UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA

Nicole House, Sui Juris Mortgagor, et al. v. Leigh Brady, d/b/a President of State Employees' Credit Union, et al.

House v. Brady · No. 5:25-CV-730-BO-KS · Decided February 3, 2026

SUMMARY

The United States District Court for the Eastern District of North Carolina dismissed plaintiffs' collateral challenge to a completed foreclosure sale. The court held that the Rooker-Feldman doctrine deprived it of jurisdiction and that the claims were also moot and failed to state a claim because the foreclosure sale had been consummated and the parties' rights were fixed under North Carolina law. Defendants' motion to dismiss was granted, and plaintiffs' requests for injunctive relief, an emergency hearing, and electronic filing were denied as moot.

CASE DETAILS

COURT	United States District Court for the Eastern District of North Carolina
WRITING FOR THE COURT	Terrence W. Boyle
JURISDICTION	United States District Court for the Eastern District of North Carolina, Western Division
DECIDED	February 3, 2026
DOCKET	5:25-CV-730-BO-KS
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved to dismiss under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6). Plaintiffs also moved for preliminary and permanent injunctions and requested an emergency hearing. The court granted the motion to dismiss and denied the remaining motions as moot.
STANDARD OF REVIEW	On a Rule 12(b)(1) motion, the plaintiff bears the burden of establishing subject-matter jurisdiction, and the court may consider evidence outside the pleadings without converting the motion into one for summary judgment. A Rule 12(b)(6) motion tests the legal and factual sufficiency of the complaint, accepting well-pleaded factual allegations as true and requiring sufficient facts to state a plausible claim for relief.

PRECEDENTIAL VALUE	unpublished district court order
PARTIES	Nicole House, Sui Juris Mortgagor, et al. v. Leigh Brady, d/b/a President of State Employees' Credit Union, et al.

TOPICS

motions to dismiss · subject matter jurisdiction · foreclosure · injunctions · civil procedure

PRACTICE AREAS

civil procedure · foreclosure · real estate · remedies

QUESTIONS PRESENTED

1. Whether the Rooker-Feldman doctrine deprived the federal district court of subject-matter jurisdiction over plaintiffs' collateral attack on a completed state-authorized foreclosure sale.
2. Whether plaintiffs' claims were precluded and moot because the parties' rights became fixed after the foreclosure sale.
3. Whether the complaint stated a plausible claim for relief under Federal Rule of Civil Procedure 12(b)(6).
4. Whether plaintiffs' requests for preliminary and permanent injunctions and an emergency hearing remained viable after dismissal of the complaint.

HOLDINGS

1. The court lacked subject-matter jurisdiction under the Rooker-Feldman doctrine because plaintiffs' requested relief would require the federal court to review and invalidate state-court foreclosure findings and the completed foreclosure sale.
2. Plaintiffs' claims were precluded and moot because the foreclosure sale had been consummated and the parties' rights became fixed ten days after the report of sale absent a properly filed upset bid.
3. The complaint failed to state a claim because its requested relief challenged a completed foreclosure sale and did not satisfy the plausibility requirement.

KEY QUOTATIONS

> *"Under the Rooker-Feldman doctrine, lower courts are barred "from considering not only issues raised and decided in the state courts, but also issues that are 'inextricably intertwined' with the issues that were before the state court.""*

> *"This Court lacks jurisdiction under 'Rooker-Feldman when 'in order to grant the federal relief sought, the federal court must determine that the [state] court judgment was erroneously entered or must take action that would render the judgment ineffectual.'""*

> *"To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'"*

FACTUAL BACKGROUND

Plaintiffs House and Wilson executed a $282,000 note and deed of trust in favor of State Employees' Credit Union on March 31, 2023. After payment defaults, the Wake County Clerk found that the statutory foreclosure requirements were satisfied and authorized foreclosure; the property was subsequently sold at foreclosure and the sale was reported on October 13, 2025. Plaintiffs then filed this federal action alleging that an assigned equity-of-redemption interest and a purported tender through a bill of exchange and special deposit required the lender to accept payment, account for the debt, and invalidate the sale.

PROCEDURAL HISTORY

Plaintiffs filed a verified complaint in federal district court seeking an accounting, a declaration that their purported tender satisfied the mortgage obligation, subrogation, and invalidation of a completed foreclosure sale. The foreclosure had previously been authorized by the Wake County Clerk of Superior Court, and the foreclosure sale was completed and reported. The district court took judicial notice of the state-court foreclosure order and report of sale, dismissed for lack of subject-matter jurisdiction under the Rooker-Feldman doctrine and for failure to state a claim, and denied the remaining motions as moot.

