UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

Osburn v. Deutsche Bank Trust Company

No. 1:24-CV-01002-KES-SKO (E.D. Cal. June 25, 2025) · No. 1:24-CV-01002-KES-SKO · Decided June 25, 2025

SUMMARY

The United States District Court for the Eastern District of California granted Deutsche Bank's motion to dismiss Ronald Osburn's action challenging a foreclosure sale. The court held that the claims were barred by res judicata based on a prior unlawful detainer judgment and that 18 U.S.C. § 1001 provides no private right of action. The court dismissed the complaint with prejudice, denied the motions to set aside the sale and consolidate as moot, denied leave to amend, and closed the case.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Kirk E. Sherriff
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	June 25, 2025
DOCKET	1:24-CV-01002-KES-SKO
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff brought a federal action challenging a prior foreclosure sale and asserting negligence and an alleged violation of 18 U.S.C. § 1001. Defendant moved to dismiss under Federal Rule of Civil Procedure 12(b)(6), and plaintiff separately moved to set aside the sale, consolidate an unlawful detainer action, and amend the complaint.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court tests the legal sufficiency of the complaint, accepts well-pleaded factual allegations as true, construes them in the plaintiff's favor, and does not accept legal conclusions as factual allegations. Claim preclusion may be resolved on a Rule 12(b)(6) motion when the relevant facts are established by judicially noticeable court records.
PRECEDENTIAL VALUE	unpublished, nonprecedential district court order
PARTIES	Ronald Osburn v. Deutsche Bank Trust Company

TOPICS

res judicata · motions to dismiss · motion to amend · foreclosure · civil procedure

PRACTICE AREAS

civil procedure · real estate · foreclosure · bankruptcy · remedies

QUESTIONS PRESENTED

1. Whether plaintiff's challenges to the foreclosure process and trustee's sale were barred by claim preclusion based on the prior unlawful detainer judgment.
2. Whether plaintiff could maintain a private civil claim under 18 U.S.C. § 1001.
3. Whether plaintiff should be granted leave to amend to assert that the foreclosure violated a bankruptcy discharge order.
4. Whether plaintiff's motions to set aside the sale and consolidate the action should remain pending after dismissal.

HOLDINGS

1. California claim-preclusion law barred plaintiff's claims challenging the foreclosure proceedings and trustee's sale because the prior unlawful detainer judgment involved the same primary right, was a final judgment on the merits, and involved the same parties.
2. Plaintiff could not state a civil claim under 18 U.S.C. § 1001 because the statute is criminal and does not create a private right of action.
3. Leave to amend was denied because the proposed bankruptcy-discharge theory was another collateral challenge to the foreclosure proceedings and was barred by claim preclusion.

KEY QUOTATIONS

> *"In these situations, courts consistently have held that later-filed actions brought by parties challenging the irregularities of foreclosure proceedings and a trustee's sale cannot relitigate those issues following the entry of judgment against them in an unlawful detainer action."* (at 6)

> *"As all three elements are satisfied as to the unlawful detainer action, res judicata bars plaintiff's claims regarding the foreclosure proceedings and trustee's sale."* (at 8)

> *"As a private citizen, plaintiff has no authority to bring claims under a federal criminal statute."* (at 9)

FACTUAL BACKGROUND

Plaintiff's home was encumbered by a deed of trust securing a loan, and Deutsche Bank was later assigned the deed of trust. The property was sold at a trustee's sale on December 28, 2021, and the trustee's deed upon sale was recorded on February 25, 2022. Deutsche Bank obtained a default judgment and writ of possession in a Tulare County unlawful detainer action. Plaintiff then filed this federal action, alleging that the foreclosure sale was not properly published or recorded, was falsified, and violated 18 U.S.C. § 1001, while seeking damages and expungement of the trustee's deed.

