

AASI Creditor Liquidating Trust v. PeopleSoft, USA, Inc.
(In re All American Semiconductor, Inc.),
09-1466-BKC-LMI-A

The Court denied several Motions to Abstain concluding that in the absence of pending state court actions and where there were common facts underlying the claims against each of the defendants, it would be inappropriate to abstain from hearing the adversary case. Moreover, the Court held that a contract, once rejected, cannot be modified by confirmation of a Chapter 11 Plan by virtue of such plan confirmation. Nonetheless, venue and arbitration provisions in a rejected contract may be waived for purposes of actions arising out of that contract. Finally, plaintiffs must meet the pleading standards set forth in Federal Rule of Civil Procedure 8 in order to survive a Motion to Dismiss and that pleading facts which essentially lump defendants together without differentiating the conduct of each defendant does not meet those standards.