

Circuit Court for Prince George's County
Case No. CAL 18-21363

UNREPORTED
IN THE COURT OF SPECIAL APPEALS
OF MARYLAND

No. 2327

September Term, 2019

DAMIEON REAVES

v.

LORITA TETTEH

Graeff,
Wells,
Harrell, Glenn T., Jr.,
(Senior Judge, Specially Assigned),

JJ.

Opinion by Graeff, J.

Filed: February 18, 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.

On April 8, 2016, Damieon Reaves, appellant, entered into a written agreement (the “Agreement”) with his sister, Lorita Tetteh, appellee, relating to property located at 208 Emerald Hill Drive in Fort Washington (the “Property”). The Agreement noted that Mr. Reaves had failed to pay property taxes on the Property, and it had been purchased at a tax sale. Ms. Tetteh agreed to pay the amount due to redeem the Property, which at the time was approximately \$18,000. The Agreement provided that Mr. Reaves would apply for a mortgage on the Property within 15 days to reimburse Ms. Tetteh the amounts she paid, and if he did not obtain a mortgage in six months or reimburse her, she would become the sole owner of the Property. When Mr. Reaves failed to pay, Ms. Tetteh obtained an order from the Circuit Court for Prince George’s County appointing a trustee to transfer the Property to Ms. Tetteh. On November 29, 2017, the trustee executed a deed transferring the Property to her (“Trustee Deed”).

On June 20, 2018, Mr. Reaves filed a second action in the circuit court seeking a declaration that he owned the Property, and the Trustee Deed was in the nature of a mortgage. In July 2018, Ms. Tetteh obtained a mortgage on the Property in the amount of \$195,000. On October 23, 2019, the court issued an opinion and order, granting judgment in Ms. Tetteh’s favor and directing that title to the Property vest with Ms. Tetteh.

On appeal, Mr. Reaves presents the following questions for this Court’s review, which we have reordered and rephrased, as follows:

1. Did the circuit court err in denying declaratory relief to Mr. Reaves because he had the right to redeem the Property after the execution of the Trustee Deed?

2. Were the trustees under the Tetteh Mortgage required to be made parties to the Reaves Suit?

For the reasons set forth below, we shall vacate the judgment of the circuit court and remand for further proceedings.

FACTUAL AND PROCEDURAL BACKGROUND

On September 13, 2013, Mr. Reaves purchased the Property from the Estate of Teresa R. Smialek for \$313,500. By 2016, he had fallen behind in paying the property taxes, and as a result, the Property was sold at a tax sale to Kenny Law Group, LLC. On March 31, 2016, Kenny Law Group, LLC provided Mr. Reaves with a “Redemption Statement,” which allowed him to redeem the Property if he paid \$1,986.79 by April 11, 2016. Additionally, Prince George’s County required Mr. Reaves to pay the outstanding property tax in the amount of \$16,089.42 by March 2016.

On April 8, 2016, Mr. Reaves entered into the Agreement with Ms. Tetteh to help him redeem the Property. The Agreement provided, in pertinent part, as follows:

1. Tetteh agrees to pay Kenny Law Group, LLC \$1,986.79 and pay Prince George’s County \$16,089.42 in order to redeem the Property. Tetteh agrees to pay whatever incremental costs Prince George’s County charges between the amount to redeem in April 2016, which is not known at this time, and the amount quoted if payment was made in March 2016. These three amounts shall be referred to as the “Redemption Amount.”
2. Within fifteen (15) days of Tetteh paying the Redemption Amount as described in paragraph 1, Reaves shall apply to obtain a mortgage on the Property sufficient enough to reimburse Tetteh for the Redemption Amount.
3. If Reaves is successful in obtaining a mortgage on the Property, within fifteen (15) days of receiving the funds from the mortgage company, Reaves shall pay to Tetteh the Redemption Amount.

