UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO

EagleBank v. Yajia Hu Schwartz et al.

Civil Action No. 1:22-cv-01762-SBP · No. 1:22-cv-01762-SBP · Decided November 24, 2025

SUMMARY

The United States District Court for the District of Colorado grants EagleBank's motion under Federal Rule of Civil Procedure 41(a)(2) to voluntarily dismiss without prejudice its remaining Colorado Uniform Fraudulent Transfer Act claim. The court concludes that the defendants identify no legal prejudice and directs entry of final judgment on the claims and counterclaims previously adjudicated, awards EagleBank its costs, and permits it to seek attorney's fees.

CASE DETAILS

COURT	United States District Court for the District of Colorado
WRITING FOR THE COURT	Susan Prose
JURISDICTION	United States District Court for the District of Colorado
DECIDED	November 24, 2025
DOCKET	1:22-cv-01762-SBP
DISPOSITION	other
PROCEDURAL POSTURE	EagleBank moved under Federal Rule of Civil Procedure 41(a)(2) to voluntarily dismiss without prejudice its remaining claim under the Colorado Uniform Fraudulent Transfer Act. The defendants opposed dismissal and sought, through their response, adjudication under Rule 41(b), sanctions, fees, and expungement.
STANDARD OF REVIEW	A district court's decision under Federal Rule of Civil Procedure 41(a)(2) to permit voluntary dismissal is reviewed for abuse of discretion. In deciding whether dismissal would cause legal prejudice, courts consider the opposing party's effort and expense in preparing for trial, excessive delay or lack of diligence by the movant, the adequacy of the explanation for dismissal, and the present stage of the litigation.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion and order; persuasive authority only
PARTIES	EagleBank

TOPICS

civil procedure · motions to dismiss · commercial litigation · real estate · remedies

PRACTICE AREAS

civil procedure · commercial litigation · real estate · fraudulent transfers · remedies

QUESTIONS PRESENTED

1. Whether EagleBank should be permitted under Federal Rule of Civil Procedure 41(a)(2) to voluntarily dismiss its remaining CUFTA claim without prejudice over the defendants' opposition.
2. Whether the defendants established legal prejudice sufficient to deny voluntary dismissal.
3. Whether the defendants were entitled to dismissal with prejudice, attorney's fees, sanctions, or expungement under Rule 41(b) based on EagleBank's prosecution of the CUFTA claim.

HOLDINGS

1. A plaintiff may voluntarily dismiss a claim under Rule 41(a)(2) without prejudice when the opposing party will not suffer legal prejudice, and the court granted EagleBank's motion because the Ohlander factors supported dismissal.
2. The defendants did not demonstrate legal prejudice that would justify denying dismissal of the CUFTA claim without prejudice.
3. The defendants were not entitled to Rule 41(b) dismissal with prejudice, fee-shifting, sanctions, or expungement because Rule 41(b) concerns involuntary dismissals and the record did not show failure to prosecute or failure to comply with the Federal Rules or a court order.

KEY QUOTATIONS

> *"Absent "legal prejudice" to a defendant, the district court should grant a motion for voluntary dismissal under Rule 41(a)(2)."*

> *"The important aspect" in deciding a motion to dismiss a claim without prejudice under Rule 41(a)(2) "is whether the opposing party will suffer prejudice in light of the valid interests of the parties."*

> *"The court respectfully concludes that EagleBank's voluntary dismissal of the CUFTA claim would result in no legal prejudice to the Schwartz Parties that would justify denying the Motion."*

FACTUAL BACKGROUND

The action concerned a high-end residential property at 460 El Mirador in Edwards, Colorado. EagleBank alleged that the property was fraudulently transferred for ten dollars after EagleBank obtained a Maryland judgment exceeding $3.5 million against several defendants, with the intent to place the property beyond EagleBank's reach. The property was later sold at a foreclosure sale, leaving only a potential statutory-damages theory under CUFTA, and no discovery had been conducted on that claim.

PROCEDURAL HISTORY

EagleBank filed suit concerning an allegedly fraudulent transfer of residential property and asserted a CUFTA claim. The defendants brought counterclaims, two of which were dismissed with prejudice on judgment on the pleadings, while the remaining declaratory counterclaims were resolved or dismissed as moot after summary judgment recognizing and enforcing a Maryland judgment in Colorado. With only EagleBank's CUFTA claim remaining and no discovery or trial preparation having occurred on that claim, the court granted voluntary dismissal without prejudice and directed entry of final judgment on the claims and counterclaims previously adjudicated.

DISPOSITION

other

CASES CITED

- Tax Lien Law Grp., LLC v. EagleBank, No. 1129, Sept. Term 2020, 2021 WL 3360972, at *1 (Md. Ct. Spec. App. Aug. 3, 2021)
- United States ex rel. Stone v. Rockwell Int’l Corp., 282 F.3d 787, 810 (10th Cir. 2002)
- Ohlander v. Larson, 114 F.3d 1531, 1537 (10th Cir. 1997)
- Front Row Techs., LLC v. NBA Media Ventures, LLC, No. CIV 10-0433 JB/SCY, 2016 WL 5395278, at *5 (D.N.M. Aug. 31, 2016), aff’d sub nom. Front Row Techs. LLC v. MLB Advanced Media, L.P., 697 F. App’x 701 (Fed. Cir. 2017)
- Phillips U.S.A., Inc. v. Allflex U.S.A., Inc., 77 F.3d 354, 358 (10th Cir. 1996)
- Clark v. Tansy, 13 F.3d 1407, 1411 (10th Cir. 1993)
- Mitchell v. Roberts, 43 F.4th 1074, 1083 (10th Cir. 2022)
- Am. Nat’l Bank & Tr. Co. v. Bic Corp., 931 F.2d 1411, 1412 (10th Cir. 1991)
- Tal v. Hogan, 453 F.3d 1244, 1264 n.24 (10th Cir. 2006)
- Stan Lee Media, Inc. v. Walt Disney Co., 774 F.3d 1292, 1298 n.2 (10th Cir. 2014)
- Kansas Penn Gaming, LLC v. Collins, 656 F.3d 1210, 1215 (10th Cir. 2011)
- Kerns v. Kerns, 53 P.3d 1157, 1164 n.6 (Colo. 2002)
- In re Ute Mesa Lot 1, LLC, 736 F.3d 947, 951 (10th Cir. 2013)