DISPOSITION

dismissed

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 671, 678 (2009)
- Evans v. B.F. Perkins Co., 166 F.3d 642, 647-50 (4th Cir. 1999)
- Washington v. Wilmore, 407 F.3d 274, 279 (4th Cir. 2005)
- District of Columbia Court of Appeals v. Feldman, 460 U.S. 462, 486 (1983)
- Brown & Root, Inc. v. Breckenridge, 211 F.3d 194, 198 (4th Cir. 2000)
- Friscia v. Bank of Am., 2013 U.S. Dist. LEXIS 203739, *4
- Radisi v. HSBC Bank USA, Nat. Ass'n, No. 5:11CV125, 2012 U.S. Dist. LEXIS 81605, 2012 WL 2155052, at *3 (W.D.N.C. June 13, 2012)
- Goad v. Chase Home Fin., LLC, 208 N.C. App. 259, 263-64 (2010)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- ACA Fin. Guar. Corp. v. City of Buena Vista, Virginia, 917 F.3d 206, 212 (4th Cir. 2019)
- Nadendla v. WakeMed, 24 F.4th 299, 305 (4th Cir. 2022)

OPINION

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA WESTERN DIVISION No. 5:25-CV-730-BO-KS NICOLE HOUSE, SUI JURIS) MORTGAGOR, et al.,) Plaintiffs, V. ORDER LEIGH BRADY, d/b/a/ PRESIDENT OF STATE

EMPLOYEES' CREDIT) UNION, et al.,) Defendants. This cause comes before the Court on defendants' motion to dismiss for lack of subject matter jurisdiction and failure to state a claim.

[DE 28]. Plaintiffs have responded. [DE 35]. The Court also considers plaintiffs' motions for a preliminary injunction and permanent injunction [DE 5] and plaintiffs' emergency request for hearing [DE 23]. Defendants responded [DE 29].

In this posture, the motions are ripe for ruling. For the following reasons, the motion to dismiss is granted and the others are denied as moot. BACKGROUND This lawsuit is a collateral attack against a completed foreclosure sale of plaintiffs' residence.

The foreclosure action was based on defaults in payment under a Note and Deed of Trust signed by plaintiffs House and Wilson in favor of defendant SECU on March 31, 2023, in the original sum of $282,000.00. [DE 1-2].

The Wake County Assistant Clerk of Court entered an order on April 23, 2025, finding as facts that SECU and Trustee satisfied all requirements of N.C.G.S. § 45-21.16, including that SECU was the holder of the note, there was a valid debt owed by plaintiffs House and Wilson, there was a default, SECU had the right to foreclose on the home loan, and notice was proper.

The order authorized SECU and Trustee to foreclose on the property. Plaintiffs commenced this action on November 13, 2025, by filing a "Verified Bill in Exclusive Equity." Therein, they allege that plaintiffs House and Wilson, mortgagors of the residence, had assigned their "Equity of Redemption" interest in the property to plaintiff Zaire, who then conveyed that assignment to the Sacred Equity Redemption Trust.

Around October 6, 2025, plaintiff Zaire, as trustee of the Sacred Trust, purported to tender "the whole obligation in equity," including a bill of exchange and special deposit, to SECU. Defendants refused the tender and the foreclosure sale proceeded. Plaintiffs ask the Court to order an accounting, declare that the tender was sufficient and must be applied to the account, subrogate SECU's claim to the Sacred Trust, and void the sale.

DISCUSSION Federal Rule of Civil Procedure 12(b)(1) authorizes dismissal of a claim for lack of subject matter jurisdiction. "Subject-matter jurisdiction cannot be forfeited or waived and should be considered when fairly in doubt." Ashcrofi v. Iqbal, 556 U.S. 662, 671 (2009) (citation omitted). When subject-matter jurisdiction is challenged, the plaintiff has the burden of proving jurisdiction to survive the motion.

Evans v. B.F. Perkins Co., 166 F.3d 642, 647-50 (4th Cir. 1999). The Court can consider evidence outside the pleadings without converting the motion into one for summary judgment. See, e.g., Evans, 166 F.3d at 647. Under the Rooker-Feldman doctrine, lower courts are barred "from considering not only issues raised and decided in the state courts, but also issues that are ‘inextricably intertwined’ with the issues that were before the state court.” Washington v. Wilmore, 407 F.3d 274, 279 (4th Cir.

2005) (quoting District of Columbia Court of Appeals v. Feldman, 460 U.S. 462, 486 (1983)). As the Fourth Circuit has explained, an issue is deemed inextricably intertwined when it “was not actually decided by the state court but where success on the... claim depends upon a determination that the state court wrongly decided the issues before it.” Brown & Root, Inc. v. Breckenridge, 211 F.3d 194, 198 (4th Cir.