4. If Reaves has not obtained a mortgage against the Property within six (6) months after the execution of this Agreement, or has not reimbursed Tetteh for the Redemption Amount pursuant to paragraph 3, Reaves agrees to transfer all of his right, title, and interest in the Property over to Tetteh so that Tetteh becomes the sole owner of the Property. Reaves will execute the Deed to the Property or any other document necessary to carry out this paragraph, and shall be responsible for the cost of the transfer, including but not limited to preparation of the documents, and applicable taxes.

5. If Reaves has obtained a mortgage on the Property, but has failed to pay Tetteh as described in paragraph 3, Tetteh may require Reaves to sell the Property and pay her the Redemption Amount directly at settlement of the sale of the Property.

6. Should Tetteh become the owner of the Property as described in paragraph 4, Reaves shall pay Tetteh the balance of the Redemption Amount owed to Tetteh, plus ten percent (10%) of that amount, in equal payments over twelve (12) months, commencing on the 1st day of the month after Tetteh becomes the owner of the Property, and continuing on the 1st day of every month thereafter.

7. Should Tetteh become the owner of the Property as described in paragraph 4, Tetteh shall pay all of the expenses related to the Property. In addition, Tetteh shall keep all of the rent paid by the tenants of the Property, and keep any other income generated by the Property. Reaves agrees to sign any and all documents necessary to carry out the intent of this paragraph. Should the expenses of the Property amount to more than the income, Reaves shall be responsible for reimbursing Tetteh the amounts in excess. Tetteh shall provide Reaves with a monthly statement that indicates the amounts Tetteh paid and received in regards to the Property, including an amount due by Reaves to Tetteh. Reaves shall pay that amount within thirty (30) days of receipt of the statement.

8. Should Reaves pay Tetteh all amounts owed to her in the amount and manner described in paragraphs 6 and 7, Tetteh agrees to transfer all of her right, title, and interest to the Property over to Reaves so that Reaves becomes the sole owner of the Property. Tetteh will execute the Deed to the Property or any other document necessary to carry out this paragraph, with Reaves being responsible for the cost of the transfer, including but not limited to preparation of the documents, and applicable taxes.

9. Should Reaves fail to pay Tetteh all amounts owed to her in the amount and manner described in paragraphs 6 and 7, Reaves shall not be responsible for reimbursing Tetteh for any expenses on the Property, and Tetteh shall not provide any statements to Reaves.

* * *

14. This Agreement shall constitute the entire understanding between the parties and may not be modified except by a written agreement signed by all affected parties hereto.

The Agreement was signed by both parties.

By October 2016, Mr. Reaves had failed to apply for a mortgage, pay Ms. Tetteh the Redemption Amount, or transfer the Property to Ms. Tetteh, pursuant to the terms of the Agreement. On March 30, 2017, Ms. Tetteh filed in the Circuit Court for Prince George's County a Petition to Appoint a Trustee for Transfer of Real Property.¹ She asserted that transfer of the Property was warranted because Mr. Reaves breached the Agreement, and she requested that the circuit court appoint a trustee to effectuate the transfer of the Property to her.

Although Mr. Reaves was served with the summons and complaint on May 29, 2017, he did not file a response. On September 20, 2017, Ms. Tetteh filed a Motion for Summary Judgment requesting that the court grant judgment in her favor. Mr. Reaves did not file an opposition.

¹ Ms. Tetteh indicated that she made numerous demands to Mr. Reaves for compliance with the Agreement before turning to the court for relief, including a demand letter through counsel.

