

STATE OF MAINE
SUPREME JUDICIAL COURT
SITTING AS THE LAW COURT

Law Court Docket No. Pen-26-137

LUCAS D. NASH,

Petitioner/Appellant,

vs.

THE HEIRS OF EDWARD E. OXLEY, namely JOSHUA E.
OXLEY, STEPHEN E. OXLEY, and KIRK SMALL JR.

Respondents/Appellees

BRIEF OF APPELLANT LUCAS D. NASH

On appeal from the Penobscot County Superior Court

Dawn D. Dyer, Bar No. 4691

Attorney for Lucas D. Nash

BERNSTEIN SHUR
100 Middle Street; P.O. Box 9729
Portland, Maine 04104-5029
(207) 774-1200
ddyer@bernsteinshur.com

TABLE OF CONTENTS

TABLE OF CONTENTS	2
TABLE OF AUTHORITIES	3
ISSUES ON APPEAL	4
SUMMARY OF THE ARGUMENT	5
STATEMENT OF FACTS AND PROCEDURAL HISTORY	6
STANDARD OF REVIEW	7
ARGUMENT	7
A. The Superior Court Applied the Wrong Legal Standard by Requiring Contractual Privity	7
B. The Complaint Adequately Alleged a Justiciable Controversy	12
C. The Court Improperly Resolved Factual Questions at the Pleading Stage	13
CONCLUSION.....	14

TABLE OF AUTHORITIES

CASES

<i>20 Thames St. LLC v. Ocean State Job Lot of Maine 2017 LLC</i> , 2021 ME 33, 252 A.3d 516.....	7
<i>Blanchard v. Town of Bar Harbor</i> , 2019 ME 168, 221 A.3d 554.....	9
<i>Moody v. State Liquor & Lottery Com’n</i> , 2004 ME 20, 843 A.2d 43	7
<i>Nat’l Hearing Aid Centers, Inc. v. Smith</i> , 376 A.2d 456 (Me. 1977).....	8
<i>Parker v. Dep’t of Inland Fisheries & Wildlife</i> , 2024 ME 22, 314 A.3d 208	8
<i>Parker v. Vallerand</i> , 136 Me. 519, 8 A.2d 594 (1939).....	12
<i>Passamaquoddy Water Dist. v. City of Eastport</i> , 1998 ME 94, 710 A.2d 897	12
<i>Ramsey v. Baxter Title Co.</i> , 2012 ME 113, 54 A.3d 710.....	10
<i>Utsch v. Dep’t of Env’t Prot.</i> , 2024 ME 10, 314 A.3d 125.....	12

STATUTES

14 M.R.S.A. § 5954	7
14 M.R.S.A. § 6651	7

ISSUES ON APPEAL

1. Whether the Superior Court misapplied Maine's notice-pleading standard by requiring the complaint to allege detailed facts regarding inheritance, probate status, and estate administration in order to state a claim for relief;
2. Whether the Superior Court erred by concluding that the absence of a pleaded contractual relationship between the plaintiff and one heir required dismissal, where the complaint sought declaratory and quiet title relief against parties claiming an interest in the property; and
3. Whether the Superior Court erred by dismissing the plaintiff's quiet title claim at the pleading stage despite allegations that a recorded mortgage remains a cloud on title.

SUMMARY OF THE ARGUMENT

The Superior Court erred in dismissing Stephen E. Oxley at the pleading stage by applying incorrect legal standards and resolving factual issues prematurely.

First, the court incorrectly imposed a requirement of contractual privity. Neither declaratory judgment nor quiet title actions require a contractual relationship between the parties. To the contrary, Maine statutes expressly authorize property owners to bring such actions against persons who claim or may claim an interest in property, including heirs and successors.

Second, the Complaint plainly alleges a justiciable controversy. A recorded mortgage that has been satisfied but remains unreleased constitutes a present and ongoing cloud on title, creating a concrete dispute appropriate for judicial resolution. The court misapplied Maine's notice-pleading rules by requiring the Complaint to allege detailed facts concerning contractual relationships and estate administration. Maine law requires only a short and plain statement of a claim, and the Complaint adequately alleged that a satisfied but undischarged mortgage continues to cloud Appellant's title and impair his property rights.

Finally, the trial court improperly resolved factual questions, such as the identity of the mortgage holder and the authority of heirs, at the Rule 12(b)(6)

stage. These issues cannot be decided on the pleadings and must be addressed through factual development.

Because the Complaint states viable claims for declaratory judgment, quiet title, and statutory relief, the judgment should be vacated and the case remanded for further proceedings.

STATEMENT OF FACTS AND PROCEDURAL HISTORY

Plaintiff Nash is the owner of real property located at 56 South Levant Road in Levant, Maine (Compl. ¶ 1, App. 15) The property was formerly owned by Charles P. McAlpine, who granted a mortgage in 1981 to the Thies-Oxley Realty Trust. In 1985, the mortgage was assigned to Edward E. Oxley who became the holder of the mortgage interest (Compl. ¶¶ 6-8, App. 15-16).

