

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
TEXAS, DALLAS DIVISION

Charla Turner v. NewRez LLC d/b/a Shellpoint Mortgage Servicing,
et al.

Turner · No. 3:25-cv-01835-X-BT · Decided February 13, 2026

SUMMARY

A United States magistrate judge recommends denying Plaintiff Charla Turner's motion to remand and granting Defendants' motion to dismiss in a wrongful-foreclosure action. The recommendation concludes that the nondiverse defendant was improperly joined and that Turner's claims are barred by judicial estoppel based on her prior Chapter 13 bankruptcy plan surrendering the property. The magistrate judge further recommends dismissal with prejudice and denial of leave to amend as futile.

CASE DETAILS

COURT	United States District Court for the Northern District of Texas, Dallas Division
WRITING FOR THE COURT	Rebecca Rutherford, United States Magistrate Judge
JURISDICTION	United States District Court for the Northern District of Texas, Dallas Division
DECIDED	February 13, 2026
DOCKET	3:25-cv-01835-X-BT
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to remand a removed state-court action, and Defendants moved to dismiss under Federal Rule of Civil Procedure 12(b)(6). The magistrate judge issued findings, conclusions, and a recommendation that the motion to remand be denied and the motion to dismiss be granted with prejudice.
STANDARD OF REVIEW	For removal and remand, the removing party bears the burden of establishing federal jurisdiction, and doubts are resolved in favor of remand. Improper joinder is assessed under a Rule 12(b)(6)-type analysis to determine whether there is a reasonable basis to predict recovery against the nondiverse defendant. On a Rule 12(b)(6) motion, well-pleaded facts are accepted as true and viewed in the plaintiff's

	favor, but the complaint must contain sufficient factual matter to state a facially plausible claim.
PRECEDENTIAL VALUE	Unpublished, nonprecedential magistrate judge report and recommendation; precedential status unknown pending district-judge action.
PARTIES	Charla Turner v. NewRez LLC d/b/a Shellpoint Mortgage Servicing, Specialized Loan Servicing LLC, Wells Fargo Bank NA, Kelly Porter

TOPICS

wrongful foreclosure quiet title motions to dismiss subject matter jurisdiction civil procedure

PRACTICE AREAS

Civil procedure Bankruptcy Real estate litigation Mortgage foreclosure Remedies

QUESTIONS PRESENTED

1. Whether the nondiverse defendant, Kelly Porter, was improperly joined because Turner had no reasonable basis for recovery against her, thereby preserving diversity jurisdiction.
2. Whether Turner's claims were barred by judicial estoppel because she surrendered the property in bankruptcy and later challenged Defendants' right to foreclose without disclosing the asserted claims to the bankruptcy court.
3. Whether Turner should be given leave to amend her complaint.

HOLDINGS

1. Porter was improperly joined because Turner alleged no specific facts connecting Porter to a viable cause of action, and there was no reasonable basis to predict that Turner could recover against Porter under state law. Porter therefore could be disregarded for diversity purposes, and remand should be denied.
2. Judicial estoppel barred Turner's claims because she took a position in the present action inconsistent with her bankruptcy position, the bankruptcy court accepted and relied on the prior position, and her inconsistent positions were not inadvertent.
3. Further amendment should be denied as futile because judicial estoppel barred Turner's claims.

KEY QUOTATIONS

“Judicial estoppel is a common law doctrine that prevents a party from assuming inconsistent positions in litigation.”

“As Plaintiff has no possibility of recovering against nondiverse Defendant Porter, the District Judge should DENY Plaintiff’s Motion to Remand to State Court.”

“As all three elements of judicial estoppel are met, Plaintiff’s claims against the Defendants are barred by the doctrine of judicial estoppel.”

FACTUAL BACKGROUND

Turner and her former husband obtained a loan in 2006 secured by a deed of trust on the Woodberry Property in Forney, Texas; Wells Fargo later acquired the beneficial interest. Turner filed a Chapter 13 bankruptcy case in 2020 and expressly agreed in her confirmed plan to surrender the property, after which the bankruptcy court lifted the automatic stay and permitted foreclosure. Wells Fargo foreclosed on December 3, 2024, and state courts later entered judgments recognizing Wells Fargo's right to possession. Turner nevertheless challenged the foreclosure and sought to prevent Defendants from enforcing their interests in the property.