2000). The Court takes judicial notice of the Wake County Clerk of Superior Court’s order of April 28, 2025, which found that “the Debtors have shown no valid legal reason why foreclosure should not commence, and that the Substitute Trustee can proceed to foreclose under the terms of the above-described deed of trust and give notice of and conduct a foreclosure sale as by statute provided.” [DE 28-2].

The Court takes judicial notice of the Wake County Clerk of Superior Court’s report of foreclosure sale, dated October 13, 2025, which recited: “By authority of the power of sale contained in the above Mortgage or Deed of Trust and by authorization of the Clerk of Superior Court, there having been a default under the terms of the obligation secured, the undersigned offered for sale at public auction, and sold the real property described above.” [DE 28-5]. “This Court lacks jurisdiction under Rooker-Feldman when ‘in order to grant the federal relief sought, the federal court must determine that the [state] court judgment was erroneously entered or must take action that would render the judgment ineffectual.’” Friscia v. Bank of Am., 2013 U.S. Dist.

LEXIS 203739, *4 (citing Radisi v. HSBC Bank USA, Nat. Ass’n, No. 5:11CV125, 2012 U.S. Dist. LEXIS 81605, 2012 WL 2155052, at *3 (W.D.N.C. June 13, 2012). “Whether evaluated as an attack on the Clerk's Order or the underlying foreclosure proceeding, the Rooker- Feldman doctrine bars Plaintiffs' claims.” /d. (taking judicial notice “that an Assistant Clerk of Court entered Order Allowing Foreclosure of the property” at issue).

Because the Superior Court order authorized the foreclosure [DE 28-2] and then acknowledged the sale [DE 28-5], plaintiffs’ rights are fixed. See Goad v. Chase Home Fin., LLC, 208 N.C. App. 259, 263 (2010) (“in the absence of a properly filed upset bid, the rights of the parties to a foreclosure sale become fixed ten days after the filing of the report of the sale”).

To find the sale invalid, and even to find that SECU wrongfully refused plaintiffs’ tender, would be a review of state court findings. The Court lacks jurisdiction under the Rooker-Feldman doctrine. Furthermore, because the parties’ rights were fixed ten days after the report of the foreclosure sale, plaintiffs’ claims are precluded by the state court findings.

Plaintiffs’ claims are moot, and they fail to state a claim under Fed. R. Civ. P. 12(b)(6). A 12(b)(6) motion to dismiss for failure to state a claim upon which relief can be granted tests the complaint’s legal and factual sufficiency. See Fed. R. Civ. P. 12(b)(6).

The focus is on the pleading requirements under the Federal Rules, not the proof needed to succeed on a claim. “Federal Rule of Civil Procedure 8(a)(2) requires only a short and plain statement of the claim showing that the pleader is entitled to relief, in order to give the defendant fair notice of what the... claim is and the grounds upon which it rests.” Bell Atl.

Corp. v. Twombly, 550 U.S. 544, 555 (2007). This standard does not require detailed factual allegations, ACA Fin. Guar. Corp. v. City of Buena Vista, Virginia, 917 F.3d 206, 212 (4th Cir. 2019), but it “demands more than an unadorned, the-defendant-unlawfully-harmed-me accusation.” Nadendla v. WakeMed, 24 F.4th 299, 305 (4th Cir. 2022). “To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (quoting Twombly, 550 U.S. at 570).

For a claim to be plausible, its factual content must allow the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. Under North Carolina law, a court “cannot restrain the doing of that which has already been consummated” and “absent sufficient action by a party seeking to avoid a foreclosure sale to prevent the sale from becoming final, any attempt to enjoin such a sale which has not been heard and decided by the date for the submission of upset bids becomes moot and subject to dismissal at that time.” Goad, 208 N.C.

App. at 264. Plaintiffs’ claims all arise from a sale which has been consummated. The motion to dismiss [DE 28] is granted on both 12(b)(1) and 12(b)(6) grounds. CONCLUSION For the foregoing reasons, defendants’ motion to dismiss [DE 28] is GRANTED. Plaintiffs’ motion for preliminary injunction and permanent injunction [DE 5] is DENIED as MOOT. Plaintiffs’ emergency request for hearing [DE 23] is DENIED as MOOT.

Plaintiffs’ motion for electronic filing [DE 24] is DENIED as MOOT. SO ORDERED, this 3 day of February 2026. TERRENCE W. | i UNITED STATES DISTRICT JUSGE