UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

Habtemariam v. PNC Bank, National Association

Habtemariam · No. 2:16-cv-01189-DC-AC · Decided August 18, 2025

SUMMARY

The United States District Court for the Eastern District of California denied PNC Bank's second motion for summary judgment. PNC argued that the plaintiff's claims for cancellation of recorded instruments, unfair competition, declaratory relief, and negligence were barred by the applicable statutes of limitations. The court held that genuine disputes of material fact existed regarding when the claims accrued and whether the debt had been canceled.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Dena Coggins
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	August 18, 2025
DOCKET	2:16-cv-01189-DC-AC
DISPOSITION	other
PROCEDURAL POSTURE	Defendant PNC Bank moved for a second summary judgment on the ground that all claims against it were barred by applicable statutes of limitations.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The evidence must be viewed in the light most favorable to the nonmoving party, and a defendant asserting an affirmative defense bears the initial burden of establishing every essential element of that defense.
PRECEDENTIAL VALUE	unpublished, nonprecedential district-court order

TOPICS

summary judgment · statute of limitations · civil procedure · wrongful foreclosure · negligence

PRACTICE AREAS

civil procedure | real estate | consumer protection | torts | remedies

QUESTIONS PRESENTED

1. Whether Plaintiff's claims for cancellation of recorded instruments, unfair competition, and declaratory relief were barred on summary judgment by the applicable four-year statutes of limitations.
2. Whether Plaintiff's negligence claim was barred on summary judgment by California's two-year statute of limitations.
3. Whether the evidence established as a matter of law that Plaintiff discovered or should have discovered her claims in 2011 or 2012.

HOLDINGS

1. PNC Bank was not entitled to summary judgment because it failed to establish as a matter of law that these claims accrued in 2011, and genuine disputes of material fact permitted more than one inference regarding Plaintiff's notice and injury.
2. PNC Bank was not entitled to summary judgment on the negligence claim because it did not establish that the claim accrued in May 2012 when Plaintiff received notice that loan servicing had been transferred.
3. PNC Bank's reliance on Plaintiff's 2019 deposition and the 2012 servicing-transfer letter was outside the scope of the leave granted for the second summary-judgment motion, which was based on the expanded factual record following later depositions.

KEY QUOTATIONS

> *"The court finds Defendant PNC Bank's arguments to be misplaced because they do not address the claims Plaintiff brings in this case."* (at 7)

> *"Because there are genuine disputes of material fact and the evidence before the court on summary judgment does not establish that Plaintiff's claims accrued in 2011, Defendant PNC Bank has not met its burden of proving that Plaintiff's claims are time barred by the applicable four-year statute of limitations period."* (at 10)

> *"Thus, Defendant PNC Bank has not established that Plaintiff's negligence claim accrued in 2012."* (at 13)

FACTUAL BACKGROUND

Plaintiff obtained a second mortgage loan from National City Bank, which later merged with PNC Bank, and defaulted in 2009. PNC Bank issued Plaintiff a 1099-C stating that $46,134.46 of debt had been canceled, but it continued reporting the loan and outstanding balance to credit reporting agencies and later transferred loan servicing. The loan and second deed of trust were eventually transferred to Vida Capital Group, which foreclosed on the property in February 2016. The court found disputed inferences concerning whether Plaintiff knew before 2016 that PNC Bank had not canceled the debt and whether the claims accrued in 2011 or 2012.

PROCEDURAL HISTORY

Plaintiff filed this action in 2016 asserting claims including cancellation of recorded instruments, unfair competition, negligence, declaratory relief, and breach of contract. The court granted PNC Bank's first summary-judgment motion as to the breach-of-contract claim but denied it as to the other claims. After limited discovery was reopened, the court granted PNC Bank leave to file a second summary-judgment motion based on statutes of limitations. The court denied that motion and directed the Clerk to update the docket regarding the termination of U.S. Mortgage Resolution.

DISPOSITION

other

CASES CITED

- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 255
- In re Oracle Corp. Sec. Litig., 627 F.3d 376, 387
- Celotex Corp. v. Catrett, 477 U.S. 317, 323
- Menzel v. Scholastic, Inc., No. 3:17-cv-05499-EMC, 2019 WL 6896145, at *2 (N.D. Cal. 2019)
- Wolf v. Travolta, 167 F. Supp. 3d 1077, 1091
- Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 585-87
- First Nat’l Bank of Ariz. v. Cities Serv. Co., 391 U.S. 253, 288-89
- Orr v. Bank of Am., NT & SA, 285 F.3d 764, 773
- Robertson v. Superior Court, 90 Cal. App. 4th 1319, 1326
- CitiMortgage, Inc. v. Wright, 2016 WL 11518929, at *2 (C.D. Cal. 2016)
- Pooshs v. Philip Morris USA, Inc., 51 Cal. 4th 788, 797
- Westfall v. Mortg. Elec. Registration Sys., Inc., 2016 WL 1241520, at *5 (S.D. Cal. 2016)