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7 UNITED STATES DISTRICT COURT  
8 WESTERN DISTRICT OF WASHINGTON  
9 AT SEATTLE

10 BOYOON CHOI,

11 Plaintiff,

12 v.

13 QUALITY LOAN SERVICE  
14 CORPORATION, et al.,

15 Defendants.

CASE NO. C16-1745JLR

ORDER OF REMAND

16 **I. INTRODUCTION**

17 Before the court is Plaintiff Boyoon Choi's motion for a temporary restraining  
18 order ("TRO"). (TRO Mot. (Dkt. # 28).) Defendants Ocwen Loan Servicing, LLC  
19 ("Ocwen"), and Wilmington Trust, N.A. ("Wilmington"), oppose the motion.  
20 (Ocwen/Wilmington Br. (Dkt. # 42).) Defendants Quality Loan Service Corporation  
21 ("QLS") and Bank of America, N.A. ("BANA") take no position on Ms. Choi's motion.  
22 (QLS Br. (Dkt. # 33); BANA Br. (Dkt. # 35).) In response to the court's order to show

1 cause (2/9/17 Order (Dkt. # 32)), Ms. Choi filed additional briefing regarding subject  
2 matter jurisdiction (Choi Br. (Dkt. # 36)). Having considered the parties' briefing, the  
3 relevant portions of the record, and the applicable law,<sup>1</sup> the court REMANDS this case to  
4 Snohomish County Superior Court for lack of subject matter jurisdiction and DENIES the  
5 remainder of the pending motions as moot.

## 6 II. BACKGROUND & ANALYSIS

7 Ms. Choi filed this case in Snohomish County Superior Court on October 6, 2016.<sup>2</sup>  
8 (Compl.; St. Ct. Dkt. (Dkt. # 1-2).) Ms. Choi seeks to quiet title to the property at 2022  
9 151st Way SE, Mill Creek, Washington ("the Property") and asserts violations of  
10 Washington's Deed of Trust Act ("DTA"), RCW ch. 61.24, and Consumer Protection Act  
11 ("CPA"), RCW ch. 19.86. (Compl. ¶¶ 24-51.) Ms. Choi asserts these state law claims  
12 against Defendants, each of which allegedly played a role in Ms. Choi's default on her  
13 mortgage and the imminent nonjudicial foreclosure. (*See generally id.*) QLS serves as  
14 the foreclosing trustee. (*Id.* ¶ 6.) QLS and Ms. Choi are both Washington domiciliaries.  
15 (*Id.* ¶¶ 5-6, 12.)

16 On November 10, 2016, BANA removed this case from Snohomish County  
17 Superior Court. (Not. of Rem. (Dkt. # 1).) BANA asserted that the court had subject

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19 <sup>1</sup> Although Ms. Choi requested oral argument (TRO Mot. at 1), the court deems oral  
20 argument unnecessary to the disposition of this motion, *see* Local Rules W.D. Wash. LCR  
21 7(b)(4).

22 <sup>2</sup> Although Ms. Choi's TRO motion purports to rely in part upon her "verified  
[c]omplaint" (TRO Mot. at 4), the only complaint on record in this action is unverified (*see*  
*generally* Compl.). The court raised this oversight in its February 9, 2017, order (2/9/17 Order at  
2 n.1), but Ms. Choi has not supplemented the record with any sworn declaration or other  
evidence.

1 matter jurisdiction based on complete diversity between the parties. (*Id.* ¶ 5.) BANA  
2 acknowledged that Ms. Choi and QLS are both Washington domiciliaries. (*Id.* ¶ 5(c).)  
3 However, BANA contended that QLS’s Washington domicile does not destroy complete  
4 diversity “because QLS has been named in this action solely in its capacity as Trustee  
5 under the Deed of Trust” and is therefore a nominal defendant. (*Id.* (citing *S.E.C. v.*  
6 *Collello*, 139 F.3d 674, 676 (9th Cir. 1998); *Prudential Real Estate Affiliates, Inc. v. PPR*  
7 *Realty, Inc.*, 204 F.3d 867, 873 (9th Cir. 2000)).) To support this assertion, BANA  
8 posited that Ms. Choi “is not seeking money damages against QLS” and that Ms. Choi  
9 and QLS “have agreed that QLS is not required to participate in the litigation.”<sup>3</sup> (*Id.*)  
10 Neither Ms. Choi nor Defendants objected to BANA’s assertions.

