UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Shepardson v. U.S. Bank Trust National Association, as Trustee for Bungalow Series IV Trust

Shepardson · No. 23-cv-05497-NC · Decided April 7, 2025

SUMMARY

The United States District Court for the Northern District of California granted defendants' motion for summary judgment in John Shepardson's remaining claim under California's Unfair Competition Law and False Advertising Law. Although the court had previously found that a notice provided approximately 30 days rather than the required 90 days to cure a balloon-loan default, it held that Shepardson could not establish entitlement to injunctive relief or restitution. The court entered judgment for defendants because Shepardson failed to show a continuing threat, unjust enrichment, or evidence tying the claimed charges to the notice violation.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Nathanael M. Cousins
JURISDICTION	United States District Court for the Northern District of California
DECIDED	April 7, 2025
DOCKET	23-cv-05497-NC
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved for summary judgment on the plaintiff's remaining claim under California's Unfair Competition Law and False Advertising Law.
STANDARD OF REVIEW	Summary judgment is proper when, drawing all inferences and resolving all doubts in favor of the nonmoving party, there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law. The nonmoving party must identify specific facts supported by affidavits or discovery showing a genuine issue for trial.
PRECEDENTIAL VALUE	Unknown

PARTIES	U.S. Bank Trust National Association, as Trustee for Bungalow Series IV Trust, SN Servicing Corporation v. John Shepardson

TOPICS

summary judgment · consumer protection · deceptive trade practices · injunctions · restitution

PRACTICE AREAS

civil procedure · consumer protection · real estate · remedies · trusts

QUESTIONS PRESENTED

1. Whether defendants were entitled to summary judgment because Shepardson could not establish a right to injunctive relief under the UCL or FAL.
2. Whether Shepardson could establish entitlement to restitution under the UCL or FAL based on the returned payment, alleged interest, late fees, collection costs, and other charges.
3. Whether Shepardson raised a genuine dispute of material fact concerning the causal connection between the defective notice and the monetary relief he sought.

HOLDINGS

1. Shepardson was not entitled to injunctive relief because he presented no evidence that defendants were likely to commit further violations against him.
2. Shepardson was not entitled to restitution because he did not show that defendants were unjustly enriched by the alleged notice violation or establish a measurable amount of restitution supported by evidence.
3. Defendants were entitled to summary judgment because Shepardson failed to raise a genuine dispute of material fact showing that he was entitled to either injunctive relief or restitution.

KEY QUOTATIONS

> *"As discussed below, the Court GRANTS Defendants' motion for summary judgment because it finds that Plaintiff cannot establish a right to remedy under the UCL or FAL."* (at 1)

> *"Injunctive relief is appropriate only when there is a threat of continuing misconduct."* (at 4)

> *"Because Plaintiff was unable to raise a genuine issue of material fact showing that he was entitled to injunctive relief or restitution, the Court finds that Plaintiff does not have a right to remedy under the UCL or FAL."* (at 8)

FACTUAL BACKGROUND

In 2007, John Shepardson executed a note and second deed of trust requiring monthly payments and payment of the remaining principal and interest by the May 1, 2017 maturity date. On December 23, 2022, U.S. Bank, through SN Servicing, sent Shepardson a notice seeking payment of the outstanding balance but providing approximately 30 days rather than the statutorily required 90-day cure period. Shepardson later received a returned payment and a notice of default, and ultimately paid off the loan in April or May 2023. He sought injunctive relief and restitution under the UCL and FAL.

PROCEDURAL HISTORY

The court dismissed the plaintiff's initial, first amended, and second amended complaints. It dismissed all claims in the third amended complaint except part of the claim alleging that defendants violated the UCL and FAL by sending a December 23, 2022 notice that provided approximately 30 days rather than at least 90 days to cure the default. After denying leave to file a fourth amended complaint, the court granted defendants' motion for summary judgment.

DISPOSITION

other

CASES CITED

- Tolan v. Cotton, 572 U.S. 650, 651 (2014)
- Celotex Corp. v. Catrett, 477 U.S. 317, 322-23, 325 (1986)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 255 (1986)
- Galen v. County of Los Angeles, 477 F.3d 652, 658 (9th Cir. 2007)
- Barthelemy v. Air Lines Pilots Ass'n, 897 F.2d 999, 1004 (9th Cir. 1990)
- Steckl v. Motorola, Inc., 703 F.2d 392, 393 (9th Cir. 1983)
- CZ Services, Inc. v. Express Scripts Holding Co., Case No. 3:18-cv-04217-JD, 2020 WL 4368212, at *3 (N.D. Cal. July 30, 2020)
- Pfizer Inc. v. Superior Court, 182 Cal. App. 4th 622, 631 (2010)
- Madrid v. Perot Systems Corp., 130 Cal. App. 4th 440, 463 (2005)
- Gafcon, Inc. v. Ponsor & Associates, 98 Cal. App. 4th 1388, 1403 n.6 (2002)
- Freeman v. ABC Legal Services, 877 F. Supp. 2d 919, 924 (N.D. Cal. 2012)
- Becton, Dickinson & Co. v. Cytek Biosciences Inc., Case No. 18-cv-00933-MMC, 2019 WL 3220244, at *5 (N.D. Cal. July 17, 2019)
- Hangarter v. Provident Life & Accident Insurance Co., 373 F.3d 998, 1022 (9th Cir.)
- Ghirardo v. Antonioli, 14 Cal. 4th 39, 51 (1996)
- Pulaski & Middleman, LLC v. Google, Inc., 802 F.3d 979, 988 (9th Cir. 2015)
- Colgan v. Leatherman Tool Group, Inc., 135 Cal. App. 4th 663, 698 (2005)