

United States District Court  
Northern District of California

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

ESTATE OF JAMES SINGH,  
Plaintiff,  
v.  
WELLS FARGO BANK, N.A.,  
Defendant.

Case No. 22-cv-01532-JSC

**ORDER RE: MOTIONS TO DISMISS  
AND REMAND**

Re: Dkt. Nos. 12, 18

Plaintiff, the estate of James Singh, sued Wells Fargo Bank in Alameda County Superior Court related to a 2006 home loan and 2018 foreclosure. (*See* Dkt. No. 1.)<sup>1</sup> Defendant removed to federal court. Now pending are Defendant’s unopposed motion to dismiss and Plaintiff’s motion to remand. (Dkt. Nos. 12, 18.) Having carefully considered the parties’ briefing, the Court concludes that oral argument is unnecessary, *see* N.D. Cal. Civ. L.R. 7-1(b), VACATES the May 12, 2022 hearing, GRANTS Defendant’s motion to dismiss, and DENIES Plaintiff’s motion to remand.

**COMPLAINT ALLEGATIONS**

James Singh owned a property at 21 Pembroke Court in Oakland, California from 1982 until his death on May 15, 2021. (Dkt. No. 1 at 11 ¶ 2, 12 ¶ 4.) Plaintiff is Mr. Singh’s estate, acting through estate executor Vikash Singh without representation by a lawyer. (*Id.* at 12 ¶ 3.) On January 20, 2006, James Singh signed an Adjustable Rate Mortgage Note agreement with World Savings Bank, FSB. (*Id.* at 13 ¶ 15.) The note was later transferred from World Savings

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<sup>1</sup> Record citations are to material in the Electronic Case File (“ECF”) in Case No. 22-cv-01532-JSC, unless otherwise noted; pinpoint citations are to the ECF-generated page numbers at the top of the documents.

1 Bank to Defendant. (*Id.*) The note required Defendant to give Mr. Singh written notice of the  
2 amount claimed due and a date certain by which to pay it. (*Id.* at 13 ¶ 16.) The note also implied  
3 a covenant of good faith and fair dealing that required Defendant to give Mr. Singh a reasonable  
4 time to pay the amount claimed due. (*Id.* at 13 ¶ 16, 14 ¶ 20.) At a foreclosure sale on December  
5 12, 2018, Defendant purportedly took ownership of the property. (*Id.* at 12 ¶ 5.) Plaintiff alleges  
6 the foreclosure was invalid because Defendant violated the note’s express requirements as well as  
7 the covenant of good faith and fair dealing implied by the note. (*Id.* at 13–14 ¶¶ 15–16, 20–21.)  
8 Plaintiff does not know of any current encumbrances on the property and estimates its value at  
9 \$975,000, exceeding the “alleged encumbrances of record and costs of sale in relation to the real  
10 property.” (*Id.* at 13 ¶¶ 10–11.)

11 Plaintiff brings claims for quiet title, breach of the secured promissory note, breach of the  
12 implied covenant of good faith and fair dealing, and declaratory relief indicating that it is the sole  
13 and complete owner of the property as of December 7, 2021.

## 14 DISCUSSION

### 15 I. Motion to Remand

16 Plaintiff’s motion to remand asserts that the Court lacks federal subject matter jurisdiction  
17 because the claims are based on California law and the parties are not diverse. Mr. Singh was a  
18 citizen of California because he lived in California, (*see* Dkt. No. 1 at 12 ¶ 4), from 1982 until his  
19 death in 2021. *See Lew v. Moss*, 797 F.2d 747, 749–50 (9th Cir. 1986). Plaintiff, his estate, is  
20 therefore also a citizen of California. *See* 28 U.S.C. § 1332(c)(2); *e.g.*, *Kocher v. Hilton*  
21 *Worldwide Holdings, Inc.*, No. 3:18-cv-00449-SB, 2018 WL 6735086, at \*2 (D. Or. Nov. 9, 2018)  
22 (analyzing decedent’s domicile at time of death to determine representative’s citizenship); *Est. of*  
23 *Ruffu ex rel. Jensen Beach Marine Ctr., Inc. v. Collier*, No. 06–3531 (NLH), 2008 WL 801274, at  
24 \*1 (D.N.J. Mar. 20, 2008) (noting that decedent’s estate was a citizen of New Jersey because  
25 decedent had been a citizen of New Jersey).

