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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

GEORGE M. WILLIAMS,
Plaintiff,
v.
KATHRYN A. WILLIAMS, ESTATE OF
ERIC WILLIAMS, STOMA VENTURES,
LLC,
Defendants.

No. 2:16-cv-2344-MCE-EFB PS

ORDER AND FINDINGS AND
RECOMMENDATIONS

Plaintiff seeks leave to proceed *in forma pauperis* pursuant to 28 U.S.C. 1915.¹ His declaration makes the showing required by 28 U.S.C. §1915(a)(1) and (2). *See* ECF No. 2. Accordingly, the request to proceed *in forma pauperis* is granted. 28 U.S.C. § 1915(a).

Determining that plaintiff may proceed *in forma pauperis* does not complete the required inquiry. Pursuant to § 1915(e)(2), the court must dismiss the case at any time if it determines the allegation of poverty is untrue, or if the action is frivolous or malicious, fails to state a claim on which relief may be granted, or seeks monetary relief against an immune defendant. As discussed below, plaintiff's complaint must be dismissed for lack of jurisdiction.

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¹ This case, in which plaintiff is proceeding *in propria persona*, was referred to the undersigned under Local Rule 302(c)(21). *See* 28 U.S.C. § 636(b)(1).

1 Although pro se pleadings are liberally construed, *see Haines v. Kerner*, 404 U.S. 519,
2 520-21 (1972), a complaint, or portion thereof, should be dismissed for failure to state a claim if it
3 fails to set forth “enough facts to state a claim to relief that is plausible on its face.” *Bell Atl.*
4 *Corp. v. Twombly*, 550 U.S. 544, 554, 562-563 (2007) (citing *Conley v. Gibson*, 355 U.S. 41
5 (1957)); *see also* Fed. R. Civ. P. 12(b)(6). “[A] plaintiff’s obligation to provide the ‘grounds’ of
6 his ‘entitlement to relief’ requires more than labels and conclusions, and a formulaic recitation of
7 a cause of action’s elements will not do. Factual allegations must be enough to raise a right to
8 relief above the speculative level on the assumption that all of the complaint’s allegations are
9 true.” *Id.* (citations omitted). Dismissal is appropriate based either on the lack of cognizable
10 legal theories or the lack of pleading sufficient facts to support cognizable legal theories.
11 *Balistreri v. Pacifica Police Dep’t*, 901 F.2d 696, 699 (9th Cir. 1990).

12 In reviewing a complaint under this standard, the court must accept as true the allegations
13 of the complaint in question, *Hospital Bldg. Co. v. Rex Hosp. Trustees*, 425 U.S. 738, 740 (1976),
14 construe the pleading in the light most favorable to the plaintiff, and resolve all doubts in the
15 plaintiff’s favor, *Jenkins v. McKeithen*, 395 U.S. 411, 421 (1969). A pro se plaintiff must satisfy
16 the pleading requirements of Rule 8(a) of the Federal Rules of Civil Procedure. Rule 8(a)(2)
17 requires a complaint to include “a short and plain statement of the claim showing that the pleader
18 is entitled to relief, in order to give the defendant fair notice of what the claim is and the grounds
19 upon which it rests.” *Twombly*, 550 U.S. at 555 (citing *Conley v. Gibson*, 355 U.S. 41 (1957)).

20 Additionally, a federal court is a court of limited jurisdiction, and may adjudicate only
21 those cases authorized by the Constitution and by Congress. *Kokkonen v. Guardian Life Ins. Co.*,
22 511 U.S. 375, 377 (1994). The basic federal jurisdiction statutes, 28 U.S.C. §§ 1331 & 1332,
23 confer “federal question” and “diversity” jurisdiction, respectively. Federal question jurisdiction
24 requires that the complaint (1) arise under a federal law or the U. S. Constitution, (2) allege a
25 “case or controversy” within the meaning of Article III, § 2 of the U. S. Constitution, or (3) be
26 authorized by a federal statute that both regulates a specific subject matter and confers federal
27 jurisdiction. *Baker v. Carr*, 369 U.S. 186, 198 (1962). To invoke the court’s diversity
28 jurisdiction, a plaintiff must specifically allege the diverse citizenship of all parties, and that the

