

Circuit Court for Baltimore County  
Case No. C-03-CV-19-003393

UNREPORTED  
IN THE COURT OF SPECIAL APPEALS  
OF MARYLAND

No. 19

September Term, 2020

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ESTELLE C. GRAINGER

v.

PAUL MORAN FBN, et al.

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Friedman,  
Gould,  
Woodward, Patrick L.  
(Senior Judge, Specially Assigned),

JJ.

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PER CURIAM

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Filed: March 11, 2021

\*This is an unreported opinion, and it may not be cited in any paper, brief, motion, or other document filed in this Court or any other Maryland Court as either precedent within the rule of stare decisis or as persuasive authority. Md. Rule 1-104.

In this appeal from a civil action in the Circuit Court for Baltimore County, Estelle C. Grainger, appellant, challenges the court’s granting of a motion to dismiss her amended complaint against Paul Moran, Esq. (hereinafter “Mr. Moran”), Stern & Eisenberg Mid-Atlantic, PC (hereinafter “Stern & Eisenberg”), and Planet Home Lending, LLC (hereinafter “Planet”), appellees. For the reasons that follow, we shall affirm the judgment of the circuit court.

This case arises from Ms. Grainger’s fifth complaint relating to the mortgage for a property located at 3400 Essex Road (hereinafter “the Property”). We quote some of the pertinent facts from the December 16, 2019 order of the United States District Court for the District of Maryland dismissing Ms. Grainger’s fourth complaint:

On April 13, 2001, Grainger obtained a \$23,678.74 closed end loan (the “Closed End Loan”) from [Beneficial Financial I Inc. (hereinafter “Beneficial”)]. The Closed End Loan was secured by a Deed of Trust on the Property. On August 27, 2001, Grainger refinanced the existing mortgage on the Property with a \$125,289.15 first mortgage loan (the “First Mortgage”) from Beneficial. The First Mortgage was secured by a Deed of Trust on the Property, which was recorded on August 29, 2001. Fifteen thousand dollars of the First Mortgage was used to pay a portion of the Closed End Loan, and \$93,195.91 was used to pay the remaining balance on Grainger’s existing mortgage. Also on August 27, 2001, Grainger obtained a \$25,000.00 home equity line of credit (the “HELOC”) from Beneficial. The HELOC was secured by a Deed of Trust on the Property, which was also recorded on August 29, 2001. Beneficial recorded a Certificate of Satisfaction for the Closed End Loan on April 23, 2007, releasing the corresponding Deed of Trust on the Property.

Grainger subsequently brought three separate suits against Beneficial relating to the Closed End Loan and First Mortgage on the Property. At the close of the first action, the District Court for Baltimore County, Maryland entered judgment in favor of Beneficial, rejecting Grainger’s claim that she was entitled to a refund of payments made on the Closed End Loan after the Certificate of Satisfaction had been recorded. See Grainger v. Beneficial Fin. Mortg. Co., No. 08-04-0026720-2015 (Dist.Ct.Balt.Cty. filed Oct. 13, 2015).

In the second action, the Circuit Court for Baltimore County, Maryland also entered judgment in favor of Beneficial, finding that Grainger had authorized Beneficial to use \$15,000.00 from the First Mortgage to pay off the balance of the Closed End Loan. See Grainger v. Beneficial Fin. I, Inc., No. 03-C-16-008909 (Cir.Ct.Balt.Cty. filed Aug. 23, 2016), aff'd, No. 2155, Sept. Term 2018, 2019 WL 4724622 (Md.Ct.Spec.App. Sept. 26, 2019). In the third action, this Court dismissed Grainger’s claims for res judicata, finding that Grainger had raised the same factual allegations and claims in her case before the Circuit Court. Grainger v. Beneficial Fin. I Inc., No. CV GLR-18-2530, 2019 WL 5683905, at \*4 (D.Md. May 28, 2019).

On December 7, 2017 – notably, after Grainger filed the second action but before she filed the third on June 28, 2018 – Beneficial transferred the First Mortgage to Carrington Mortgage Services, LLC [(hereinafter “Carrington”)]. Grainger later forwarded Carrington “a copy of two inquiries” and requested Carrington to review the “discrepancies discovered in the amount of \$15,000.00 [] shown on the Plaintiff’s HUD-Settlement Statement.” According to Grainger, around August 2018, she determined through her own “good faith calculations” that the First Mortgage had been fully paid as of December 1, 2017 or, alternatively, by December 16, 2017 at the latest, and the remaining Deed of Trust on the Property should have been “released” at that time. As a result, Grainger “took action to suspend payment” of her \$1,192.16 monthly mortgage payments, beginning with the payment due on August 1, 2018. Grainger submitted documentation of her calculations to Carrington on August 7, 2018 and August 16, 2018. Carrington subsequently issued a “Notice of Intent to Foreclose” on September 6, 2018.

