UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW MEXICO

El Rio Sol Transmission, LLC v. Adolfo Sanchez, et al.

No. No. 1:25-cv-00428-KG-JMR, United States District Court for the District of New Mexico (February 4, 2026)

SUMMARY

The court grants MMR Group, Inc.'s Federal Rule of Civil Procedure 12(b)(6) motion to dismiss the third-party complaint against it. The court concludes that the defendants failed to plausibly allege facts supporting alter-ego liability or independent wrongful conduct by MMR, rather than merely alleging liability based on its ownership of El Rio Sol. The dismissal is without prejudice, and the defendants may file an amended third-party complaint within 21 days.

CASE DETAILS

COURT	United States District Court for the District of New Mexico
WRITING FOR THE COURT	Kenneth J. Gonzales
JURISDICTION	United States District Court for the District of New Mexico
DECIDED	February 4, 2026
DOCKET	No. 1:25-cv-00428-KG-JMR
DISPOSITION	dismissed
PROCEDURAL POSTURE	Third-party defendant MMR Group, Inc. moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the third-party complaint for failure to state a claim. The court granted the motion and dismissed the third-party complaint as to MMR without prejudice, allowing amendment within 21 days.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded allegations as true, disregards labels, conclusions, and formulaic recitations of the elements, and asks whether the complaint contains enough facts to state a claim for relief that is plausible on its face. The court ordinarily considers only the complaint and may decline to convert the motion into one for summary judgment.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion and order

TOPICS

motions to dismiss | third party practice | corporate veil piercing | pleadings | breach of contract

PRACTICE AREAS

civil procedure | corporate law | commercial litigation | contracts | real estate

QUESTIONS PRESENTED

1. Whether the third-party complaint plausibly alleged a basis for holding MMR Group, Inc. liable for the conduct of El Rio Sol Transmission, LLC by piercing the corporate veil.
2. Whether allegations and exhibits attached to defendants' opposition brief could supply facts absent from the third-party complaint or require conversion of the Rule 12(b)(6) motion into a summary judgment motion.
3. Whether defendants should be granted leave to amend after dismissal.

HOLDINGS

1. A parent corporation is not liable for the acts of its subsidiary merely because it owns the subsidiary; a complaint must allege facts plausibly showing that the parent's control rendered the subsidiary an instrumentality of the parent or otherwise justified piercing the corporate veil. Defendants' allegations that MMR owned El Rio Sol and that MMR and El Rio Sol acted together were insufficient.
2. The court considers the complaint when deciding a Rule 12(b)(6) motion and will not use affidavits and exhibits attached to an opposition brief to supply allegations absent from the complaint or convert the motion into a summary judgment motion while discovery is ongoing.
3. Dismissal of the third-party complaint as to MMR was without prejudice, and defendants were permitted to file an amended third-party complaint within 21 days.

KEY QUOTATIONS

> *"It is a general principle of corporate law deeply ingrained in our economic and legal systems that a parent corporation (so-called because of control through ownership of another corporation's stock) is not liable for the acts of its subsidiaries."* (III. Analysis)

> *"To survive a Rule 12(b)(6) motion to dismiss, a complaint must contain "enough facts to state a claim to relief that is plausible on its face.""* (II. Standard of Review)

FACTUAL BACKGROUND

The dispute concerns easements for electrical transmission lines crossing parcels of land in New Mexico. Defendants alleged that MMR Group, Inc. was the parent company of SunZia Transmission, LLC and El Rio Sol Transmission, LLC, and repeatedly referred to MMR and El Rio Sol together as having engaged in misconduct. The third-party complaint did not allege independent conduct by MMR or facts showing that MMR controlled El Rio Sol sufficiently to justify piercing the corporate veil.

PROCEDURAL HISTORY

El Rio Sol Transmission, LLC filed a contract dispute concerning easements. The defendants answered, asserted amended counterclaims, and filed a third-party complaint against SunZia, El Rio Sol, and MMR Group, Inc.

MMR moved to dismiss, arguing that the third-party complaint alleged no basis for holding a parent corporation liable for its subsidiary's conduct. The court granted dismissal as to MMR and permitted defendants to file an amended third-party complaint.

DISPOSITION

dismissed

REMAND INSTRUCTIONS

No remand. Defendants may file an amended third-party complaint within 21 days of the order.

CASES CITED

- WildEarth Guardians v. U.S. Forest Serv., 2025 WL 2430383, at *1 (D.N.M.)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- United States v. Bestfoods, 524 U.S. 51, 61 (1998)
- Vela v. Sterigenics U.S., LLC, 2024 WL 83015, at *5 (D.N.M.)
- Champaign v. CenturyLink Commc'ns, 2023 WL 2308246, at *4 (D.N.M.)

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