1 matter in controversy exceeds \$75,000. 28 U.S.C. § 1332(a); *Bautista v. Pan American World*
2 *Airlines, Inc.*, 828 F.2d 546, 552 (9th Cir. 1987). A case presumably lies outside the jurisdiction
3 of the federal courts unless demonstrated otherwise. *Kokkonen*, 511 U.S. at 376-78. Lack of
4 subject matter jurisdiction may be raised at any time by either party or by the court. *Attorneys*
5 *Trust v. Videotape Computer Products, Inc.*, 93 F.3d 593, 594-95 (9th Cir. 1996).

6 The complaint alleges that in early 2013, plaintiff's brother Eric Williams (the decedent)
7 invented a revolutionary dental device. ECF No. 1 at 8. Prior to the creation of the dental device,
8 the decedent "entered into oral and written agreements with his five brothers (including plaintiff)
9 and adult niece promising to compensate them in exchange for investing in his dental invention
10 by providing the start-up capital for" Stoma Ventures, LLC ("Stoma"), the company under which
11 the decedent created the dental device. *Id.* at 15.

12 In June 2014, the decedent died intestate. *Id.* at 9. At the time of the decedent's death, his
13 assets included a purchase order (presumably of dental devices) from the United States Veterans
14 Administration totaling \$4.2 million. *Id.* Two months after the decedent's death, defendant
15 Kathryn Williams, the decedent's wife, filed a Spousal Property Petition in the San Joaquin
16 County Superior Court, requesting a transmutation of incorporated business assets to community
17 property. The petition was granted and all of the defendant's property, as well as the money
18 plaintiff invested in Stoma, were transferred to Kathryn Williams.

19 Plaintiff alleges that he "unsuccessfully appealed the San Joaquin Superior court's
20 granting of the spousal property order on the grounds that defendant Kathryn Williams sought to
21 evade formal probate proceedings by fraudulently representing to the court that the estate of the
22 decedent did not exceed \$150,000 in clear violation of Probate Code Section 13100." *Id.* at 10.
23 Plaintiff contends that the petition should not have been granted, as the estate's interest in Stoma
24 exceeded a million dollars. *Id.* Plaintiff made several attempts to inform the probate court that its
25 "order had the unintended consequence of inadvertently depriving [him and the rest of the
26 decedent's family] of substantial investment profits," but he was unsuccessful. *Id.* at 11-12.

27 Plaintiff now alleges two breach of contract claims against defendants Kathryn Williams,
28 Robert Vanderselt, a managing partner for Stoma, and the estate of Eric Williams, claiming that

1 these defendants deprived him of the profits he would have received for the sale of the dental
2 device. *Id.* at 16-17.

3 The complaint fail to establish subject matter jurisdiction. Plaintiff alleges only state law
4 claims for breach of contract and, contrary to plaintiff’s contention, there is no diversity of the
5 parties. Rather, the complaint alleges that plaintiff is a citizen of California, *id.* at 1, and as
6 discussed below, the estate is also a citizen of California. Although plaintiff claims that the estate
7 of Eric Williams is a citizen of Virginia because Kathryn Williams, the representative of the
8 estate, resides in that state, for purposes of diversity jurisdiction “the legal representative of the
9 estate of a decedent shall be deemed to be a citizen only of the same State as the decedent”
10 28 U.S.C. § 1332(c)(2). Documents attached to the complaint, including a declaration plaintiff
11 submitted to the probate court, show that the decedent was a resident of California at the time of
12 his death. Thus, both plaintiff and the estate of Eric Williams are citizens of California, and
13 therefore diversity jurisdiction pursuant to 28 U.S.C. § 1332 is defeated.