11 After BANA filed its notice of removal, however, several filings called into  
12 question the accuracy of the assertions on which BANA based its argument that QLS is a  
13 nominal defendant. (*See* Not. of Rem. ¶ 5(c).) First, QLS filed a motion to dismiss in  
14 which it argues that Ms. Choi fails to state a CPA claim against QLS. (QLS MTD (Dkt.  
15 # 12).) Second, in response to that motion, Ms. Choi argues that QLS violated the DTA  
16 and committed a CPA violation. (Resp. to QLS MTD (Dkt. # 16) at 4-5.) Third, in the  
17 section of her TRO motion addressing the likelihood of success on the merits, Ms. Choi  
18 argues that “QLS breached it [sic] duty of impartiality by failing to respond or provide  
19 any explanation to Plaintiff’s demand letter, and thus did not exercise independent  
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21 <sup>3</sup> In its “corrected” notice of removal, BANA removed the allegation that Ms. Choi and  
22 QLS agreed that QLS does not need to participate in this litigation. (*See* Corr. Not. of Rem.  
(Dkt. # 8) ¶ 5(c).) BANA maintains that its contrary statement in the initial notice of removal  
resulted from confusing this case with another case. (*See* BANA Br. at 2 n.1.)

1 discretion as required by the DTA.” (TRO Mot. at 11.) Ms. Choi further argues that  
2 QLS violated the CPA. (*Id.* at 11-12.)

3 Based on those filings, the court ordered the parties to brief the court’s basis for  
4 subject matter jurisdiction over this matter. (*See* 2/9/17 Order); *see Gaus v. Miles, Inc.*,  
5 980 F.2d 564, 566 (9th Cir. 1992) (placing the burden on the defendant to overcome the  
6 strong presumption against removal jurisdiction). QLS takes no position regarding  
7 subject matter jurisdiction. (QLS Br. at 1.) BANA responded by defending its initial  
8 notice of removal as proper based on the allegations in the complaint. (BANA Br. at  
9 2-6.) However, BANA “does not oppose remand” to the extent “facts have come to light  
10 since the removal from which” the court determines that it lacks subject matter  
11 jurisdiction. (*Id.* at 7.) Ocwen and Wilmington join in BANA’s response regarding  
12 subject matter jurisdiction. (Ocwen/Wilmington Br. at 2.)

13 Ms. Choi responded to the court’s order by invoking the court’s equitable powers.  
14 (*See* Choi Br. at 1-2 (“[I]n the interest of justice and in order to afford Plaintiff an  
15 opportunity to prevent her home from unjust foreclosure, Plaintiff respectfully requests  
16 that the [c]ourt exercise its inherent powers of equity . . . .”); *see also* Ocwen/Wilmington  
17 Br. at 2 (“Plaintiff herself consents to this [c]ourt’s jurisdiction . . . .”).) Specifically, Ms.  
18 Choi asks the court to take one of three actions that would remedy the lack of subject  
19 matter jurisdiction: (1) allow Ms. Choi to amend her complaint to assert a Fair Debt  
20 Collection Practices Act (“FDCPA”) claim against QLS (Choi Br. at 2-4); (2) grant  
21 QLS’s motion to dismiss and afford Ms. Choi leave to amend the complaint to state an  
22 FDCPA claim (*id.* at 4); and (3) dismiss QLS as a defendant without prejudice (*id.* at

1 4-5). The first two options would confer federal question jurisdiction on the court, 28  
2 U.S.C. § 1331, whereas the third would remedy the diversity deficiency, 28 U.S.C.  
3 § 1332; *see also Lincoln Prop. Co. v. Roche*, 546 U.S. 81, 89 (2005) (explaining the  
4 complete diversity requirement).

