

The Supreme Court's decision in [\*Stern v. Marshall\*](#) recognized constitutional limitations on the bankruptcy court's authority under 28 U.S.C. § 157(b) to enter final orders. [\*Murphy v. Felice \(In re Felice\)\*](#), 480 B.R. 401, 411 (Bankr.D.Mass.2012) (citing [\*Stern v. Marshall\*](#), 131 S.Ct. at 2618). In [\*Stern v. Marshall\*](#), the Supreme Court held that, as an Article I court, bankruptcy courts lacked constitutional authority to enter a final judgment on a state law counterclaim brought by the debtor against a creditor to her estate. [131 S.Ct. at 2620](#). First concluding that the counterclaim was a "core" proceeding and that the bankruptcy court had statutory jurisdiction under 28 U.S.C. § 157(b)(2)(C) to decide it, the Court noted: "Although we conclude that § 157(b)(2)(C) permits the Bankruptcy Court to enter final judgment on [the debtor's] counterclaim, Article III of the Constitution does not." *Id.* at 2604-08. The Court concluded that such an exercise of judicial power by an Article I bankruptcy judge was unconstitutional in the *Stern* case because the action at issue was a state tort action that existed without regard to any bankruptcy proceeding. *Id.* Therefore, despite being a "core" proceeding within the meaning of 28 U.S.C. § 157(b)(2), final resolution of the debtor's counterclaim required adjudication by an Article III judge. *Id.*