UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Deborah R. White v. U.S. Bank Trust, N.A. as Trustee for LSF11 Master Participation Trust

White · No. 1:25-CV-05698 · Decided March 29, 2026

SUMMARY

The United States District Court for the Northern District of Illinois dismissed Deborah R. White's claims against U.S. Bank Trust arising from the foreclosure of her mortgage. The court held that Illinois claim preclusion barred her Fair Debt Collection Practices Act, fraud, and intentional infliction of emotional distress claims because the claims arose from the same transaction as the prior state-court foreclosure proceeding. The dismissal was with prejudice, and the court directed entry of final judgment.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
WRITING FOR THE COURT	Edmond E. Chang
JURISDICTION	United States District Court for the Northern District of Illinois, Eastern Division
DECIDED	March 29, 2026
DOCKET	1:25-CV-05698
DISPOSITION	dismissed
PROCEDURAL POSTURE	After U.S. Bank removed White's state-court action, U.S. Bank moved to dismiss under Federal Rule of Civil Procedure 12(b)(6), arguing that claim preclusion barred all claims. White did not respond.
STANDARD OF REVIEW	The court applied the Rule 12(b)(6) standard and considered claim preclusion where the complaint itself raised the defense. It also took judicial notice of public state-court records.
PRECEDENTIAL VALUE	Unknown

TOPICS

motions to dismiss · res judicata · foreclosure · civil procedure · consumer protection

PRACTICE AREAS

civil procedure | real estate | consumer protection | remedies

QUESTIONS PRESENTED

1. Whether claim preclusion may support dismissal under Rule 12(b)(6) when the complaint's allegations raise the defense.
2. Whether Illinois claim-preclusion law barred White's federal and state-law claims arising from the prior mortgage foreclosure.
3. Whether White should be permitted to amend her complaint.

HOLDINGS

1. Claim preclusion is a proper basis for dismissal under Rule 12(b)(6) when the plaintiff pleads facts in the complaint that raise the defense.
2. Because the prior judgment was rendered by an Illinois state court, the federal court applies Illinois preclusion law to determine whether res judicata bars the claims.
3. Illinois claim preclusion barred White's FDCPA, fraud, and intentional-infliction-of-emotional-distress claims because there was a final judgment on the merits, an identity of causes of action, and an identity of parties or their privies.
4. Leave to amend was properly denied because amendment would be futile, and White identified no basis for believing that an amendment would state a viable claim.

KEY QUOTATIONS

> *"In Illinois, res judicata extends to all questions actually decided in a previous action as well as to all grounds of recovery and defenses which might have been presented in the prior litigation."* (at 1)

> *"Claim preclusion applies if three elements are met: "(1) there was a final judgment on the merits rendered by a court of competent jurisdiction; (2) there is an identity of cause of action; and (3) there is an identity of parties or their privies.""* (at 1)

> *"To determine whether there is an identical cause of action, Illinois courts use the "transactional test," which "provides that the assertion of different kinds or theories of relief still constitutes a single cause of action for purposes of res judicata if a single group of operative facts gives rise to the assertion of relief.""* (at 1)

FACTUAL BACKGROUND

U.S. Bank, as trustee for LSF11 Master Participation Trust, foreclosed on Deborah White's mortgage in state court, and the state court confirmed the foreclosure sale. White later sued U.S. Bank over the foreclosure, asserting Fair Debt Collection Practices Act, common-law fraud, and intentional-infliction-of-emotional-distress claims. The district court found that all of those theories arose from the same foreclosure transaction and that White and U.S. Bank had been parties to the state foreclosure action.

PROCEDURAL HISTORY

U.S. Bank foreclosed on White's mortgage in Illinois state court. White then filed a state-court action alleging violations of the Fair Debt Collection Practices Act, common-law fraud, and intentional infliction of emotional distress arising from the foreclosure. U.S. Bank removed the action to federal court, moved to dismiss, and the district court dismissed the claims with prejudice and directed entry of final judgment.

