose from a willful and malicious injury under § 523(a)(6), and the debt is nondischargeable.
4. The state-court judgment was not shown to be nondischargeable under § 523(a)(2)(A) because Deehl did not obtain money, property, services, or credit from Latunski through fraud.
5. The entire \$906,933 state-court judgment, including statutory treble damages and other relief traceable to the willful and malicious injury, is nondischargeable under § 523(a)(6).

## KEY QUOTATIONS

*“On this record, this Court cannot see how this injury can be construed as anything but willful.”* (Section IV.A.1.a)

*“In this case, Defendant did not obtain money or property from Plaintiff.”* (Section IV.A.2)

*“Because all of the damages underlying the Circuit Court judgment are traceable to Defendant’s willful and malicious conduct, the entire judgment is nondischargeable.” (Section IV.A.3)*

## FACTUAL BACKGROUND

In 2020, Steven Deehl purchased a foreclosed property subject to Mark Latunski's redemption rights, despite receiving notice that Latunski, through his conservator, intended to redeem the property. Deehl posted and recorded a notice falsely claiming abandonment, entered and treated the property as his own, and permitted his son Alex to occupy the property, remove personal property, and make alterations while Latunski was kept out. A Michigan circuit court found Deehl and Alex liable for trespass and ejectment, imposed joint and several liability, and entered a \$906,933 judgment against Deehl; the Michigan Court of Appeals affirmed.

## PROCEDURAL HISTORY

Steven Deehl filed a Chapter 7 petition on April 24, 2025. Mark Latunski, through his conservator Paul Latunski, filed an adversary complaint concerning a state-court judgment for trespass and ejectment. The parties filed cross-motions for summary judgment. The bankruptcy court granted Plaintiff's motion as to § 523(a)(6), denied it as to § 523(a)(2)(A), denied Defendant's motion as to § 523(a)(6), and granted it as to § 523(a)(2)(A).

## DISPOSITION

other

## CASES CITED

- Adams v. Cleveland-Cliffs Iron Co., 237 Mich. App. 51, 57-58, 602 N.W.2d 215 (1999)
- Eastbrook Homes, Inc. v. Treasury Dep't, 820 N.W.2d 242, 249 (Mich. App. 2012)
- People v. March, 886 N.W.2d 396, 418-21 (Mich. 2016)
- International Outdoor, Inc. v. SS MITX, LLC, 349 Mich. App. 212 (2023)
- Montana v. United States, 440 U.S. 147, 153 (1979)
- Brown v. Felson, 442 U.S. 127 (1979)
- Spilman v. Harley, 656 F.2d 224, 226-27 (6th Cir. 1981)
- Cresap v. Waldorf (In re Waldorf), 206 B.R. 858, 861 (Bankr. E.D. Mich. 1997)
- Sill v. Sweeney (In re Sweeney), 276 B.R. 186, 195 (B.A.P. 6th Cir. 2002)
- Smith v. Sushka, 117 F.3d 965, 969 (6th Cir. 1997)
- Grogan v. Garner, 498 U.S. 279, 282 n.2, 287, 290-91 (1991)
- Bay Area Factors v. Calvert (In re Calvert), 105 F.3d 315, 317 (6th Cir. 1997)
- Hinchman v. Moore, 312 F.3d 198, 202 (6th Cir. 2002)
- Darrah v. City of Oak Park, 255 F.3d 301, 311 (6th Cir. 2001)
- People v. Gates, 452 N.W.2d 627, 630-31 (Mich. 1990)
- Phillips v. Weissert (In re Philips), 434 B.R. 475, 486, 493 (B.A.P. 6th Cir. 2010)
- Marrama v. Citizens Bank, 549 U.S. 365, 367 (2007)

- *Bartenwerfer v. Buckley*, 598 U.S. 69, 72, 81 (2023)
- *Bullock v. BankChampaign, N.A.*, 569 U.S. 267, 275 (2013)
- *Board of Trustees v. Bucci* (In re Bucci), 493 F.3d 635, 642 (6th Cir. 2007)
- *Conti v. Arrowood Indem. Co.* (In re Conti), 982 F.3d 445, 448 (6th Cir. 2020)
- *Morse v. Morse* (In re Morse), 504 B.R. 462, 475-76 (Bankr. E.D. Tenn. 2014)
- *Greer v. Bruce* (In re Bruce), 593 B.R. 765, 777 (Bankr. S.D. Ohio 2018)
- *O'Brien v. Sintobin* (In re Sintobin), 253 B.R. 826, 830-31 (Bankr. N.D. Ohio 2000)
- *H. Park Partners, LLC v. Frick* (In re Frick), 427 B.R. 627, 635 (Bankr. N.D. Ohio 2010)
- *Yash Raj Films (USA), Inc. v. Akhtar* (In re Akhtar), 368 B.R. 120, 133 (Bankr. E.D.N.Y. 2007)
- *Tiffany Square Family v. Williams* (In re Williams), 362 B.R. 838, 841 (Bankr. N.D. Ohio 2006)
- *In re Hughley*, No. 17-41946, 2019 WL 2402852, at \*5 (Bankr. N.D. Ohio June 5, 2019)
- *Gabel v. Olson* (In re Olson), 355 B.R. 660, 665 (Bankr. E.D. Tenn. 2006)
- *Monsanto Co. v. Wood* (In re Wood), 309 B.R. 745, 753 (Bankr. W.D. Tenn. 2004)
- *In re Jones*, 276 B.R. 797, 802
- *Murray v. Wilcox* (In re Wilcox), 229 B.R. 411, 418 n.7 (Bankr. N.D. Ohio 1998)
- *In re Cornell*, 42 B.R. 860, 864 (Bankr. E.D. Wash. 1984)
- *In re Wierenga*, 431 B.R. 180, 185 (Bankr. W.D. Mich. 2010)
- *MarketGraphics Research Group, Inc. v. Berg* (In re Berg), 953 F.3d 907, 915 (6th Cir. 2020)
- *Terlecki v. Stewart*, 278 Mich. App. 644, 653-54, 754 N.W.2d 899 (2008)
- *Traver Lakes Community Maintenance Ass'n v. Douglas Co.*, 224 Mich. App. 335, 345, 568 N.W.2d 847 (1997)
- *Kanas v. Travis*, No. 369445, 2025 WL 2618805, at \*9 (Mich. Ct. App. Sept. 10, 2025), appeal denied, 30 N.W.3d 99 (Mich. 2026)
- *Francis v. Hudson*, 133 N.W.2d 212, 215-16 (Mich. App. 1965)
- *Nunnery v. Rountree* (In re Rountree), 478 F.3d 215, 219-22 (4th Cir. 2007)
- *Cohen v. de la Cruz*, 523 U.S. 213, 221 (1998)
- *Buzzard v. Ratliff* (In re Ratliff), 673 B.R. 719, 732, 742-43 (Bankr. S.D. Ohio 2025)
- *Abbo v. Rossi, McCreery & Assoc.* (In re Abbo), 168 F.3d 930, 931 (6th Cir. 1999)
- *Her, Inc. v. Barlow* (In re Barlow), 478 B.R. 320, 333-34 (Bankr. S.D. Ohio 2012)