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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

BAHRAM MANOUCHEHRI,

Plaintiff,

vs.

HSBC BANK USA, NATIONAL
ASSOCIATION, AS TRUSTEE FOR THE
HOLDERS OF THE DEUTSCHE ALT-A
SECURITIES, INC. MORTGAGE LOAN
TRUST, MORTGAGE PASS-THROUGH
CERTIFICATES SERIES 2007-OA4, et al.,

Defendants.

CASE NO. 17cv119-LAB (BGS)

**ORDER GRANTING PARTIAL
JUDGMENT ON THE PLEADINGS**

Ten years ago, Bahram Manouchehri bought a San Diego home. Countrywide loaned Manouchehri the money, he defaulted, and eventually his deed of trust was assigned to defendant HSBC Bank. The Bank substituted the Law Offices of Les Zieve as trustee. After four years of foreclosure proceedings, the Trustee sold Manouchehri's home to the Bank. Manouchehri didn't leave, so the Bank filed an unlawful detainer action against him in state court. He removed that case, and this Court remanded for lack of jurisdiction. At the same time, Manouchehri filed this action against the Bank and the Trustee. He alleges they violated two federal laws: the Fair Debt Collection Practices Act and the Truth in Lending Act. He also alleges six state causes of action. Defendants filed a motion for judgment on the pleadings.¹

¹ The Court takes judicial notice of the undisputed public records filed at Dkt. 6 and Dkt.15. Fed. R. Evid. 201; see *In re Icenhower*, 755 F.3d 1130, 1142 (9th Cir. 2014).

1 Aside from policy arguments, Manouchehri's only support for his theory is a citation
2 to California Business & Professions Code § 10234(d). He highlights the following portion
3 of that provision: "A trust deed may be recorded in the name of the real estate broker
4 negotiating the loan if the real property securing the loan as described in the trust deed
5 is not a dwelling." Manouchehri reads this statute to say it was illegal for Countrywide, the
6 original lender of his loan, to record its own name on the trust deed because it may have
7 acted as a broker for some unknown third party who funded his mortgage. In other words,
8 he reads §10234(d) to say table-funding residential mortgages is illegal.

9 The statute doesn't say that. And Manouchehri offers no authority in support of his
10 interpretation. Instead, two district courts have already rejected Manouchehri's theory,
11 brought by his same attorney in this case. See *Palmer v. MTC Fin., Inc.*, 2017 WL 2311680,
12 at *4, *6 (E.D. Cal. May 26, 2017); *Grieves v. MTC Fin. Inc.*, 2017 WL 3142179, at *12 n.1
13 (N.D. Cal. July 25, 2017). This Court rejects that theory as well.²

14 Even if Manouchehri is right about § 10234(d), he's only offered conclusory
15 allegations that his original loan was illegally table-funded: "Plaintiff is informed and believes
16 . . . that [Countrywide] was not the actual funding lender . . . but instead acted as a 'broker'
17 to bring in anonymous outside funding from a third party to table-fund the loan proceeds."
18 [Dkt. 6 at 5.] He speculates that Countrywide may have obtained the money "from a pre-
19 funded SPE or other source." [Dkt. 6 at 8.] But the Court need not accept those conclusory
20 and speculative statements as true. See *Palmer*, 2017 WL 2311680, at *6. And as a practical
21 matter, it doesn't make any sense to force a trustee attempting to comply with California's
22 strict foreclosure rules to face federal debt collection litigation because the debtor claims it's
23 possible his original loan ten years ago came from an unknown source.

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26 ² California courts have also found no authority for this theory. See, e.g., *Tejeda v. Wells*
27 *Fargo Bank, N.A.*, 2017 WL 5899169, at *3–4 (Cal. Ct. App. Nov. 30, 2017) ("Assuming the
28 loan here was table funded, we find nothing in California's statutory scheme that authorizes
a borrower to void a deed of trust based on table funding."); *Allen v. Bank of New York*
Mellon, 2016 WL 5239625, at *13 (Cal. Ct. App. Sept. 22, 2016).

