

California Courts Favor MERS in Cases Regarding Notice Under Law

MERSCORP Holdings Inc. is claiming victory following a pair of court rulings that stated its subsidiary, Mortgage Electronic Registration Systems Inc. (MERS), was entitled to notice under California law.

In the cases [Mortgage Elec. Registration Sys. Inc., et al v. Johnston](#), and [Mortgage Elec. Registration Sys. v. Robinson](#), MERS filed suit to set aside the defendants' quiet title judgments that purported to void MERS' deeds of trust against the properties, which were obtained in prior lawsuits, MERSCORP stated that the defendants in both cases did not identify MERS as a party in their actions and failed to provide notice of the prior lawsuits to MERS.

In Robinson, the U.S. Court of Appeals for the Ninth Circuit affirmed the trial court's judgment that MERS had a right to notice.

"MERS has a recorded adverse claim against the property under the deed of trust, and the Robinsons were required to name MERS as a defendant in [their] quiet title action," the ruling stated.

In Johnston, the U.S. District Court for the Central District of California held, "Here, the Deed of Trust provides that MERS 'holds legal title' ... [therefore] the Court finds that MERS had an adverse claim against Johnston's title which was known to Johnston when he filed the quiet title action."

"We are pleased that courts have repeatedly upheld MERS' rights as a record beneficiary, to notice of actions affecting its lien interests," said Janis Smith, MERSCORP Holdings' vice president for corporate communications.
Compliance