5 The court's subject matter jurisdiction inheres in Article III of the United States  
6 Constitution and the jurisdictional statutes that Congress has enacted. *See Ins. Corp. of*  
7 *Ireland, Ltd. v. Compagnie des Bauxites de Guinee*, 456 U.S. 694, 702 (1982). The court  
8 has no authority to expand its subject matter jurisdiction based on equitable  
9 considerations. *See id.* Ms. Choi does not dispute the court's inference that she seeks to  
10 recover monetary damages from QLS. (*See Choi Br.*) QLS is therefore not a nominal  
11 defendant in this action, as BANA asserted in its notice of removal. (*See Not. of Rem.*  
12 ¶ 5(c); *see also* *Corr. Not. of Rem.* ¶ 5(c).) Furthermore, the court rejects Ms. Choi's  
13 dilatory<sup>4</sup> and procedurally improper methods of curing the defect in subject matter  
14 jurisdiction by amending the complaint or dismissing QLS (*see Choi Br.* at 2-5) because  
15 "at [this] time," 28 U.S.C. § 1447(c), QLS is a named defendant that destroys complete  
16 diversity and thereby deprives the court of subject matter jurisdiction, *cf. Colello*, 139

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20 <sup>4</sup> BANA removed this case more than three months ago on the basis of diversity  
21 jurisdiction, but Ms. Choi has not moved to remand the case on the basis of incomplete diversity.  
22 (*See Dkt.*) Indeed, Ms. Choi requested no relief from the court until her February 8, 2017,  
motions for a temporary restraining order (TRO Mot.) and a preliminary injunction (PI Mot.  
(*Dkt. # 25*)). She has therefore foregone ample opportunities to avoid the procedural conundrum  
in which she finds herself.

1 F.3d at 676; *PPR Realty*, 204 F.3d at 873. Lacking subject matter jurisdiction at this  
2 time, the court must remand the action to state court.<sup>5</sup> 28 U.S.C. § 1447(c).

### 3 III. CONCLUSION

4 Based on the foregoing analysis, the court ORDERS that:

- 5 1. Pursuant to 28 U.S.C. § 1447(c), all further proceedings in this case are  
6 REMANDED to the Snohomish County Superior Court;
- 7 2. The Clerk shall send copies of this order to all counsel of record for all parties;
- 8 3. Pursuant to 28 U.S.C. § 1447(c), the Clerk shall mail a certified copy of the  
9 order of remand to the Clerk for Snohomish County Superior Court;
- 10 4. The Clerk shall also transmit the record herein to the Clerk of the Court for  
11 Snohomish County Superior Court;

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16 <sup>5</sup> Even if the court had subject matter jurisdiction and Ms. Choi had sworn to the veracity  
17 of the allegations in her unverified complaint, *see supra* n.2, Ms. Choi fails to demonstrate an  
18 entitlement to preliminary injunctive relief. Among other showings, Ms. Choi must demonstrate  
19 at least substantial questions going to the merits of her quiet title claim. *See All. for the Wild*  
20 *Rockies v. Cottrell*, 632 F.3d 1127, 1134-35 (9th Cir. 2011); *Winter v. Nat. Res. Def. Council,*  
21 *Inc.*, 555 U.S. 7, 20 (2008). Ms. Choi's quiet title claim relies on the premises that Defendants  
22 accelerated her mortgage on June 16, 2010, and that more than six years passed without  
deceleration or the commencement of foreclosure proceedings. (*See* TRO Mot. at 6-10.) Ocwen  
and Wilmington have produced evidence that Defendants decelerated Ms. Choi's loan during  
that six-year period and, at any rate, took timely action less than six years after they purportedly  
accelerated Ms. Choi's mortgage. (1st Wozniak Decl. (Dkt. # 39) ¶¶ 8-19; *see also*  
Ocwen/Wilmington Br. at 10-12.) Accordingly, even if it had subject matter jurisdiction over  
this matter, the court would deny Ms. Choi a TRO for failure to show substantial questions going  
to the merits of her claim.

- 1 5. The parties shall file nothing further in this matter,<sup>6</sup> and instead are instructed  
2 to seek any further relief to which they believe they are entitled from the courts  
3 of the State of Washington, as may be appropriate in due course; and  
4 6. The Clerk shall terminate all pending motions (Dkt. ## 10, 12, 13, 25, 28) and  
5 CLOSE this case.

6 Dated this <sup>th</sup>14 day of February, 2017.

7   
8 JAMES L. ROBART  
9 United States District Judge

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21 <sup>6</sup> The court ordered Owen and Wilmington to show cause why they should not be  
22 sanctioned for failure to comply with a prior court order. (2/13/17 Order (Dkt. # 40) at 2.)  
Counsel's declaration satisfies the court that the oversight was inadvertent, and the court declines  
to issue sanctions and requires no further briefing on this matter. (2d Wozniak Decl. (Dkt. # 41)  
¶¶ 2-4.)