On March 9, 2019, Grainger, proceeding pro se, filed suit in the Circuit Court for Baltimore County once again – this time against Carrington. On April 9, 2019, Carrington removed the case to this Court. Although Grainger name[d] Carrington as Defendant in this matter, Grainger’s Complaint outline[d] several allegations against Beneficial, including that it made “illegal deductions of life and disability insurance premiums from the Plaintiff’s home owner’s mortgage payments of \$1,192.16.” Grainger allege[d] that she did not authorize Beneficial to apply \$15,000.00 from the First Mortgage to the Closed End Loan. Grainger also explain[ed] that the deductions and unauthorized transfer of \$15,000.00 caused Beneficial to overcharge Grainger from August 27, 2001 to December 1, 2017, such that Grainger’s First Mortgage was actually paid in full by December 1, 2017. Accordingly, Beneficial’s transfer of the First Mortgage to Carrington on December 7, 2017 was a “fraudulent transfer,” and she was not required to make any monthly payments to Carrington. Grainger [sought] compensatory

damages in the amount of the monthly mortgage payments she made to Carrington from January 1, 2018 until July 1, 2018, plus interest.

On June 12, 201[9], Carrington filed a Motion to Dismiss Plaintiff's Complaint Pursuant to Res Judicata and Collateral Estoppel.

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Carrington contend[ed] that Grainger's . . . suit [was] barred by res judicata and collateral estoppel because Carrington is in privity with Beneficial, the defendant in Grainger's previous actions. Grainger respond[ed] that her claim against Carrington "is only related to the Beneficial case because of the identical fraudulent postings orchestrated by Beneficial."

(Record references and footnotes omitted.)

On August 5, 2019, Mr. Moran and Steven K. Eisenberg were appointed as substitute trustees under the deed of trust. On August 14, 2019, the substitute trustees, through their counsel Stern & Eisenberg, filed in the Circuit Court for Baltimore County an order to docket a foreclosure action. Instead of filing a motion pursuant to Rule 14-211 to stay the sale of the Property and dismiss the action, Ms. Grainger filed, on September 13, 2019, the complaint in the instant matter, in which she "ask[ed] the court to temporarily stop the foreclosure so that [she] can resolve the legal issues in court." Ms. Grainger contended that appellees failed to provide "detailed statements of debt[] under o[a]th," that she "has never applied for or obtained a mortgage loan" from appellees, and that the "mortgage was completely paid in full on December 1, 2017." Ms. Grainger further contended that, for numerous reasons, the "debt that [appellees] are using as grounds for foreclosure is illegal [having been] perpetrated by Beneficial . . . on August 27, 2001 while re-financing the . . . property," and noted that her federal action against Carrington was still

pending. On December 6, 2019, Ms. Grainger filed an amended complaint in which she re-raised many of the claims raised in the initial complaint.

On December 16, 2019, the federal court granted Carrington’s motion to dismiss on the ground that, for the reasons cited by Carrington, “res judicata preclude[d] Grainger from bringing [that] lawsuit.” On January 2, 2020, Planet, which is the servicer for Carrington, moved to dismiss the amended complaint in the instant matter pursuant to Rule 2-322 and res judicata. Following a hearing, the court granted the motion on the grounds that the complaint was “barred by res judicata” and “the statute of limitations,” and “doesn’t state facts upon which relief could be granted.”

Ms. Grainger contends that, for numerous reasons, the court erred in granting the motion. We disagree. To the extent that the complaint raises defenses to the foreclosure action, Ms. Grainger is required to raise those defenses in a motion pursuant to Rule 14-211 to stay the sale of the Property and dismiss the foreclosure action. *See* Rule 14-211(a)(3) (a “motion to stay and dismiss shall . . . state with particularity the factual and legal basis of each defense that the moving party has to the validity of the lien or the lien instrument or to the right of the plaintiff to foreclose in the pending action”). To the extent that the complaint raises contentions that Beneficial engaged in fraud in procuring the debt or transferring it to Carrington, those claims have been actually litigated, or could or should have been litigated, in previous actions, and the “doctrine of res judicata bars the relitigation of a claim if there is a final judgment in a previous litigation where the parties, the subject matter[,] and causes of action are identical or substantially identical as to issues actually litigated and as to those which could have or should have been raised in the

previous litigation.” *Board of Ed v. Norville*, 390 Md. 93, 106-07 (2005). Hence, the court did not err in granting the motion to dismiss.

**JUDGMENT OF THE CIRCUIT COURT  
FOR BALTIMORE COUNTY AFFIRMED.  
COSTS TO BE PAID BY APPELLANT.**