DISPOSITION

dismissed

CASES CITED

- Muhammad v. Oliver, 547 F.3d 874, 878 (7th Cir. 2008)
- Henson v. CSC Credit Servs., 29 F.3d 280, 284 (7th Cir. 1994)
- Whitaker v. Ameritech Corp., 129 F.3d 952, 955-56 (7th Cir. 1997)
- Nowak v. St. Rita High Sch., 757 N.E.2d 471, 478 (Ill. 2001)
- Byrd v. Homecomings Fin. Network, 407 F. Supp. 2d 937, 944-45 (N.D. Ill. 2005)
- Bethany Pharmacal Co., Inc. v. QVC, Inc., 241 F.3d 854, 861 (7th Cir. 2001)

OPINION

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION DEBORAH R. WHITE, Plaintiff, NO. 1:25-CV-05698 v. Judge Edmond E. Chang U.S. BANK TRUST, N.A. AS TRUSTEE FOR LSF11 MASTER PARTICIPATION TRUST, Defendant. ORDER U.S. Bank Trust, as the Trustee for LSF11 Master Participation Trust, fore- closed on Deborah White’s mortgage in state court.

See R. 7-6, Def.’s Exh. 6, Sum- mary-Judgment Order.1 White then sued U.S. Bank in state court for alleged viola- tions of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq.; common law fraud; and intentional infliction of emotional distress arising from the foreclosure. R. 1-1, Notice of Removal Exh. 1, Compl. ¶¶ 10–12.2 U.S. Bank removed the case to federal court, R. 1, Notice of Removal, and now moves to dismiss under Civil Rule 12(b)(6), R. 7, Def.’s Mot.

White did not respond to the motion. U.S. Bank argues that claim preclusion bars White’s claims. Def.’s Mot. at 5– 6. Although claim preclusion is an affirmative defense, it is a proper basis for dismis- sal when the plaintiff pleads facts in the complaint that raise the defense. Muham- mad v. Oliver, 547 F.3d 874, 878 (7th Cir. 2008).

Because an Illinois state court 1The Court takes judicial notice of the state-court orders in the foreclosure case be- cause they are public court records. See Henson v. CSC Credit Servs., 29 F.3d 280, 284 (7th Cir. 1994). 2This Court has subject matter jurisdiction over the federal law claim under 28 U.S.C. § 1331 and supplemental jurisdiction over the state law claims under 28 U.S.C. § 1367. rendered the judgment in the foreclosure case, see Summary-Judgment Order, “this Court must apply Illinois preclusion law to determine whether res judicata bars [White's] claims," Whitaker v. Ameritech Corp., 129 F.3d 952, 955 (7th Cir.

1997). "In Illinois, res judicata extends to all questions actually decided in a previous action as well as to all grounds of recovery and defenses which might have been presented in the prior litigation." Id. at 956. Claim preclusion applies if three elements are met: "(1) there was a final judg- ment on the merits rendered by a court of competent jurisdiction; (2) there is an iden- tity of cause of action; and (3) there is an identity of parties or their privies." Whitaker, 129 F.3d at 955 (cleaned up).

To determine whether there is an identical cause of action, Illinois courts use the "transactional test," which "provides that the assertion of different kinds or theories of relief still constitutes a single cause of action for pur- poses of res judicata if a single group of operative facts gives rise to the assertion of relief." Nowak v. St. Rita High Sch., 757 N.E.2d 471, 478 (Ill.

2001). All three elements are met here. "First, there was a final judgment on the mer- its in state court when the court confirmed the foreclosure sale." Byrd v. Homecom- ings Fin. Network, 407 F. Supp. 2d 937, 944 (N.D. Ill. 2005); see R. 7-7, Def.'s Exh. 7, Sale Order.

Second, "[e]ach of [White's] legal theories arises from the same transac- tion: the foreclosure of [White's] mortgage." Byrd, 407 F. Supp. 2d at 945 (holding that there was an identity of causes of action between the current suit and state fore- closure suit because plaintiff's Federal Debt Collection Practices Act and state law deception claims were based on the defendant's foreclosure on plaintiff's mortgage); see also Compl. ¶¶ 10–12 (alleging that U.S. Bank violated federal and state law by foreclosing on White's mortgage).

Third, White and U.S. Bank were both parties in the state case. See Summary-Judgment Order. Because claim preclusion clearly bars White's claims, any amendment would be futile, so her claims are dismissed with prejudice. See Bethany Pharmacal Co., Inc. v. QVC, Inc., 241 F.3d 854, 861 (7th Cir. 2001). Plus, White did not respond to the 2 dismissal motion, so she does not offer any reason to think that an amendment would result in a viable claim.

Final judgment shall be entered. ENTERED: s/Edmond E. Chang Honorable Edmond E. Chang United States District Judge DATE: March 29, 2026 3