

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
INDIANA, HAMMOND DIVISION

Bulkmatic Transport Company, et al. v. Mike Abbate, et al.

Bulkmatic · No. 2:23 CV 255 · Decided April 20, 2026

SUMMARY

The court denied defendants’ motion for sanctions under 28 U.S.C. § 1927, concluding that plaintiffs’ parallel state-court litigation and motion for abstention did not constitute a serious and studied disregard for the orderly process of justice. The court granted plaintiffs’ motions for voluntary dismissal under Federal Rule of Civil Procedure 41(a)(2), finding no plain legal prejudice to defendants, denied the pending motion to dismiss as moot, and dismissed the action without prejudice.

CASE DETAILS

COURT	United States District Court for the Northern District of Indiana, Hammond Division
WRITING FOR THE COURT	James T. Moody
JURISDICTION	United States District Court for the Northern District of Indiana, Hammond Division
DECIDED	April 20, 2026
DOCKET	2:23 CV 255
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved to dismiss the amended complaint and sought sanctions under 28 U.S.C. § 1927. Plaintiffs moved to voluntarily dismiss the federal action without prejudice under Federal Rule of Civil Procedure 41(a), while pursuing a nearly identical state-court action.
STANDARD OF REVIEW	A Rule 41(a)(2) voluntary-dismissal decision is reviewed for abuse of discretion. Liability under 28 U.S.C. § 1927 requires a serious and studied disregard for the orderly process of justice.
PRECEDENTIAL VALUE	Unknown; the source metadata identifies the precedential status as unknown.

TOPICS

- civil procedure
- sanctions
- motions to dismiss
- pleadings
- commercial litigation

PRACTICE AREAS

Civil procedure

Sanctions

Voluntary dismissal

Commercial litigation

Federal-state jurisdiction

QUESTIONS PRESENTED

1. Whether plaintiffs' counsel's filing of a duplicative state-court action and motion for abstention warranted sanctions under 28 U.S.C. § 1927.
2. Whether plaintiffs could voluntarily dismiss only the claims against defendants who had not filed an answer under Rule 41(a)(1), or whether Rule 41(a)(2) governed the entire action because another defendant had filed an answer.
3. Whether the action should be voluntarily dismissed without prejudice under Rule 41(a)(2).
4. Whether defendants' pending motion to dismiss remained justiciable after the action was voluntarily dismissed.

HOLDINGS

1. Plaintiffs' counsel's duplicative state-court litigation and request for abstention did not constitute a serious and studied disregard for the orderly process of justice, so sanctions under § 1927 were not warranted.
2. Rule 41(a)(1) did not permit plaintiffs to dismiss only the claims against the PM Fleets defendants because Rule 41(a) governs an entire action, not individual claims, and at least one defendant had already filed an answer.
3. Voluntary dismissal without prejudice was proper because defendants failed to demonstrate plain legal prejudice.
4. The defendants' motion to dismiss was denied as moot once the action was dismissed without prejudice.

KEY QUOTATIONS

“To be liable under Section 1927, counsel must have engaged in a “serious and studied disregard for the orderly process of justice.”” (at 2)

“The Seventh Circuit has made clear that Rule 41(a) does not speak of “claims,” it speaks of “‘an action’—which is to say, the whole case.”” (at 3)

“the district court should allow voluntary dismissal unless it is demonstrated that the defendants will suffer “plain legal prejudice.”” (at 3)

“Put simply, should defendants be forced to litigate this case in state court, the situation might be inconvenient and aggravating, but not legally prejudicial.” (at 5)

FACTUAL BACKGROUND

Bulkmatic Transport Company and related entities brought a civil racketeering action alleging that the defendants participated in illegal kickbacks connected to the sale of the plaintiffs' used equipment. The federal case remained in the pleadings stage for nearly three years because of repeated amendments and motions to

dismiss, and discovery had not begun. Plaintiffs later filed a nearly identical state-court action and sought to dismiss the federal case so they could pursue the state litigation.

PROCEDURAL HISTORY

Plaintiffs filed this federal civil racketeering action and amended the complaint multiple times. At least one defendant filed an answer, while the PM Fleets defendants filed a motion to dismiss and sanctions motion. Plaintiffs filed a duplicative state-court action, sought abstention in the federal case, and then moved for voluntary dismissal. The court denied abstention, denied sanctions, granted voluntary dismissal without prejudice, and denied the motion to dismiss as moot.

DISPOSITION

dismissed

CASES CITED

- *Bender v. Freed*, 436 F.3d 747, 751 (7th Cir. 2006)
- *TruServ Corp. v. Flegles, Inc.*, 419 F.3d 584, 590 (7th Cir. 2005)
- *United States v. UCB, Inc.*, 970 F.3d 835, 849 (7th Cir. 2020)
- *Stern v. Barnett*, 452 F.2d 211, 213 (7th Cir. 1971)
- *Taylor v. Brown*, 787 F.3d 851, 857 (7th Cir. 2015)
- *Garbie v. DaimlerChrysler Corp.*, 211 F.3d 407, 410 (7th Cir. 2000)
- *United States v. Outboard Marine Corp.*, 789 F.2d 497, 502 (7th Cir. 1986)
- *Pace v. Southern Express Co.*, 409 F.2d 331, 334 (7th Cir. 1969)
- *Tolle v. Carroll Touch, Inc.*, 23 F.3d 174, 177 (7th Cir. 1994)
- *DuToit v. Strategic Mins. Corp.*, 136 F.R.D. 82, 85-86 (D. Del. 1991)
- *Quad/Graphics, Inc. v. Fass*, 724 F.2d 1230, 1233 (7th Cir. 1983)

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