26 Defendant is a “national banking association” not organized under the laws of any state.  
27 28 U.S.C. § 1348. As such, it is a citizen “only in the state designated as its main office.” *Rouse*  
28 *v. Wachovia Mortg., FSB*, 747 F.3d 707, 708 (9th Cir. 2014); *see id.* at 709 n.1 (noting that a

1 national bank must “designate the place where its operations of discount and deposit are to be  
2 carried on, which serves as the bank’s main office” (cleaned up)). Defendant’s main office is in  
3 South Dakota, (*see* Dkt. No. 22 at 3–9),<sup>2</sup> and therefore it is a citizen only of South Dakota. *See*  
4 *also Rouse*, 747 F.3d at 715 (“Wells Fargo is a citizen only of South Dakota.”).

5 Finally, Plaintiff does not contest that the amount in controversy is satisfied. *See* 28  
6 U.S.C. § 1332(a). The complaint does not demand a dollar amount, (*see* Dkt. No. 1 at 16), but  
7 estimates that the property for which it seeks to quiet title is worth \$975,000, (*id.* at 13 ¶ 11).  
8 Thus, the value of “the object in litigation” exceeds the \$75,000 minimum amount in controversy.  
9 *Chapman v. Deutsche Bank Nat’l Tr. Co.*, 651 F.3d 1039, 1045 n.2 (9th Cir. 2011).

10 Because the parties are diverse and the required amount in controversy is met, the Court  
11 has federal subject matter jurisdiction. 28 U.S.C. § 1332. Plaintiff’s motion to remand is  
12 DENIED. (Dkt. No. 18.)

13 **II. Motion to Dismiss**

14 Defendant moves to dismiss on the grounds that Plaintiff’s claims are barred by *res*  
15 *judicata* or otherwise fail as a matter of law. “The preclusive effect of a judgment is defined by  
16 claim preclusion and issue preclusion, which are collectively referred to as ‘res judicata.’” *Taylor*  
17 *v. Sturgell*, 553 U.S. 880, 892 (2008). Plaintiff’s predecessor, Mr. Singh, filed five other suits  
18 against Defendant related to this property. (*See* Case No. 18-cv-07376, Dkt. No. 13 at 3–5); *see*  
19 *also In re Singh*, No. NC–17–1217–FBTa, 2018 WL 2671444, at \*1–3 (B.A.P. 9th Cir. June 5,  
20 2018) (describing procedural history). Defendant filed two unlawful detainer actions against  
21 Plaintiff in state court. The lawsuits are described below.

- 22 • Plaintiff’s October 2011 suit brought six causes of action related to Defendant’s handling  
23 of the 2006 loan. *See Singh v. Wells Fargo Bank N.A.*, No. C 11–5485 PJH, 2012 WL  
24 294663 (N.D. Cal. Jan. 31, 2012). It resolved after the court dismissed with prejudice  
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26  
27 <sup>2</sup> The Court takes judicial notice of Defendant’s articles of association as a matter of public record.  
28 (*See* Dkt. No. 22); *Harris v. County of Orange*, 682 F.3d 1126, 1132 (9th Cir. 2012) (noting that  
judicial notice is appropriate for “undisputed matters of public record, including documents on file  
in federal or state courts” (citation omitted)).

1 Plaintiff's claim for quiet title and Plaintiff voluntarily dismissed the remaining claims.  
2 (*See* Case No. 18-cv-07376, Dkt. No. 13 at 3.)

