UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW MEXICO

Jose Madrid v. Wells Fargo Bank, National Association d/b/a Wells Fargo Bank, N.A.

Madrid · No. 1:25-cv-00029-MLG-LF · Decided December 10, 2025

SUMMARY

This document is a proposed finding and recommended disposition from the United States District Court for the District of New Mexico concerning Wells Fargo's Rule 12(b)(6) motion to dismiss Jose Madrid's second amended complaint. The magistrate judge recommends dismissal without prejudice of the breach of contract, fraudulent misrepresentation, and consumer-protection claims, and dismissal with prejudice of the New Mexico UCC and standing claims. The recommendation explains that the complaint did not plausibly allege actionable contract, fraud, consumer-law, or UCC claims.

CASE DETAILS

COURT	United States District Court for the District of New Mexico
WRITING FOR THE COURT	Tinea Fashing, U.S. Magistrate Judge
JURISDICTION	United States District Court for the District of New Mexico
DECIDED	December 10, 2025
DOCKET	1:25-cv-00029-MLG-LF
DISPOSITION	other
PROCEDURAL POSTURE	Proposed findings and recommended disposition on Wells Fargo's Federal Rule of Civil Procedure 12(b)(6) motion to dismiss the plaintiff's second amended complaint.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and construes them in the plaintiff's favor, but disregards conclusory allegations and determines whether the complaint contains sufficient factual matter to state a plausible claim for relief. Fraud claims must be pleaded with particularity. A pro se complaint is liberally construed, but the plaintiff remains subject to the same legal standards as other litigants.
PRECEDENTIAL VALUE	nonprecedential proposed findings and recommended disposition
PARTIES	Jose Madrid v. Wells Fargo Bank, National Association d/b/a Wells Fargo Bank, N.A.

TOPICS

motions to dismiss · breach of contract · contracts · uniform commercial code · consumer protection

PRACTICE AREAS

civil procedure · contracts · mortgages · uniform commercial code · consumer protection

QUESTIONS PRESENTED

1. Whether the second amended complaint plausibly stated a New Mexico breach-of-contract claim.
2. Whether the complaint pleaded fraudulent misrepresentation with sufficient factual content and particularity.
3. Whether alleged failures to produce the original promissory note and chain of title stated an independent claim under the New Mexico Uniform Commercial Code.
4. Whether the complaint stated a claim for violation of consumer-protection laws despite identifying no specific law or cause of action.
5. Whether Wells Fargo's alleged lack of standing to enforce the promissory note stated an independent claim absent a foreclosure or other enforcement action.

HOLDINGS

1. The proposed disposition concluded that Madrid failed to state a plausible breach-of-contract claim because he alleged that the mortgage agreement was invalid and therefore did not adequately allege the existence of a valid contract capable of being breached.
2. The proposed disposition concluded that Madrid failed to state a plausible fraudulent-misrepresentation claim because he did not allege facts showing that Wells Fargo knowingly or recklessly made a false representation, intended to induce reliance, or caused detriment through reliance, and he did not plead the alleged fraud with particularity.
3. The proposed disposition concluded that Madrid could not maintain an independent claim based on Wells Fargo's alleged failure to produce the original promissory note or chain of title because New Mexico law does not recognize that theory as an independent cause of action.
4. The proposed disposition concluded that Madrid failed to state a plausible consumer-protection claim because he identified no specific federal or state law, cause of action, or supporting facts.
5. The proposed disposition concluded that Madrid's allegation that Wells Fargo lacked standing to enforce the note did not state an independent claim because no foreclosure or other enforcement action was alleged and the asserted defect would be a defense to such an action.

