

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)

OPINION

Varela

PER CURIAM.

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MISSOURI

EASTERN DIVISION

ERNESTO VARELA, et al.,)) Plaintiff,) v.) Case No. 4:23-cv-01016-SEP) WILLIAM
HAROLD HILL, et al.,)) Defendant.)

MEMORANDUM AND ORDER

This matter comes before the Court upon review of the Complaint. In general, Plaintiffs allege that Hill's pervasive race-based harassment and threats made their housing unavailable to them and caused them to move. Two of Plaintiffs' claims survived various motions to dismiss: Count II under 42 U.S.C. § 1982 and Count III under the Fair Housing Act, 42 U.S.C. § 3617. Docs. [1-1], [26]. This Order pertains only to Count III under the FHA. The Fair Housing Act states: An aggrieved person may commence a civil action in an appropriate United States district court or State court not later than 2 years after the occurrence or the termination of an alleged discriminatory housing practice, or the breach of a conciliation agreement entered into under this subchapter, whichever occurs last, to obtain appropriate relief with respect to such discriminatory housing practice or breach. 42 U.S.C. § 3613(a)(1)(A) (emphasis added). According to the Complaint, Plaintiffs filed this action in state court on July 12, 2023, which is almost exactly five years after they moved, bringing an end to Defendant's harassment, on July 14, 2018. See Doc. [1-1] at 3, 9 ¶ 56. Plaintiffs' Count III thus appears to be barred by the FHA's statute of limitations. 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." *Buckley v. Ray*, 848 F.3d 855, 867 (8th Cir. 2017) (quoting *Smith v. Boyd*, 945 F.2d 1041, 1043 (8th Cir. 1991)) (affirming district court's sua sponte dismissal of time-barred claims); see also *Smithrud v. City of St. Paul*, 746 F.3d 391, 396 n.3 (8th Cir. 2014) (permitting dismissal on statute-of-limitations grounds under Rule 12(b)(6) despite Defendant's failure to plead it). The Court will not dismiss Count III before providing the parties with an opportunity to be heard, however. Accordingly, IT IS HEREBY ORDERED that Plaintiffs shall, no later than February 20, 2026, show cause why Count III of their Complaint should not be dismissed as untimely. The response may be no longer than five double-spaced pages. Failure by Plaintiffs to respond to this Order will result in the dismissal of Count II. IT IS FURTHER ORDERED that Defendant may, but is not required to, file a response to this Order no later than February 20, 2026. Defendant is likewise limited to five double-spaced pages. IT IS FINALLY ORDERED that any response to this Order from either party should pertain only to the single issue raised by the Court herein. Dated this 15th day of January, 2025.

SARAH E. PITLYK

UNITED STATES DISTRICT JUDGE

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