- 3 • In July 2012, there was a foreclosure sale on the property and Defendant purportedly took  
4 ownership. In an attempt to take possession, Defendant filed an unlawful detainer action  
5 against Plaintiff. *See In re Singh*, 2018 WL 2671444, at \*2. In June 2013, a jury found  
6 that the 2012 sale was improper. *See id.* at \*2, \*4; (*see also* Case No. 18-cv-07376-JSC,  
7 Dkt. No. 13 at 4 n.7).
- 8 • Plaintiff's December 2012 suit brought seven causes of action related to the 2006 loan.  
9 *See Singh v. Wells Fargo Bank*, No. C-12-06566 EDL, 2013 WL 1787157 (N.D. Cal.  
10 Mar. 8, 2013), *report and recommendation adopted*, 2013 WL 1787156 (Apr. 25, 2013). It  
11 resolved in dismissal without leave to amend, which was affirmed by the Ninth Circuit.  
12 *Singh v. Wells Fargo Bank, NA*, 671 F. App'x 973 (9th Cir. 2016).
- 13 • Plaintiff's March 2015 suit challenged Defendant's attempt to resume the foreclosure  
14 process, arguing that the unlawful detainer verdict in Plaintiff's favor meant that Defendant  
15 could never foreclose. *See In re Singh*, 2018 WL 2671444, at \*2. The suit resolved in  
16 voluntary dismissal. (*See* Case No. 18-cv-07376-JSC, Dkt. No. 13 at 3-4.)
- 17 • Plaintiff's April 2016 suit, an adversary complaint in bankruptcy court, again alleged that  
18 the unlawful detainer verdict prevented Defendant from foreclosing. *See In re Singh*, 2018  
19 WL 2671444, at \*2. The bankruptcy court "held that claim preclusion applied to all of the  
20 causes of action except the quiet title claim, because the [December 2012 suit] was fully  
21 adjudicated adversely to the Plaintiff by both the District Court and the [Ninth Circuit] and  
22 contained claims based on the same underlying facts." *Id.* at \*3 (cleaned up). The  
23 bankruptcy court also held that the two-dismissal rule "barred relitigation of the claims  
24 previously asserted (and dismissed)" in the October 2011 and March 2015 suits. *Id.*  
25 Finally, the bankruptcy court held that all of Plaintiff's claims, including the quiet title  
26 claim, otherwise failed as a matter of law. *Id.* The suit resolved in dismissal with  
27 prejudice, which was affirmed by the Ninth Circuit Bankruptcy Appellate Panel. *See id.* at  
28 \*4-8.

- 1 • Plaintiff’s December 2018 suit brought “causes of action related to the same underlying  
2 loan and alleged conduct as the previous conduct or involving conduct that could have  
3 been challenged in previous actions.” (Case No. 18-cv-7376-JSC, Dkt. Nos. 13.) It  
4 resolved in dismissal without leave to amend because the claims were barred by claim  
5 preclusion and the two-dismissal rule. (Case No. 18-cv-7376-JSC, Dkt. No. 19.)
- 6 • After the December 2018 foreclosure sale, Defendant again tried to take possession by  
7 filing an unlawful detainer action against Plaintiff in April 2019. (*See* Dkt. No. 13 at 200–  
8 12.)<sup>3</sup> The state court granted summary judgment to Defendant, which was affirmed by the  
9 state court of appeal in March 2022. (*See id.* at 214–23.) The judgment reflected that  
10 Defendant purchased the property at a non-judicial foreclosure sale on December 12, 2018;  
11 perfected title by recording the Notice of Trustee’s Deed Upon Sale on December 19,  
12 2018; served Plaintiff with a three-day notice to quit; and that Plaintiff remained in  
13 possession. (*See id.* at 223.)

14 Here, the Court must consider the preclusive effect of federal court judgments based on  
15 diversity (e.g., Plaintiff’s suits filed in state court and removed to federal court on the basis of  
16 diversity) and state court judgments (e.g., Defendant’s unlawful detainer actions against Plaintiff  
17 in state court). “The preclusive effect of a federal-court judgment is determined by federal  
18 common law.” *Taylor*, 553 U.S. at 891. For federal court judgments in diversity cases, federal  
19 common law “incorporates the rules of preclusion applied by the State in which the rendering  
20 court sits.” *Id.* at 891 n.4. The preclusive effect of a state court judgment is determined by that  
21 state’s law. *See Marrese v. Am. Acad. of Orthopaedic Surgeons*, 470 U.S. 373, 380 (1985).  
22 Accordingly, the Court applies California’s law of preclusion, which substantially echoes the  
23 federal counterpart. *See In re Singh*, 2018 WL 2671444, at \*5–6 (applying California law of  
24 preclusion).