KEY QUOTATIONS

> *"To survive a motion to dismiss under Rule 12(b)(6), a complaint must contain "enough facts to state a claim to relief that is plausible on its face.""* (Analysis)

> *"In short, he alleges there is no valid contract; without a contract, there can be no breach, and no cause of action for breach of contract."* (Analysis § I)

> *"Mr. Madrid is free to raise these arguments as defenses to an enforcement action brought against him, but he has not alleged that Wells Fargo is foreclosing on the property at issue or otherwise seeking to enforce the promissory note."* (Analysis § III)

FACTUAL BACKGROUND

Madrid alleged that he entered into a mortgage loan agreement with Wells Fargo in 2022 and that Wells Fargo misrepresented the transaction by treating his promissory note as an asset for securitization rather than providing cash value. He alleged that Wells Fargo failed to provide the original note, proof of assignment and chain of title, and evidence of compliance with the Uniform Commercial Code, while continuing to demand payment. He also alleged fraudulent misrepresentation, violations of unidentified consumer-protection laws, and that Wells Fargo lacked standing to enforce the note, but provided few supporting facts and did not allege that Wells Fargo had initiated foreclosure or another enforcement action.

PROCEDURAL HISTORY

Madrid filed a pro se state-court action asserting claims concerning a mortgage transaction, and defendants removed it to the District of New Mexico on diversity-jurisdiction grounds. Madrid filed an amended complaint and then a second amended complaint; his claims against a second defendant were dismissed without prejudice. After the first motion to dismiss was denied as moot, Wells Fargo moved to dismiss the second amended complaint under Rule 12(b)(6). Madrid did not respond. The magistrate judge recommended granting the motion, dismissing three claims without prejudice and two claims with prejudice, subject to objections and review by the district judge.

DISPOSITION

other

CASES CITED

- Virginia Beach Federal Savings & Loan Ass'n v. Wood, 901 F.2d 849 (10th Cir. 1990)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662 (2009)
- Waller v. City & Cnty. of Denver, 932 F.3d 1277, 1282 (10th Cir. 2019)
- Khalik v. United Air Lines, 671 F.3d 1188, 1191 (10th Cir. 2012)
- Clinton v. Sec. Benefit Life Ins. Co., 63 F.4th 1264, 1275, 1277
- Tal v. Hogan, 453 F.3d 1244, 1252 (10th Cir. 2006)
- Northington v. Jackson, 973 F.2d 1518, 1520–21 (10th Cir. 1992)
- Ogden v. San Juan County, 32 F.3d 452, 455 (10th Cir. 1994)
- Hall v. Bellmon, 935 F.2d 1106, 1100, 1110 (10th Cir. 1991)

- Persik v. Manpower Inc., 85 F. App'x 127, 130 (10th Cir. 2003)
- Alvardo v. KOB-TV, L.L.C., 493 F.3d 1210, 1215 (10th Cir. 2007)
- Dobson v. Anderson, 319 F. App'x 698, 702 (10th Cir. 2008)
- Camino Real Mobile Home Park P'ship v. Wolfe, 1995-NMSC-013, ¶ 18, 119 N.M. 436, 891 P.2d 1190
- Sunnyland Farms, Inc. v. Central New Mexico Elec. Co-op., Inc., 2013-NMSC-017, 301 P.3d 387
- DeArmond v. Halliburton Energy Servs., Inc., 2003-NMCA-148, ¶¶ 9, 20, 134 N.M. 630, 81 P.3d 573
- Joseph E. Montoya & Assocs. v. State, 1985-NMSC-074, ¶ 12, 103 N.M. 224, 704 P.2d 1100
- Encinas v. Whitener Law Firm, P.A., 2013-NMSC-045, ¶ 22, 310 P.3d 611
- Montano v. Central Loan Admin. & Reporting, No. 1:21-cv-00139-JCH-LF, 2021 WL 5834221, at *4 (D.N.M. Dec. 9, 2021)
- Galloway v. Mortgage Strategies Grp., LLC, No. 1:14-cv-00022-KG-KBM, 2014 WL 12783166, at *4 (D.N.M. Nov. 18, 2014)
- Deutsche Bank Nat'l Tr. Co. v. Johnston, 2016-NMSC-013, ¶ 27, 369 P.3d 1046
- Brereton v. Bountiful City Corp., 434 F.3d 1213, 1219 (10th Cir. 2006)
- United States v. One Parcel of Real Prop., With Buildings, Appurtenances, Improvements, & Contents, Known as: 2121 E. 30th St, Tulsa, Oklahoma, 73 F.3d 1057, 1060 (10th Cir. 1996)