PROCEDURAL HISTORY

Turner filed state-court claims for wrongful foreclosure, due-process violations, quiet title, and injunctive relief. Defendants removed based on diversity jurisdiction, asserting that the nondiverse defendant, Kelly Porter, was improperly joined. Turner moved to remand, and Defendants moved to dismiss. The magistrate judge recommended denying remand because Turner had no reasonable possibility of recovery against Porter and recommended dismissal with prejudice because judicial estoppel barred Turner's claims.

DISPOSITION

other

REMAND INSTRUCTIONS

The magistrate judge recommended that the district judge deny the motion to remand, grant the motion to dismiss, dismiss the action with prejudice, and deny further leave to amend. The recommendation was subject to objections and adoption or rejection by the district judge.

CASES CITED

- Kokkonen v. Guardian Life Insurance Co. of America, 511 U.S. 375, 377 (1994)
- Howery v. Allstate Insurance Co., 243 F.3d 912, 916 (5th Cir. 2001)
- Manguno v. Prudential Property & Casualty Insurance Co., 276 F.3d 720, 723 (5th Cir. 2002)
- Exxon Mobil Corp. v. Starr Indemnity & Liability Co., 716 F. App'x 349, 350-51 (5th Cir. 2018) (per curiam)
- Caterpillar Inc. v. Lewis, 519 U.S. 61, 68 (1996)
- MidCap Media Finance, L.L.C. v. Pathway Data, Inc., 929 F.3d 310, 313 (5th Cir. 2019)
- Cuevas v. BAC Home Loans Servicing, LP, 648 F.3d 242, 249 (5th Cir. 2011)
- McDonal v. Abbott Laboratories, 408 F.3d 177, 183 (5th Cir. 2005)
- Smallwood v. Illinois Central Railroad Co., 385 F.3d 568, 571 n.1, 573 (5th Cir. 2004) (en banc)
- International Energy Ventures Management, L.L.C. v. United Energy Group, Ltd., 818 F.3d 193, 200, 210 (5th Cir. 2016)
- Gray ex rel. Rudd v. Beverly Enterprises-Mississippi, Inc., 390 F.3d 400, 412 (5th Cir. 2004)

- Larroquette v. Cardinal Health 200, Inc., 466 F.3d 373, 376 (5th Cir. 2006)
- In re Katrina Canal Breaches Litigation, 495 F.3d 191, 205 (5th Cir. 2007)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Spivey v. Robertson, 197 F.3d 772, 774 (5th Cir. 1999)
- Collins v. Morgan Stanley Dean Witter, 224 F.3d 496, 498-99 (5th Cir. 2000)
- Norris v. Hearst Trust, 500 F.3d 454, 461 n.9 (5th Cir. 2007)
- Basic Capital Management, Inc. v. Dynex Capital, Inc., 976 F.3d 585, 589 (5th Cir. 2020)
- Firefighters' Retirement System v. Grant Thornton, LLP, 894 F.3d 665, 670 (5th Cir. 2018)
- Reed v. City of Arlington, 650 F.3d 571, 574 (5th Cir. 2011) (en banc)
- Jethroe v. Omnova Solutions, Inc., 412 F.3d 598, 600 (5th Cir. 2005)
- In re Superior Crewboats, Inc., 374 F.3d 330, 334-35 (5th Cir. 2004)
- In re Coastal Plains, Inc., 179 F.3d 197, 207-08, 210 (5th Cir. 1999)
- Love v. Tyson Foods, Inc., 677 F.3d 258, 262 (5th Cir. 2012)
- In re Flugence, 738 F.3d 126, 130-31 (5th Cir. 2013)
- Hitt v. City of Pasadena, 561 F.2d 606, 608 (5th Cir. 1977) (per curiam)
- Morgan v. Chapman, 969 F.3d 238, 248 (5th Cir. 2020)
- Pierce v. Hearne Independent School District, 600 F. App'x 194, 200 (5th Cir. 2015) (per curiam)