On November 16, 2017, the circuit court granted Ms. Tetteh's Motion for Summary Judgment. In a written Order, the court appointed John Waller, Jr. as trustee to effectuate the transfer of the Property to Ms. Tetteh. On November 29, 2017, the Property was transferred by deed to Ms. Tetteh in fee simple ("Trustee Deed"). In March 2018, Ms. Tetteh advised Mr. Reaves and his tenants that she had control of the house.²

On June 20, 2018, Mr. Reaves filed a Complaint for Declaratory and Injunctive Relief in the Circuit Court for Prince George's County. He asserted that the Trustee Deed was in the nature of a mortgage, and Ms. Tetteh had impermissibly clogged his equity of redemption. He requested that the court declare "the Trustee Deed to be in the nature of a mortgage, under which [Ms. Tetteh] is mortgagee and [Mr. Reaves] is mortgagor." Additionally, he asked the court to permanently enjoin Ms. Tetteh from asserting or claiming any interest in the Property besides that of a mortgagee.

On July 17, 2018, prior to responding to the complaint, Ms. Tetteh obtained a loan on the Property, secured by a Deed of Trust, in the amount of \$195,000. On August 14, 2018, Ms. Tetteh filed her answer, which asserted numerous defenses, including res judicata, and she asked the court to deny Mr. Reaves' requests for declaratory and injunctive relief.

On October 17, 2018, Mr. Reaves amended his complaint to add a count for slander of title as a result of the \$195,000 mortgage with the third-party, and he requested damages

² It is unclear from the record whether Ms. Tetteh formally assumed the leases, but she was entitled to the rental income pursuant to paragraph 7 of the Agreement.

from Ms. Tetteh in the amount necessary to pay off the loan, minus the redemption amount he owed her. Mr. Reaves also requested that the court declare Ms. Tetteh's interest in the Property to be a mortgage, which was fully paid and satisfied based on the third-party mortgage because it "more than [repaid Ms. Tetteh] for the money lent" to Mr. Reaves. He requested an order that the Property be conveyed back to him "free and clear of all encumbrances."³

On August 23, 2019, Mr. Reaves filed a partial motion for summary judgment, arguing that there was no genuine dispute of fact. Attached to this motion was an affidavit stating that, in late 2018, he sold another property in Virginia and offered to pay Ms. Tetteh back in full (including attorney's fees and interest) with those proceeds, but she had refused.⁴ On October 4, 2019, the court denied the motion without a hearing.

On October 7, 2019, a bench trial commenced. Ms. Tetteh's counsel proffered that there was a factual dispute about whether the parties entered into an additional oral agreement to extend Mr. Reaves' time to repay the redemption amount while litigation was pending. Mr. Reaves testified on direct examination that, in July or August of 2017, Ms. Tetteh offered him an extension to August 2018 to repay, in exchange for his payment of the real estate taxes on the Property for fiscal year 2018. He stated that he wrote and mailed

³ On November 14, 2018, Ms. Tetteh filed a counterclaim requesting attorney's fees. This claim is not before us on appeal.

⁴ At the subsequent bench hearing, Mr. Reaves testified that he also offered Ms. Tetteh partial payment on two occasions while litigation was pending in the first case, but she refused to take anything short of the full amount.

a cashier's check (dated August 29, 2017) for \$8,601.15 to Prince George's County for those taxes, a photocopy of which was admitted into evidence. He conceded, however, that paragraph 14 of the Agreement stated that it could not be modified except by a signed, written agreement.

At the close of Mr. Reaves' case, Ms. Tetteh's counsel made a motion for judgment in Ms. Tetteh's favor. He argued that Mr. Reaves had multiple opportunities to pay Ms. Tetteh back, even after she took possession of the Property, and Mr. Reaves failed to do so, despite having the funds available. Counsel asserted that, although Mr. Reaves' affidavit stated that he offered to pay Ms. Tetteh back in late 2018, by that time it was too late pursuant to paragraphs 6 through 8 of the Agreement, which permitted him to redeem the Property if he repaid her the Redemption Amount, plus interest, within 12 months of the transfer, in monthly installments starting on the first of the month after she assumed ownership. Counsel further argued that Mr. Reaves was essentially asking for an appeal of the Order in the previous lawsuit by Ms. Tetteh because, if he wanted to redeem the Property, he could have and should have done so "during the last case."