PROCEDURAL HISTORY

The court took judicial notice of prior federal and state litigation concerning the same property and foreclosure. A Tulare County Superior Court entered default judgment for Deutsche Bank in an unlawful detainer action and issued a writ of possession. The district court granted defendant's motion to dismiss with prejudice on claim-preclusion and failure-to-state-a-claim grounds, denied plaintiff's motion for leave to amend, denied the motions to set aside the sale and consolidate as moot, and closed the case.

DISPOSITION

dismissed

CASES CITED

- Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746 n.6 (9th Cir. 2006)
- Osburn v. Onewest Bank, No. 1:18-cv-00310-LJO-SAB, 2018 WL 3629926 (E.D. Cal. July 27, 2018)
- Osburn v. Onewest Bank, 2018 WL 3769412 (E.D. Cal. Aug. 7, 2018)
- Osburn v. Countrywide Home Loans, No. 1:19-cv-00246-DAD-SAB, 2020 WL 616306 (E.D. Cal. Feb. 10, 2020)
- Osburn v. Countrywide Home Loans, 854 Fed. App'x 225 (9th Cir. July 26, 2021)
- N. Star Int'l v. Ariz. Corp. Comm'n, 720 F.2d 578, 581 (9th Cir. 1983)
- Balistreri v. Pacifica Police Dep't, 901 F.2d 696, 699 (9th Cir. 1990)
- Hishon v. King & Spalding, 467 U.S. 69, 73 (1984)
- Ashcroft v. Iqbal, 556 U.S. 662, 678, 680 (2009)
- Neitzke v. Williams, 490 U.S. 319, 328 (1989)
- Headwaters Inc. v. U.S. Forest Serv., 399 F.3d 1047, 1054 (9th Cir. 2005)
- Day v. Moscow, 955 F.2d 807, 811 (2d Cir. 1992)
- Scott v. Kuhlmann, 746 F.2d 1377, 1378 (9th Cir. 1984)
- Kremer v. Chemical Construction Corp., 456 U.S. 461, 482 (1982)
- Lopez Reyes v. Kenosian & Miele, LLP, 619 F. Supp. 2d 796, 809 (N.D. Cal. 2008)
- Nathanson v. Hecker, 99 Cal. App. 4th 1158, 1162 (2002)
- Vella v. Hudgins, 20 Cal. 3d 251, 255-57 (1977)
- Robi v. Five Platters, Inc., 838 F.2d 318, 324 (9th Cir. 1988)
- Slater v. Blackwood, 15 Cal. 3d 791, 795 (1975)
- Howitzon v. Evans Hotels, LLC, 81 Cal. App. 5th 475, 487 (2022)
- Zimmerman v. Stotter, 160 Cal. App. 3d 1067 (1984)
- Barefield v. HSBC Mortg. Servs., Inc., No. 1:21-cv-0613 JLT CDB, 2023 WL 2529638, at *6, *14-*15 (E.D. Cal. Mar. 15, 2023)

- Albano v. Nw. Fin. Haw., Inc., 244 F.3d 1061, 1064 (9th Cir. 2001)
- U.S. ex rel. Hyatt v. Mirza, 2018 WL 6653319, at *4 n.5 (E.D. Cal. Dec. 19, 2018)
- In re Anthony H., 129 Cal. App. 4th 495, 503 (2005)
- Allen v. Gold Country Casino, 464 F.3d 1044, 1048 (9th Cir. 2006)
- Dowdell v. Sacramento Hous. & Redevelopment Agency, No. 2:11-cv-00409 JAM KJN PS, 2011 WL 837046, at *2 (E.D. Cal. Mar. 8, 2011)
- Sareen v. Sareen, No. CIV S-08-0176 LKK EFB PS, 2008 WL 11450612, at *4 (E.D. Cal. Aug. 28, 2008)
- In re Blendheim, 803 F.3d 477, 493 (9th Cir. 2015)
- Johnson v. Home State Bank, 501 U.S. 78, 84 (1991)