UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON, EUGENE DIVISION

Meritage Homeowners' Association v. The Bank of New York Mellon; The Bank of New York Mellon v. Meritage Homeowners' Association v. Kurt Freitag

Meritage Homeowners' Ass'n · No. 6:16-cv-300-MC · Decided May 4, 2026

SUMMARY

The United States District Court for the District of Oregon denied claimants' motion to show cause challenging the court's subject-matter jurisdiction based on an alleged absence of a deed documenting the defendant's acquisition of property through a bankruptcy sale. The court held that the defendant had standing under the homeowners' association agreement and that the record supported its ownership or purchaser-in-possession status, while imposing responsibility for fees incurred in responding to the frivolous motion.

CASE DETAILS

COURT	United States District Court for the District of Oregon, Eugene Division
WRITING FOR THE COURT	Michael J. McShane
JURISDICTION	United States District Court for the District of Oregon, Eugene Division
DECIDED	May 4, 2026
DOCKET	6:16-cv-300-MC
DISPOSITION	other
PROCEDURAL POSTURE	Claimants moved to show cause why the action should not be dismissed for lack of subject-matter jurisdiction, arguing that The Bank of New York Mellon lacked standing because of an alleged absence of a deed documenting its ownership of the property.
STANDARD OF REVIEW	Subject-matter jurisdiction may be addressed at any time under Federal Rule of Civil Procedure 12(h)(3), and jurisdictional defects cannot be forfeited or waived.
PRECEDENTIAL VALUE	unknown

TOPICS

subject matter jurisdiction · standing · civil procedure · real estate · adverse possession

PRACTICE AREAS

civil procedure · real estate · bankruptcy · remedies

QUESTIONS PRESENTED

1. Whether the alleged absence of a deed documenting the Bank's acquisition of the property deprived the Bank of standing and deprived the district court of subject-matter jurisdiction.
2. Whether the claimants' motion to show cause warranted dismissal of the action or other relief.

HOLDINGS

1. The Bank had standing to assert claims under the homeowners-association agreement, and the district court retained subject-matter jurisdiction. The alleged absence of a deed presented, at most, a documentation or record-perfection issue and did not negate the Bank's ownership or status under the agreement.

KEY QUOTATIONS

> *"Because Claimants' argument is superficial, misleading, and unsupported by the record, Claimants' Motion to Show Cause, ECF No. 504, is DENIED, and Claimants are responsible for Plaintiff's and Defendant's fees incurred responding to the Motion."*

> *"Defendant has standing, and this Court has subject-matter jurisdiction."*

FACTUAL BACKGROUND

The Watts defaulted on their mortgage payments and declared bankruptcy in 2014. In 2015, The Bank of New York Mellon acquired the property through a bankruptcy-court-approved sale under 11 U.S.C. § 363, free and clear of any interest, and thereafter acted as the property's owner under the homeowners-association agreement. Although the receiver later reported that a title company had noted the absence of a deed confirming the transfer, the bankruptcy court and district court had previously confirmed the transfer, and the record contained evidence of the Bank's ownership and possession.

PROCEDURAL HISTORY

The litigation arose from the Bank's acquisition of the subject property through a bankruptcy sale under 11 U.S.C. § 363. The court previously approved a settlement between Meritage and the Bank involving transfer of the property to Meritage. After the receiver reported that a title company had noted the absence of a deed confirming the transfer to the Bank, several claimants moved to show cause why the action should not be dismissed for lack of subject-matter jurisdiction. The district court denied the motion and ordered the claimants to pay the fees incurred by Meritage and the Bank in responding to it.

DISPOSITION

other

CASES CITED

- Rainero v. Archon Corp., 844 F.3d 832, 841 (9th Cir. 2016)
- United States v. Cotton, 535 U.S. 625, 630 (2002)
- Chandler v. State Farm Mut. Auto. Ins. Co., 598 F.3d 1115, 1121-22 (9th Cir. 2010)
- In re Elieff, 2021 WL 4306317 (C.D. Cal. Sept. 22, 2021)

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