Counsel for Mr. Reaves argued, as he does on appeal, that because the debt remained after the transfer, the Agreement and Trustee Deed were in the nature of a mortgage with a continuing right of redemption. In response to a question from the court about whether a ruling in this case would disturb the Order in the prior case, counsel asserted that the initial Order only effectuated the portion of the Agreement regarding the transfer to Ms. Tetteh, but it did not extinguish the debt or eliminate his ability to redeem the Property.

Mr. Reaves' counsel further argued that the third-party mortgage Ms. Tetteh placed on the Property impermissibly clogged his right of redemption. He asserted that Ms. Tetteh effectively paid herself back by mortgaging the Property, and therefore, the Property was "fully redeemed," and she owed him the loan amount minus the redemption costs pursuant to his slander of title claim.

The court reserved on the motion for judgment to allow Ms. Tetteh to present her case. With regard to the purported agreement for an extension, Ms. Tetteh testified that Mr. Reaves had orally requested one, but she did not agree to it. She also proffered that she paid the property taxes for fiscal year 2018 after she acquired the Property in 2017, and the 2019 taxes were still pending. Ms. Tetteh further testified that she made significant repairs and necessary renovations to the house after acquiring title.⁵

On October 25, 2019, the court issued a written Opinion and Order granting judgment in favor of Ms. Tetteh. The court based its ruling on two grounds.

Initially the court found that Mr. Reaves was barred from obtaining relief in the current action by res judicata. It explained as follows:

Under Maryland law, the elements of res judicata, or claim preclusion, are (1) that the parties in the present litigation are the same or in privity with the parties to the earlier dispute; (2) that the claim presented in the current action is identical to the one determined in the prior adjudication; and (3) that there has been a final judgment on the merits. [*Ann Arundel Cty. Bd. of Edu. v. Norville*, 390 Md. 93, 107 (2005).] Here, all these elements are met.

First, the Parties are the same in both matters. In Case No. CAE17-08646, Ms. Tetteh was the Plaintiff and Mr. Reaves was the Defendant.

⁵ The testimony suggests that Ms. Tetteh obtained the mortgage on the Property to cover these renovation costs.

Second, the declaratory judgment claim in this matter requesting the Court to determine the ownership of the Property is identical to Ms. Tetteh's petition to have [the] Property transferred to her, reflecting her ownership in the Property. Both claims stem from the same written loan Agreement between the Parties. Both claims involve the issue of which party has an interest in the Property. Third, there was a final judgment in the previous litigation. On November 9, 2017, Judge Woodard appointed a trustee and ordered the Property to be conveyed to Ms. Tetteh. Plaintiff did not appeal Judge Woodard's decision, therefore, the question of ownership of the Property has been adjudicated.

Here, Plaintiff wants this Court to ignore the earlier court proceedings and outcome, and to treat the trustee deed as a mortgage. He has argued that the parties intended the trustee deed to secure the loan not to transfer the Property. If it's a mortgage, he further contended that the Plaintiff has the legal right to have an opportunity to redeem the Property. This version of the facts negates the actions taken by the parties and the Parties['] intentions. The testimony of both Parties and documents demonstrate that Defendant loaned the Plaintiff funds without simultaneously receiving a security instrument or deed of trust to secure the loan. Thereafter, Plaintiff breached the Agreement and did not apply for a mortgage or repay the loan within six months. Only after Plaintiff's breach, did Defendant request the transfer and ultimately sued for the transfer of the Property. Even then, Defendant gave Plaintiff the opportunity to reclaim the Property. Plaintiff did not exercise any of his options. If Plaintiff wanted to structure the transactions as a mortgage instead of a transfer, Plaintiff needed to exercise his right in the Case No CA17-08646 matter. He did nothing and did not even answer the complaint. The evidence shows the Plaintiff breached the agreement and failed to redeem the Property after its transfer to Defendant. Claiming now that the loan has been repaid because the Defendant has taken out a loan and mortgage on the property titled to her, is an irrational argument. Plaintiff has not repaid any funds and Defendant owes the \$195,000 to a third party.