14 More significantly, the complaint indicates that plaintiff’s claims are barred by the
15 *Rooker-Feldman* doctrine. The *Rooker-Feldman* doctrine bars jurisdiction in federal district court
16 if the exact claims raised in a state court case are raised in the subsequent federal case, or if the
17 constitutional claims presented to the district court are “inextricably intertwined” with the state
18 court’s denial of relief. *Bianchi v. Rylaarsdam*, 334 F.3d 895, 898-99 (9th Cir. 2003) (quoting
19 *Feldman*, 460 U.S. at 483 n. 16). *Rooker-Feldman* thus bars federal adjudication of any suit
20 where a plaintiff alleges an injury based on a state court judgment or directly appeals a state
21 court’s decision. *Id.* at 900 n. 4.

22 The district court lacks subject matter jurisdiction either to conduct a direct review of a
23 state court judgment or to scrutinize the state court’s application of various rules and procedures
24 pertaining to the state case. *Samuel v. Michaud*, 980 F. Supp. 1381, 1411-12 (D. Idaho 1996),
25 *aff’d*, 129 F.3d 127 (9th Cir. 1997); *see also Branson v. Nott*, 62 F.3d 287, 291-92 (9th Cir. 1995)
26 (finding no subject matter jurisdiction over section 1983 claim seeking, inter alia, implicit
27 reversal of state trial court action). “That the federal district court action alleges the state court’s
28 action was unconstitutional does not change the rule.” *Feldman*, 460 U.S. at 486. In sum, “a

1 state court's application of its rules and procedures is unreviewable by a federal district court.
2 The federal district court only has jurisdiction to hear general challenges to state rules or claims
3 that are based on the investigation of a new case arising upon new facts." *Samuel*, 980 F. Supp. at
4 1412-13.

5 The crux of plaintiff's complaint is that the state probate court wrongfully awarded his
6 interest in Stoma to defendant Kathryn Williams based on her misrepresentation of the value of
7 the estate. Under the *Rooker-Feldman* doctrine, plaintiff is precluded from challenging the
8 probate court's order in this court. Accordingly, the court lacks jurisdiction over plaintiff's
9 claims.

10 As the court is without jurisdiction over plaintiff's claims, the complaint must be
11 dismissed without leave to amend.² *See Noll v. Carlson*, 809 F.2d 1446, 1448 (9th Cir. 1987)
12 (While the court ordinarily would permit a pro se plaintiff leave to amend, leave to amend should
13 not be granted where it appears amendment would be futile).

14 Accordingly, it is hereby ORDERED that:

- 15 1. Plaintiff's motion to proceed *in forma pauperis* (ECF No. 2) is granted; and
- 16 2. Plaintiff's application to file documents electronically (ECF No. 3) is denied as moot.

17 Further, it is RECOMMENDED that plaintiff's complaint be dismissed without leave to
18 amend and the Clerk be directed to close this case.

19 These findings and recommendations are submitted to the United States District Judge
20 assigned to the case, pursuant to the provisions of 28 U.S.C. § 636(b)(1). Within fourteen days
21 after being served with these findings and recommendations, any party may file written
22 objections with the court and serve a copy on all parties. Such a document should be captioned
23 "Objections to Magistrate Judge's Findings and Recommendations." Failure to file objections

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27 ² Plaintiff also filed an application to file documents electronically. In light of the
28 recommendation that the action be dismissed for lack of jurisdiction, that motion is denied as moot.

1 within the specified time may waive the right to appeal the District Court's order. *Turner v.*
2 *Duncan*, 158 F.3d 449, 455 (9th Cir. 1998); *Martinez v. Ylst*, 951 F.2d 1153 (9th Cir. 1991).

3 DATED: September 5, 2017.

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5 EDMUND F. BRENNAN
6 UNITED STATES MAGISTRATE JUDGE
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