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27 <sup>3</sup> The Court takes judicial notice of the 2019 unlawful detainer action orders. (*See* Dkt. No. 13);  
28 *Harris*, 682 F.3d at 1132; *Bennet v. Medtronic, Inc.*, 285 F.3d 801, 803 n.2 (9th Cir. 2002)  
(recognizing that courts “may take notice of proceedings in other courts, both within and without  
the federal judicial system, if those proceedings have a direct relation to matters at issue”).

1           **A.     Claim Preclusion**

2           Claim preclusion “bar claims that were, or should have been, advanced in a previous suit  
3 involving the same parties,” “prevent[ing] relitigation of entire causes of action.” *DKN Holdings*  
4 *LLC v. Faerber*, 352 P.3d 378, 386 (Cal. 2015); *Samara v. Matar*, 419 P.3d 924, 926 (Cal. 2018).  
5 It “applies only when a second suit involves (1) the same cause of action (2) between the same  
6 parties or their privies (3) after a final judgment on the merits in the first suit.” *Samara*, 419 P.3d  
7 at 926 (cleaned up); see *Owens v. Kaiser Found. Health Plan, Inc.*, 244 F.3d 708, 713 (9th Cir.  
8 2001) (noting federal elements are “(1) an identity of claims, (2) a final judgment on the merits,  
9 and (3) identity or privity between parties”). Here, there is no dispute that Plaintiff (through its  
10 predecessor Mr. Singh) and Defendant were named in Plaintiff’s previous suits.

11           “California courts employ the ‘primary rights theory’ to determine if two actions constitute  
12 a single cause of action.” *In re Singh*, 2018 WL 2671444, at \*5.

13                     A cause of action under the primary rights theory considers the  
14 broader question of the injury or harm suffered. The most salient  
15 characteristic of a primary right is that it is indivisible: the violation  
16 of a single primary right gives rise to but a single cause of action.  
17 Therefore, if an action involves the same injury to the plaintiff and  
the same wrong by the defendant then the same primary right is at  
stake even if in the second suit, the plaintiff pleads different theories  
of recovery, seeks different forms of relief and/or adds new facts  
supporting recovery.

18 *Id.* (cleaned up); see *Owens*, 244 F.3d at 714 (noting, under federal law, that “[t]he central  
19 criterion in determining whether there is an identity of claims between the first and second  
20 adjudications is whether the two suits arise out of the same transactional nucleus of facts” (cleaned  
21 up)).

22           Central to Plaintiff’s current complaint is the allegation that the December 12, 2018  
23 foreclosure sale was invalid. That question was not and could not have been litigated or decided  
24 in any of Plaintiff’s previous suits because the latest was filed on December 7, 2018. (*See* Case  
25 No. 18-cv-7376-JSC, Dkt. No. 1.) The 2018 sale is a “significant factual distinction that affects  
26 the application of claim preclusion,” analogous to the unlawful detainer verdict that changed the  
27 operative nucleus of facts between Plaintiff’s December 2012 suit and the April 2016 adversary  
28 complaint in bankruptcy court. *In re Singh*, No. 15-40917 (WJL), 2017 WL 2859754, at \*5

1 (Bankr. N.D. Cal. July 3, 2017), *aff'd*, 2018 WL 2671444, at \*5–6. As the bankruptcy court  
2 concluded: “Therefore, any cause of action that relies on facts surrounding the [unlawful detainer  
3 verdict] would not be barred by the doctrine of claim preclusion because it does not rely on the  
4 same operative nucleus of facts.” *Id.* Here, any cause of action that relies on facts surrounding the  
5 2018 sale would not be barred by claim preclusion because it could not have been litigated in  
6 Plaintiff’s previous suits. *Cf. In re Singh*, 2018 WL 2671444, at \*7 n.7 (“[T]here is no reason to  
7 allow Mr. Singh to file an amended complaint based on his fear that Wells Fargo might err again. .  
8 . . . If Wells Fargo manages to get a new foreclosure off the ground, Mr. Singh could assert any  
9 proper challenges to that foreclosure at an appropriate time and in an appropriate forum.”).