Moreover, the court found that, even if his claims were not barred by *res judicata*,

Mr. Reaves had failed to name all the necessary parties in his amended complaint. It stated:

Finally, Plaintiff was aware that Defendant Placed a Deed of Trust on the Property, giving the [t]rustees named in the Deed of Trust various rights and interest in the Property. The [t]rustees are not parties here and therefore, Plaintiff has not included all necessary parties in this dispute. This Court

cannot award free and clean title of the Property to Plaintiff without trampling on the [t]rustees['] rights. Given Plaintiff's breach of the Agreement, it is now inequitable to damage the [t]rustees' rights.

This appeal followed.⁶

STANDARD OF REVIEW

Md. Rule 8-131(c) provides:

When an action has been tried without a jury, the appellate court will review the case on both the law and the evidence. It will not set aside the judgment of the trial court on the evidence unless clearly erroneous, and will give due regard to the opportunity of the trial court to judge the credibility of the witnesses.

The Court of Appeals has further described the standard of review under Md. Rule 8-131(c), as follows:

We give due regard to the trial court's role as fact-finder[,] and will not set aside factual findings unless they are clearly erroneous. The appellate court must consider evidence [that is] produced at the trial in a light most favorable to the prevailing party[,] and[,] if substantial evidence was presented to support the trial court's determination, it is not clearly erroneous[,] and cannot be disturbed. Questions of law, however, require our non-deferential review. When the trial court's decision involves an interpretation and application of Maryland statutory and case law, [this] Court must determine whether the trial court's conclusions are legally correct. Where a case involves both issues of fact and questions of law, this Court will apply the appropriate standard to each issue.

⁶ As indicated, final judgment in this matter was entered on October 25, 2019. On November 4, 2019, Mr. Reaves filed a Motion for Reconsideration which was denied on January 8, 2020. His notice of appeal was filed on January 17, 2020. Pursuant to Md. Rule 8-202(c)(2), Mr. Reaves' appeal was timely because his Motion for Reconsideration, filed within ten days of the final judgment, extended the time to file an appeal to 30 days after the denial of the post-trial motion. *See* Md. Rules 2-534–535.

Estate of Zimmerman v. Blatter, 458 Md. 698, 717–18 (2018) (quoting *Bottini v. Dep’t of Fin.*, 450 Md. 177, 187 (2016)).

DISCUSSION

I.

Res Judicata

Mr. Reaves argues that the circuit court erred in finding that his claim was barred by res judicata.⁷ He asserts that the initial lawsuit brought by Ms. Tetteh was “entirely directed to the enforcement of the Agreement provisions requiring the [a]ppellant to convey the Property to” Ms. Tetteh, but it did not address the “provisions of the Agreement permitting [him] to redeem the Property,” i.e., the issue involved in the lawsuit he subsequently filed.

Ms. Tetteh argues that the circuit court properly found that Mr. Reaves’ claim was barred by res judicata. She asserts that the initial lawsuit that she filed to enforce the terms of the Agreement addressed “the ownership and parties’ rights in and to the Property,” and

⁷ Mr. Reaves’ brief primarily addresses his argument that the court erred in granting judgment in Ms. Tetteh’s favor because the Agreement and the Trustee Deed should have been treated as a mortgage pursuant to Md. Code Ann., Real Prop. (“RP”) § 7-101(a) (2015 Repl. Vol.), as opposed to an actual transfer of property, because he had the right to redeem after the Deed was executed. Moreover, he argues the circuit court’s ruling was contradictory because it acknowledged that he “failed to redeem the property after its transfer” to Ms. Tetteh, yet it declined to construe the Trustee Deed as a mortgage. He asserts that Ms. Tetteh “holds title to the Property as a mortgagee and that [he] is mortgagor.” Although the circuit court did discuss its view that the Trustee Deed was not a mortgage, the court’s ruling was based on its finding of res judicata and the failure to add necessary parties. Accordingly, we confine our analysis to those grounds.

