

United States Court of Appeals
for the Fifth Circuit

United States Court of Appeals
Fifth Circuit

FILED

October 28, 2026

Thomas B. Plunkett, III
Clerk

No. 26-60151

IN THE MATTER OF IKECHUKWU H. OKORIE,

Debtor,

IKECHUKWU H. OKORIE,

Appellant,

versus

KEYSTONE HEALTHCARE PARTNERS,

Appellee.

Appeal from the United States District Court
for the Southern District of Mississippi
USDC No. 2:25-CV-42

Before HIGGINBOTHAM, ENGELHARDT, and RAMIREZ, *Circuit Judges.*

PER CURIAM:*

Ikechukwu Okorie appeals the denial of his motions for violation of an automatic bankruptcy stay and summary judgment. We AFFIRM.

* This opinion is not designated for publication. *See* 5TH CIR. R. 47.5.

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In 2019, Okorie filed a Chapter 11 bankruptcy petition, triggering an automatic stay. Later that year, he entered a “Physician Agreement” with Keystone Healthcare Partners to provide emergency medical services. At his request, Keystone sent his payments to Inland Family Practice, which Okorie owned, from September 2020 through July 2021. In July 2021, Okorie asked Keystone to begin sending him the payments directly. Keystone then realized that it had been erroneously paying Okorie for duplicate shifts, resulting in a total overpayment of \$151,567.31. Keystone notified Okorie that it planned to recoup the funds over a period of 12 months. They eventually negotiated an agreement for recoupment over a period of 2.5 years.

Shortly before the end of the recoupment period, Okorie filed a motion in bankruptcy court arguing that the recoupment violated the automatic stay. The bankruptcy court found that there was no violation because Keystone showed unrefuted proof that it overpaid Okorie, and the overpayment and recoupment both arose from the same contract or transaction. Okorie appealed to the district court and further argued that the bankruptcy court had lacked jurisdiction over the dispute. The district court found that the bankruptcy court had jurisdiction and affirmed its judgment. This appeal followed.

In a bankruptcy appeal, “[w]e review . . . lower court conclusions of law de novo.” *In re Kosadnar*, 157 F.3d 1011, 1013 (5th Cir. 1998). Here, the district court found that the bankruptcy court had jurisdiction because “matters related to the automatic stay are considered ‘core proceedings,’” and, regardless, Okorie consented to jurisdiction by filing in that court.¹ Under 28 U.S.C. § 157(b)(2)(G), “core” Chapter 11 proceedings include

¹ Okorie’s brief “preserves” his jurisdictional objection but does not meaningfully argue that the district court erred on this issue.

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“motions to terminate, annul, or modify the automatic stay.” Okorie’s motion for violation of automatic stay fell into this category. He also consented to jurisdiction, as the district court noted, by filing the motion. *See* 28 U.S.C. § 157(c)(2) (bankruptcy court may hear non-core proceedings “with the consent of all the parties”). The bankruptcy court properly exercised jurisdiction.

Substantively, Okorie’s claim turns on whether Keystone’s actions qualify as recoupment. “Recoupment allows a defendant to reduce the amount of a plaintiff’s claim by asserting a claim against the plaintiff which arose out of the same transaction to arrive at a just and proper liability on the plaintiff’s claim.” *In re Kosadnar*, 157 F.3d at 1013 (citation modified). In bankruptcy proceedings, recoupment is “not . . . subject to the automatic stay.” *Id.* For a claim to qualify as recoupment, “first, some type of overpayment must have been made, and second, both the creditor’s claim and the amount owed to the debtor must arise from a single contract or transaction.” *Id.*

Okorie does not dispute overpayment, but he argues that Keystone does not meet the “single contract or transaction” requirement because it issued nine separate overpayments, and they were made to Inland Family Practice rather than to Okorie. This court “construe[s] the term ‘transaction’ broadly,” with a focus “on the facts and the equities of each case.” *Kadonsky v. United States*, 216 F.3d 499, 507 (5th Cir. 2000) (citation modified). Here, the overpayments and Okorie’s claim for compensation both arose under the Physician Agreement, meaning that they “ar[o]se from a single contract.” *See Kosadnar*, 157 F.3d at 1013. The fact that Okorie had Keystone remit payments to Inland Family Practice is irrelevant because the contract itself was between Keystone and Okorie. There is no equitable justification for restricting recoupment to “corrections within the same invoice cycle or a contemporaneous netting of the same account,” as Okorie

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suggests. Like the debtor in *Kosadnar*, Okorie received “exactly the type of overpayments the recoupment doctrine contemplates.” *Id.* at 1014.

Because Keystone properly sought to recoup overpayments from Okorie, the bankruptcy court was correct to deny his motion for violation of automatic stay and deny as moot his motion for summary judgment.

The judgment of the bankruptcy court is AFFIRMED.