10 Only Plaintiff’s claim for quiet title relies on facts surrounding the 2018 sale. That claim  
11 alleges the sale was invalid and did not transfer title to Defendant. (Dkt. No. 1 at 11–13 ¶¶ 1–13.)  
12 Therefore, the quiet title claim is not barred by claim preclusion. (However, it is barred by issue  
13 preclusion, as explained below.)

14 Plaintiff’s claims for breach of secured promissory note and breach of the implied  
15 covenant of good faith and fair dealing do not rely on facts surrounding the 2018 sale. (*Id.* at 13–  
16 14 ¶¶ 15–16, 20–21.) Instead, they rely on facts predating the 2018 sale because Plaintiff alleges  
17 the breaches caused the later sale to be invalid. These claims are barred by claim preclusion  
18 because they assert the same primary rights as previous cases, arising from the terms of Plaintiff’s  
19 2006 loan and Defendant’s handling of the loan thereafter. They could have been brought in the  
20 December 2012 suit, which rested on “the processing and servicing of Plaintiff’s loan.” *Singh*,  
21 2013 WL 1787157, at \*4; *see also In re Singh*, 2017 WL 2859754, at \*5 (“In the same vein that  
22 [the magistrate judge] found that the operative facts in the [December 2012 suit] revolved around  
23 ‘the processing and servicing of Plaintiff’s loan,’ the Court finds that the operative nucleus of facts  
24 being alleged in [eight] causes of action plead in the [complaint] are effectively the same as they  
25 were in the [December 2012 suit].”). They could also have been brought in the 2016 suit. *See In*  
26 *re Singh*, 2018 WL 2671444, at \*4 n.3 (noting, in affirming dismissal of 2016 suit: “Mr. Singh  
27 argues that Wells Fargo could not foreclose because it violated the conditions precedent to a  
28 foreclosure under the deed of trust. It is not clear that he made this argument in the bankruptcy

1 court; if he did not, the argument is waived. But even if he did, he does not explain this argument.  
2 He cites a lengthy paragraph purportedly from the deed of trust but does not state how Wells  
3 Fargo allegedly violated it. We can discern no error based on this argument.”). Both the  
4 December 2012 and April 2016 suits resolved in a final judgment on the merits. *Singh*, 671 F.  
5 App’x at 973 (affirming dismissal of December 2012 suit for failure to state a claim under Rule  
6 12(b)(6)); *In re Singh*, 2018 WL 2671444, at \*9 (affirming dismissal of April 2016 suit with  
7 prejudice); *see Stewart v. U.S. Bancorp*, 297 F.3d 953, 957 (9th Cir. 2002) (“[A] dismissal for  
8 failure to state a claim under Rule 12(b)(6) is a ‘judgment on the merits’ to which res judicata  
9 applies.”); *see also In re Singh*, 2017 WL 2859754, at \*4 (concluding same).

10 Accordingly, Plaintiff’s claims for breach of secured promissory note and breach of the  
11 implied covenant of good faith and fair dealing are barred by claim preclusion.

12 **B. Issue Preclusion**

13 In contrast to claim preclusion, issue preclusion prevents “relitigation of previously  
14 decided issues.” *Samara*, 419 P.3d at 926. It applies “only (1) after final adjudication (2) of an  
15 identical issue (3) actually litigated and necessarily decided in the first suit and (4) asserted against  
16 one who was a party in the first suit or one in privity with that party.” *Id.* (cleaned up); *see Robi v.*  
17 *Five Platters, Inc.*, 838 F.2d 318, 322 (9th Cir. 1988) (noting, under federal law, that issue  
18 preclusion “prevents relitigation of all issues of fact or law that were actually litigated and  
19 necessarily decided in a prior proceeding” (cleaned up)).