Mr. Reaves’ merit-based arguments on appeal are “irrelevant and are an attempt to distract this Court from the fact that all of these arguments should have been made in” that suit.

“Res judicata is an affirmative defense that precludes the same parties from relitigating any suit based upon the same cause of action because” the judgment already rendered “is conclusive, not only as to all matters that have been decided in the original suit, but as to all matters which with propriety could have been litigated in the first suit.” *Powell v. Breslin*, 430 Md. 52, 63 (2013) (quoting *Alvey v. Alvey*, 225 Md. 386, 390 (1961)). The doctrine “restrains a party from litigating the same claim repeatedly and ensures that courts do not waste time adjudicating matters which have been decided or *could have been* decided fully and fairly.” *Anne Arundel Cty. Bd. of Educ. v. Norville*, 390 Md. 93, 107 (2005). Res judicata applies when the following requirements are met:

(1) that the parties in the present litigation are the same or in privity with the parties to the earlier dispute; (2) that the claim presented in the current action is identical to the one determined in the prior adjudication; and (3) that there was a final judgment on the merits.

Davis v. Wicomico Cty. Bureau, 447 Md. 302, 306 (2016) (quoting *Colandrea v. Wilde Lake Cmty. Ass’n, Inc.*, 361 Md. 371, 392 (2000)).

Mr. Reaves’ contention in this case concerns only the second requirement, i.e., whether the claims in the two lawsuits were identical.⁸ In that regard, the Court of Appeals has explained:

⁸ There is no dispute that the parties in both lawsuits were identical, and the final judgment in the previous lawsuit disposed of all Ms. Tetteh’s substantive claims.

A judgment between the same parties and their privies is a final bar to any other suit upon the same cause of action and is conclusive, not only as to all matters decided in the original suit, but also as to matters that could have been litigated in the original suit.

Colandrea, 361 Md. at 392 (emphasis omitted).

Maryland has adopted a “transactional approach” in determining whether a matter was fairly included within the claim or action before a previous court. *Norville*, 390 Md. at 108. *Accord Kent Cty. Bd. of Educ. v. Bilbrough*, 309 Md. 487, 494, 498 (1987). Under this approach, if the two claims “are based upon the same set of facts and one would expect them to be tried together ordinarily, then a party must bring them simultaneously.” *Norville*, 390 Md. at 109. “Legal theories may not be divided and presented in piecemeal fashion in order to advance them in separate actions.” *Id.*

Here, we are not persuaded that Mr. Reaves’ suit was barred by res judicata. The issue in the first lawsuit was whether Ms. Tetteh was entitled to have the title to the Property deeded to her pursuant to paragraph 4 of the Agreement, based on Mr. Reaves’ failure to obtain a mortgage on the Property or reimburse her for the Redemption Amount. The court found in her favor on this issue.

The Agreement further addressed, however, in paragraphs 6 through 9, events after Ms. Tetteh obtained a deed to the Property, including that Mr. Reaves could get the Property back if, pursuant to paragraph 6 of the Agreement, he repaid the balance of the Redemption Amount. It was this portion of the Agreement that was at issue in the second lawsuit, which was not ripe for consideration at the time of the first lawsuit.

Accordingly, the claims in the two lawsuits were not identical. *See Hughes v. Insley*, 155 Md. App. 608, 632 (2003) (Claims were not identical in part because plaintiff “did not ‘hold back a theory’ that he could have used at any time during the first case.”), *cert. denied*, 381 Md. 675 (2004). The circuit court erred in granting judgment to Ms. Tetteh on the grounds of *res judicata*.

II.

