UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Darrell Beauford Ellis v. PennyMac Loan Services LLC

No. CV-25-00677-TUC-JGZ · No. No. CV-25-00677-TUC-JGZ; 4:25-cv-00677 · Decided December 15, 2025

SUMMARY

The United States District Court for the District of Arizona sua sponte dismissed Plaintiff Darrell Beauford Ellis's mortgage-related complaint for lack of subject-matter jurisdiction. The court found that the complaint did not establish federal-question jurisdiction or diversity jurisdiction because it identified no federal cause of action, failed to establish the citizenship of the defendant LLC's members, and did not allege the amount in controversy. The court granted Plaintiff 30 days to file a first amended complaint and warned that failure to comply could result in dismissal with prejudice.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	Jennifer G. Zipps
JURISDICTION	United States District Court for the District of Arizona
DECIDED	December 15, 2025
DOCKET	No. CV-25-00677-TUC-JGZ; 4:25-cv-00677
DISPOSITION	dismissed
PROCEDURAL POSTURE	The court sua sponte reviewed Plaintiff's complaint after filing, payment of the filing fee, and service on Defendant, determined that subject matter jurisdiction was not adequately alleged, and dismissed the complaint with leave to amend.
STANDARD OF REVIEW	The court independently determined whether subject matter jurisdiction existed and reviewed the pro se complaint for jurisdictional sufficiency and compliance with Federal Rule of Civil Procedure 8.
PRECEDENTIAL VALUE	unpublished district court order; precedential status unknown
PARTIES	Darrell Beauford Ellis v. PennyMac Loan Services LLC

TOPICS

subject matter jurisdiction · declaratory judgment · injunctions · pleadings · civil procedure

PRACTICE AREAS

civil procedure | federal jurisdiction | real estate | mortgages | declaratory and injunctive relief

QUESTIONS PRESENTED

1. Whether the complaint adequately alleged federal-question jurisdiction.
2. Whether the complaint adequately alleged diversity jurisdiction.
3. Whether the complaint should be dismissed sua sponte for lack of subject matter jurisdiction.
4. Whether Plaintiff should be permitted to amend the complaint to cure the jurisdictional and pleading deficiencies.

HOLDINGS

1. The complaint did not establish federal-question jurisdiction because it identified no federal statute or constitutional provision allegedly violated by Defendant, and the Declaratory Judgment Act, OCC guidelines, and MERS data did not independently confer federal jurisdiction or create a private right of action.
2. The complaint did not establish diversity jurisdiction because Plaintiff failed to allege the citizenship of each member of PennyMac Loan Services LLC and failed to allege the amount in controversy required by 28 U.S.C. § 1332(a).
3. Because the complaint adequately alleged neither federal-question nor diversity jurisdiction, the court was required to dismiss the action for lack of subject matter jurisdiction.
4. Plaintiff was granted 30 days to file a first amended complaint addressing the jurisdictional and pleading deficiencies.

KEY QUOTATIONS

> *"Federal courts are courts of limited jurisdiction and may only adjudicate those cases over which they have subject matter jurisdiction—cases involving diversity of citizenship or a federal question."* (at 2)

> *""[C]ourts have an independent obligation to determine whether subject matter jurisdiction exists, even in the absence of a challenge from any party.""* (at 2)

> *""a short and plain statement of the claim showing that the pleader is entitled to relief.""* (at 5)

> *""[F]actual allegations must be enough to raise a right to relief above the speculative level, . . . on the assumption that all the allegations in the complaint are true even if doubtful in fact.""* (at 5)

FACTUAL BACKGROUND

Plaintiff challenged the accuracy and validity of mortgage-related documents associated with his home loan, alleging inconsistencies among the promissory note, deed of trust, loan-modification documents, county land records, MERS data, and purported securitization records. He alleged that the documents did not establish a verifiable chain of title connecting the original lender to PennyMac or any entity claiming enforcement rights.

Plaintiff sought a declaration identifying the entity entitled to enforce the note and deed of trust, cancellation of allegedly unsupported instruments, and an injunction against enforcement of the loan.

PROCEDURAL HISTORY

Plaintiff filed a complaint seeking declaratory relief, cancellation of mortgage-related instruments, and injunctive relief concerning the alleged absence of a documented chain of title. After the complaint was filed and served, the district court independently reviewed jurisdiction and dismissed the complaint sua sponte. The court granted Plaintiff 30 days to file a compliant first amended complaint and warned that failure to do so would result in dismissal with prejudice.

DISPOSITION

dismissed

CASES CITED

- Kokkonen v. Guardian Life Insurance Co. of America, 511 U.S. 375 (1994)
- Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 583 (1999)
- Staacke v. U.S. Secretary of Labor, 841 F.2d 278, 280 (9th Cir. 1988)
- Save Our Valley v. Sound Transit, 335 F.3d 932, 939 (9th Cir. 2003)
- Cervantes v. Countrywide Home Loans, Inc., 656 F.3d 1034, 1043-44 (9th Cir. 2011)
- Johnson v. Columbia Properties Anchorage, LP, 437 F.3d 894, 899 (9th Cir. 2006)
- Jackson v. Nelson, 405 F.2d 872, 873 (9th Cir. 1968)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555-56 (2007)
- Ferdik v. Bonzelet, 963 F.2d 1258, 1260-61 (9th Cir. 1992)
- Ferdik v. Bonzelet, 963 F.2d 1258, 1262 (9th Cir. 1992)
- Hal Roach Studios, Inc. v. Richard Feiner & Co., 896 F.2d 1542, 1546 (9th Cir. 1990)