

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
MISSOURI, EASTERN DIVISION

Ernesto Varela, et al. v. William Harold Hill, et al.

Varela · No. 4:23-cv-01016-SEP · Decided January 15, 2026

SUMMARY

The United States District Court for the Eastern District of Missouri reviews Plaintiffs’ Fair Housing Act claim under 42 U.S.C. § 3617 and observes that the claim appears barred by the Act’s two-year statute of limitations. The Court orders Plaintiffs to show cause why Count III should not be dismissed as untimely and permits, but does not require, Defendant to respond. The order is limited to the timeliness issue.

CASE DETAILS

COURT	United States District Court for the Eastern District of Missouri, Eastern Division
JURISDICTION	United States District Court for the Eastern District of Missouri, Eastern Division
DECIDED	January 15, 2026
DOCKET	4:23-cv-01016-SEP
DISPOSITION	other
PROCEDURAL POSTURE	On review of the Complaint, the district court identified a potential statute-of-limitations problem with the remaining Fair Housing Act claim and issued a show-cause order before taking sua sponte action under Rule 12(b)(6).
STANDARD OF REVIEW	Rule 12(b)(6) dismissal standard; the court considered whether the Complaint on its face showed that the FHA claim was barred by the statute of limitations.
PRECEDENTIAL VALUE	Unclear; memorandum and order from a federal district court with no stated precedential designation.

TOPICS

- statute of limitations
- motions to dismiss
- civil rights
- civil procedure
- real estate

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Count III under the Fair Housing Act appears barred by the Act's two-year statute of limitations when Plaintiffs filed suit nearly five years after the alleged discriminatory housing practice ended.
2. Whether the district court may sua sponte dismiss a time-barred claim under Federal Rule of Civil Procedure 12(b)(6), and whether Plaintiffs should receive an opportunity to respond before dismissal.

HOLDINGS

1. In the Eighth Circuit, a district court may sua sponte dismiss a complaint under Rule 12(b)(6) after service of process, including on statute-of-limitations grounds, despite the defendant's failure to plead the limitations defense.
2. The court did not finally determine that Count III was time-barred, but concluded that the Complaint appeared to show that the claim was untimely and ordered Plaintiffs to show cause why it should not be dismissed.

KEY QUOTATIONS

“In the Eighth Circuit, “a district court sua sponte may dismiss a complaint under Rule 12(b)(6) as long as the dismissal does not precede service of process.””

FACTUAL BACKGROUND

Plaintiffs alleged that William Harold Hill subjected them to pervasive race-based harassment and threats that made their housing unavailable and caused them to move. According to the Complaint, Plaintiffs moved on July 14, 2018, ending the alleged harassment, and filed suit on July 12, 2023. The court therefore identified a potential limitations problem under the Fair Housing Act's two-year limitations period.

PROCEDURAL HISTORY

Plaintiffs filed the action in state court on July 12, 2023, and the matter proceeded in the United States District Court for the Eastern District of Missouri. After various motions to dismiss, Counts II under 42 U.S.C. § 1982 and III under the Fair Housing Act survived. The court limited this order to Count III, determined that the claim appeared untimely, and ordered the parties to address dismissal before February 20, 2026.

DISPOSITION

other

CASES CITED

- Buckley v. Ray, 848 F.3d 855, 867 (8th Cir. 2017)
- Smith v. Boyd, 945 F.2d 1041, 1043 (8th Cir. 1991)
- Smithrud v. City of St. Paul, 746 F.3d 391, 396 n. 3 (8th Cir. 2014)

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