

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
PENNSYLVANIA

Commonwealth of Pennsylvania, by Attorney General Michelle A.
Henry v. Eagle Rock Resort Co., LLC, et al.

No. 3:25-cv-00059, United States District Court for the Middle District of Pennsylvania (March 31, 2026)

SUMMARY

The United States District Court for the Middle District of Pennsylvania considered defendants’ motion to dismiss claims brought by the Commonwealth of Pennsylvania under the Consumer Financial Protection Act, the Interstate Land Sales Full Disclosure Act, and Pennsylvania’s Unfair Trade Practices and Consumer Protection Law. The court held that the Commonwealth had standing and that the claims were not untimely on the face of the complaint, but concluded that the complaint failed to state plausible claims and did not satisfy Federal Rule of Civil Procedure 9(b) for fraud-based claims. The motion was granted in part and denied in part, and the complaint was dismissed without prejudice with leave to amend.

CASE DETAILS

COURT	United States District Court for the Middle District of Pennsylvania
WRITING FOR THE COURT	Joseph F. Saporito, Jr.
JURISDICTION	United States District Court for the Middle District of Pennsylvania
DECIDED	March 31, 2026
DOCKET	3:25-cv-00059
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to dismiss the Commonwealth's complaint under Federal Rule of Civil Procedure 12(b)(1) for lack of standing and under Rule 12(b)(6) for failure to state a claim.
STANDARD OF REVIEW	On a facial Rule 12(b)(1) challenge, the court accepted the complaint's allegations as true and considered only materials properly reviewable at the pleading stage. On a Rule 12(b)(6) motion, the court accepted well-pleaded factual allegations as true, viewed them in the light most favorable to the plaintiff, and assessed facial plausibility. Fraud-based UTPCPL claims were subject to Rule 9(b)'s heightened pleading particularity requirement.

TOPICS

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QUESTIONS PRESENTED

1. Whether the Commonwealth of Pennsylvania had Article III standing, including *parens patriae* standing, to assert consumer-protection claims against the defendants.
2. Whether the claims were subject to dismissal under Rule 12(b)(6) as time-barred on the face of the complaint.
3. Whether documents proffered by defendants could be considered in resolving the motion to dismiss.
4. Whether the complaint plausibly stated claims under the CFPA, ILSA, and UTPCPL and, for fraud-based UTPCPL claims, satisfied Rule 9(b).

HOLDINGS

1. The Commonwealth adequately alleged Article III standing because it pleaded an injury in fact through an independent interest in enforcing the challenged consumer-protection laws and a quasi-sovereign interest in protecting the economic well-being of a sufficiently substantial segment of Pennsylvania's population.
2. The claims could not be dismissed as time-barred at the pleading stage because the dates of most alleged violations were not apparent on the face of the complaint.
3. The court excluded the documents proffered by defendants because the complaint's claims were based on alleged oral or sales-pitch misrepresentations rather than on the documents, and the documents were neither integral to nor explicitly relied upon in the complaint.
4. The complaint failed to state plausible claims under Rule 12(b)(6), and its fraud-based UTPCPL claims also failed to meet Rule 9(b)'s heightened particularity requirement.

KEY QUOTATIONS

“The Commonwealth has thus properly alleged that it has an independent interest in this litigation and that it has a recognizable quasi-sovereign interest in consumer protection, and therefore, it has standing to bring its claims.” (Section III.A)

“Although verbose, the complaint ultimately rests on a foundation of conclusory factual allegations.” (Section III.D)

“The complaint will be dismissed without prejudice for failure to state a claim upon which relief can be granted, and the plaintiff will be granted leave to file an amended complaint within thirty days.” (Section

FACTUAL BACKGROUND

Defendants allegedly sold and financed purchases of thousands of undeveloped lots at Eagle Rock Resort in rural Pennsylvania. The Commonwealth alleged that defendants used misleading comparable properties, implied that lots would appreciate, promoted a resale and trade-in program without disclosing limiting conditions, and represented that buyers were receiving limited-time deals and special credits that were allegedly offered to all buyers. The complaint described the alleged scheme generally but did not identify particular lots, consumers, transactions, communications, or acts by specific corporate agents.

PROCEDURAL HISTORY

The Commonwealth of Pennsylvania filed an action seeking declaratory, injunctive, and monetary relief under the Consumer Financial Protection Act, the Interstate Land Sales Full Disclosure Act, and Pennsylvania's Unfair Trade Practices and Consumer Protection Law. Defendants moved to dismiss. The court denied the standing challenge, excluded documents proffered by defendants from consideration on the motion, and granted the Rule 12(b)(6) motion because the complaint lacked facts concerning particular lots, consumers, transactions, communications, or actions by particular agents and failed to satisfy Rule 9(b) for fraud-based UTPCPL claims. The dismissal was without prejudice, and the Commonwealth was granted thirty days to amend.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. The complaint was dismissed without prejudice, and the plaintiff was granted leave to file an amended complaint within thirty days.

CASES CITED

- 458 U.S. 592, 600-07 (1982)
- 578 U.S. 330, 338 (2016)
- 504 U.S. 555, 560-61 (1992)
- 520 F.2d 11, 22 (3d Cir. 1975)
- 659 F.2d 306, 318 n.16 (3d Cir. 1981) (en banc)
- 699 F.3d 385, 394 (4th Cir. 2012)
- 672 F.3d 661, 671 (9th Cir. 2012)
- 665 F.3d 768, 773 (7th Cir. 2011)
- 536 F.3d 418, 430 (5th Cir. 2008), aff'd, 571 U.S. 161 (2014)
- 770 F.3d 241, 249 (3d Cir. 2014)
- 549 U.S. 199, 215 (2007)

- 796 F.3d 281, 288 (M.D. Pa. 2015)
- 114 F.3d 1410, 1426 (3d Cir. 1997)
- 7 F.3d 357, 368 n.9 (3d Cir. 1993)
- 550 U.S. 544, 570 (2007)
- 198 F. Supp. 3d 476, 484-85 (E.D. Pa. 2016)

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