

UNREPORTED
IN THE COURT OF SPECIAL APPEALS
OF MARYLAND

No. 61

September Term, 2016

MINH VU HOANG, *et al.*

v.

CITIBANK N.A., *et al.*

Krauser, C. J.,
Nazarian,
Moylan, Charles E., Jr.
(Senior Judge, Specially Assigned),

JJ.

PER CURIAM

Filed: May 4, 2017

*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.

After Minh and Thanh Hoang, appellants, defaulted on their home loan, their home was sold to third-party purchasers at a foreclosure sale. The Circuit Court for Montgomery County ratified the sale, and all appeals from the ratification of that sale were dismissed. Following the ratification, the third-party purchasers and the substitute trustees filed a consent petition to substitute the original lender, Citibank, N.A. (Citibank), appellee, as the substitute purchaser. The circuit court approved the substitution over appellants' objection. Thereafter, the substitute trustees signed the deed to the property over to Citibank, acknowledging, in the deed, that the purchase money had been paid.

After receiving the deed, Citibank filed a motion for judgment awarding possession of the property, in February 2015. Appellants objected to that motion, claiming: (1) that Citibank had not paid the required bidding deposit or the full purchase price; (2) that because it had not paid the bidding deposit or the purchase price, it should not have received the deed; and (3) that the deed was therefore invalid and ineffective against them. The circuit court found no merit to appellants' objections and granted Citibank's motion for judgment of possession in April 2015. Appellants appealed, and this court affirmed. *See Hoang v. Diamond*, No. 1021, Sept. Term 2015 (Md. App. June 27, 2016).

In March 2015, one month after Citibank filed its motion for judgment of possession, the Hoangs filed a separate complaint, in the Circuit Court for Montgomery County, for declaratory judgment and alleging breach of contract against Citibank; Cindy Diamond, Esquire, one of the substitute trustees; and Faye Servicing, LLC, the original loan servicer (appellees). In the complaint, the Hoangs contended that Citibank, as the substitute purchaser, had failed to comply with the terms of the original contract for sale

because they had not replaced the bidding deposit paid by the original purchasers and had not paid the agreed upon purchase price for the property. As a result of this breach, they sought a declaratory judgment that Citibank’s deed was invalid and, therefore, that they still owned the property. In response, appellees filed a motion to dismiss the complaint on the grounds of *res judicata*, which the circuit court granted. On appeal, the Hoangs raise six issues that are reducible to one: whether the circuit court erred in dismissing their complaint. For the reasons that follow, we affirm.

Res judicata is composed of three elements: (1) the parties in the present litigation are the same or in privity with the parties to the earlier litigation; (2) the claim presented in the current action is identical to that determined or that which could have been raised and determined in the prior litigation; and (3) there was a final judgment on the merits in the prior litigation. *See Spangler v. McQuitty*, 449 Md. 33, 65 (2016) (citation omitted). Because the question of whether *res judicata* applies to a particular case is a question of law, we review *de novo*. *See Seminary Galleria, LLC v. Dulaney Valley Improvement Ass’n, Inc.*, 192 Md. App. 719, 734 (2010).

We are persuaded that appellants’ breach of contract claim and declaratory judgment request were barred by *res judicata*. Citibank, Diamond, and Faye Servicing, LLC, the defendants in this case, were all parties to the underlying foreclosure action or in privity with those parties. Moreover, the claims raised in appellants’ complaint – that Citibank had breached the terms of the original contract for sale, that the deed provided to Citibank by the substitute trustees was therefore invalid, and that they were still the owners of the property – were either raised, or could have been raised, in response to Citibank’s

motion for judgment awarding possession of the property. Finally, prior to the dismissal of the complaint, the circuit court in the foreclosure action had rejected appellants' claims and entered a final judgment awarding Citibank possession of the property. Consequently, the circuit court did not err in dismissing appellants' complaint.

**JUDGMENT OF THE CIRCUIT
COURT FOR MONTGOMERY
COUNTY AFFIRMED. COSTS TO
BE PAID BY APPELLANTS.**