Necessary Parties

Mr. Reaves next contends that the circuit court erred in granting judgment in favor of Ms. Tetteh on the ground that, by not including the trustees to the Deed of Trust granted by Ms. Tetteh, he failed to include all necessary parties in the lawsuit. He argues that he had no duty to add the trustees as parties pursuant to the doctrine of *lis pendens*. He further argues that, even if joinder was required, Md. Rule 2-211(a) requires the court to order joinder, if joinder was not made in the complaint, which did not occur here.⁹

⁹ Md. Rule 2-211(a) provides as follows:

Except as otherwise provided by law, a person who is subject to service of process shall be joined as a party in the action if in the person’s absence

(1) complete relief cannot be accorded among those already parties, or

(2) disposition of the action may impair or impede the person’s ability to protect a claimed interest relating to the subject of the action or may leave persons already parties subject to a substantial risk of incurring multiple or inconsistent obligations by reason of the person’s claimed interest.

The court shall order that the person be made a party if not joined as required by this section. If the person should join as a plaintiff but refuses to do so,

Ms. Tetteh does not address this issue in her brief. When asked at oral argument, counsel stated that he did not wish to make any argument in support of the court’s ruling in this regard.

The doctrine of *lis pendens* (Latin for “lawsuit pending”) provides that, when a lawsuit concerning the title of real property is filed prior to the transfer of interest in said property, the transferee is on constructive notice of the lawsuit and is bound by its outcome. *See* Md. Rule 12-102; *Weston Builders & Devs., Inc. v. McBerry, LLC*, 167 Md. App. 24, 29, 32–34, *cert. denied*, 392 Md. 726 (2006); *DeSheilds v. Broadwater*, 338 Md. 422, 432–42 (1995). The doctrine applies in equal force with respect to mortgages placed on real property after the initiation of a lawsuit. *See Greenpoint Mortg. Funding, Inc. v. Schlossberg*, 390 Md. 211, 223–25 (2005); *Fishman v. Murphy ex rel. Estate of Urban*, 433 Md. 534, 549–51 (2013).

The Court of Appeals has explained:

Because *lis pendens* is triggered by the initiation of litigation affecting the title to real property, ordinarily whether the plaintiff in that litigation has knowledge of the transfer of the property is not an issue. Thus, when, after the complaint has been filed, the defendant transfers his or her interest in the property which is the subject of the lawsuit, *lis pendens* applies to subject that property to the result of the pending litigation whether or not the plaintiff is aware of the transfer. In other words, even if the plaintiff is aware of the transfer, **the plaintiff need not join the transferee as a party to his or her suit.** On the other hand, a transferee’s knowledge of the pendency of litigation affecting the property acquired may very well be quite important. Because *lis pendens* provides constructive notice of the equity claimed by the plaintiff, the transferee’s actual notice of that equitable claim prevents

the person shall be made either a defendant or, in a proper case, an involuntary plaintiff.

that transferee from being a purchaser in good faith. Indeed, it has been said that one who purchases with notice of another's equity is a *mala fide* purchaser.

DeShields, 338 Md. at 436 (emphasis added).

Here, we agree that *lis pendens* applied because Mr. Reaves' suit clearly concerned the title of real property, and it was filed prior to Ms. Tetteh placing a mortgage on the Property. The court erred in entering judgment in favor of Ms. Tetteh on the ground that Mr. Reaves failed to include the trustees as necessary parties to the complaint. Accordingly, we vacate the court's judgment and remand for further proceedings.¹⁰

**JUDGMENT OF THE CIRCUIT COURT
FOR PRINCE GEORGE'S COUNTY
VACATED AND REMANDED FOR
FURTHER PROCEEDINGS. COSTS TO
BE PAID BY APPELLEE.**

¹⁰ It may be that, on remand, the court reaches the same conclusion, i.e., that judgment be entered in favor of Ms. Tetteh. The court made comments indicating its determination that the Trustee Deed was not a mortgage. As indicated, however, because the decision ultimately rested on grounds of *res judicata* and the failure to join necessary parties, we vacate the judgment.