20 Plaintiff’s quiet title claim was actually litigated and necessarily decided in the 2019  
21 unlawful detainer action—a final adjudication against Plaintiff. “[O]rdinary” unlawful detainer  
22 actions are “limited to resolution of the question of possession” and “given limited res judicata  
23 effect.” *Malkoskie v. Option One Mortg. Corp.*, 115 Cal. Rptr. 3d 821, 825 (Cal. Ct. App. 2010).  
24 “However, a qualified exception to the rule that title cannot be tried in unlawful detainer is  
25 contained in Code of Civil Procedure section 1161a, which extends the summary eviction remedy  
26 beyond the conventional landlord-tenant relationship to include certain purchasers of property.”  
27 *Id.* (cleaned up). Thus, “subsequent fraud or quiet title suits founded upon allegations of  
28 irregularity in a trustee’s sale are barred by the prior unlawful detainer judgment.” *Id.*

1 Defendant brought the 2019 unlawful detainer action under Section 1161a. (Dkt. No. 13 at  
2 201 ¶ 5, 202 ¶ 8.) Defendant “expressly alleged . . . the specific facts it contended established it  
3 had perfected legal title to the property, including that the foreclosure sale was conducted in  
4 accordance with Civil Code section 2924.” *Malkoskie*, 115 Cal. Rptr. 3d at 826; (*see* Dkt. No. 13  
5 at 200 ¶ 1). “The conduct of the sale and the validity of the resulting transfer of title . . . were  
6 therefore directly in issue,” and “it was proper for limited issues pertaining to the validity of title  
7 obtained . . . in the sale to be raised and conclusively resolved.” *Malkoskie*, 115 Cal. Rptr. 3d at  
8 826; *see id.* at 825 n.4 (noting that issue preclusion “is the more accurate term to use on these  
9 facts”). The action resulted in a judgment that Defendant had title because it bought the property  
10 at the properly conducted 2018 foreclosure sale and perfected title by recording notice. (Dkt. No.  
11 13 at 214–23.) Thus, the issue of who owned title after the 2018 foreclosure sale has already been  
12 decided.

13 Additionally, Plaintiff’s complaint states:

14 [Defendant] failed to include rebuttal evidence at the summary  
15 judgment motion in the unlawful detainer matter regarding the  
16 conduct of the trustee’s sale even though it was in its power to do so  
17 under California Evidence Code Section 412. Defendant[’s] lack of  
evidence on this issue should be looked upon with distrust by the  
court.

18 (Dkt. No. 1 at 15–16.) This is an implicit admission that the quiet title claim seeks to relitigate  
19 issues decided in the unlawful detainer action.

20 Accordingly, Plaintiff’s quiet title claim is barred by issue preclusion.

21 **C. Declaratory Relief Claim**

22 Plaintiff’s fourth cause of action is styled “declaratory relief.” (Dkt. No. 1 at 15.) It  
23 requests that the Court “make a determination of the validity of the trustee’s sale and [] issue a  
24 ruling on who is the lawful owner of the real property.” (*Id.* at 16 ¶ 28.) Declaratory relief is a  
25 form of relief, not a substantive claim or cause of action. Because Plaintiff’s other three claims  
26 fail as a matter of law, there is no basis for declaratory relief. *See Flores v. EMC Mortg. Co.*, 997  
27 F. Supp. 2d 1088, 1111–12 (E.D. Cal. 2014) (“The [federal Declaratory Judgment Act’s] operation  
28 is procedural only. A declaratory judgment is not a theory of recovery.” (cleaned up)); 28 U.S.C.

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§ 2201(a) (requiring “a case of actual controversy”). Accordingly, the declaratory relief claim must be dismissed as well.

**CONCLUSION**

Plaintiff’s claims for breach of secured promissory note and breach of the implied covenant of good faith and fair dealing are barred by claim preclusion. The claim for quiet title is barred by issue preclusion and there is no remaining basis for the declaratory relief claim.

Defendant’s motion to dismiss is GRANTED; Plaintiff’s motion to remand is DENIED. The dismissal is without leave to amend because Plaintiff’s claims fail as a matter of law, and therefore amendment would be futile. *See Yagman v. Garcetti*, 852 F.3d 859, 863 (9th Cir. 2017).

This Order disposes of Docket Nos. 12, 18.

**IT IS SO ORDERED.**

Dated: May 9, 2022

  
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JACQUELINE SCOTT CORLEY  
United States District Judge