No discharge of the mortgage was ever recorded in the Penobscot Registry of Deeds, and the mortgage continues to appear as an encumbrance on the Plaintiff's property (Compl. ¶ 9, App. 16).

Following the death of Edward E. Oxley, the public record does not identify any person or entity that presently holds the mortgage interest. Several heirs of Edward E. Oxley have already executed releases acknowledging full satisfaction of the mortgage, while others have refused to execute a discharge despite formal written demand (Compl. ¶ 10, App. 16).

As a result, the mortgage remains unreleased of record, leaving an unresolved cloud on title (Compl. ¶ 15, App. 17).

STANDARD OF REVIEW

In reviewing a motion to dismiss, the Court considers “the facts stated in the complaint as if they were admitted and examine the complaint in the light most favorable to the plaintiff to determine whether it sets forth elements of a cause of action or alleges facts that would entitle the plaintiff to relief pursuant to some legal theory.” *20 Thames St. LLC v. Ocean State Job Lot of Maine 2017 LLC*, 2021 ME 33, ¶ 14, 252 A.3d 516. A dismissal is only proper “when it appears beyond doubt that [the] plaintiff is entitled to no relief under any set of facts that [it] might prove in support of [its] claim.” *Moody v. State Liquor & Lottery Com’n*, 2004 ME 20, ¶ 7, 843 A.2d 43.

ARGUMENT

A. The Superior Court Applied the Wrong Legal Standard by Requiring Contractual Privity.

The Superior Court dismissed Plaintiff’s claims on the grounds that the complaint failed to allege a contractual relationship between Plaintiff and Defendant Stephen E. Oxley. This requirement reflects a misapplication of the law. Plaintiff’s claims for declaratory judgment and quiet title do not depend on contractual privity but instead arise from Plaintiff’s ownership interest in real property and the existence of a recorded encumbrance that clouds title.

a. Declaratory Judgment

Maine’s Declaratory Judgments Act provides broad standing to bring declaratory judgment actions without requiring contractual privity. Under 14 M.R.S.A. § 5954, “[a]ny person interested under a deed, will, written contract or other writings constituting a contract, or whose rights, status or other legal relations are affected by a statute, municipal ordinance, contract or franchise may have determined any question of construction or validity arising under the instrument.” 14 M.R.S.A. § 5954.

The Law Court’s decisions confirm that the critical inquiry is not whether the parties are in privity, but whether the plaintiff has presented a justiciable controversy affecting a concrete legal interest. In *Parker v. Department of Inland Fisheries & Wildlife*, the Court concluded that the plaintiffs stated a viable declaratory judgment claim under § 5954 because they presented a “justiciable claim,” even though they had no contractual relationship with the State. *Parker v. Dep’t of Inland Fisheries & Wildlife*, 2024 ME 22, ¶ 14, 314 A.3d 208. In doing so, the Court relied on its longstanding precedent in *Nat’l Hearing Aid Centers, Inc. v. Smith*, which recognizes that declaratory relief is appropriate where an actual controversy exists affecting legal rights, regardless of the existence of a traditional contractual relationship. 376 A.2d 456, 458-59 (Me. 1977). These authorities make clear that standing under the Act arises from the presence of a real dispute over

legal rights, not from any requirement that the parties be bound by contract to one another.

Conversely, when the Law Court has found declaratory judgment standing lacking, it has done so because the plaintiff failed to demonstrate a sufficiently concrete or non-speculative injury, not because the parties lacked privity. In *Blanchard v. Town of Bar Harbor*, the Court dismissed a declaratory judgment action because the plaintiffs had not established a “particularized injury” and their claims were not ripe, thereby reinforcing that the requirement is the existence of a genuine controversy affecting the plaintiff’s rights, not a contractual relationship between the parties. 2019 ME 168, ¶ 14, 221 A.3d 554. Therefore, the focus remains consistently on justiciability and the existence of a legally protected interest that is actually affected.

Applied here, the Superior Court’s reliance on the absence of a “contractual relationship” between the plaintiff and Stephen Oxley effectively imposed a privity requirement that is unsupported by the statute or by Maine precedent. The relevant question is not whether the parties share a contractual relationship, but whether the plaintiff’s rights in property are affected by the defendant’s claimed or potential interest arising from the same mortgage or chain of title. Because the plaintiff seeks a declaration concerning the validity and effect of that instrument and its impact on his title, he has alleged precisely the type of concrete legal interest and

justiciable controversy that § 5954 was intended to address. The dismissal therefore rests on a legal error and cannot be sustained.

b. Quiet Title

Maine’s quiet title statute, 14 M.R.S.A. § 6651, establishes specific requirements for bringing a quiet title action, none of which involve contractual privity. The statute requires that “[a] person in possession of real property, claiming an estate of freehold therein or an unexpired term of not less than 10 years” who “has been in uninterrupted possession of such property for 4 years or more” may bring such an action if there is an apprehension that “creates a cloud upon the title”. 14 M.R.S.A. § 6651. The statute specifically contemplates actions against “persons unknown claiming as heirs, devisees or assigns, or in any other way, by, through or under a person or persons named in the complaint.” *Id.*

The language of section 6651 demonstrates that quiet title actions are designed to resolve claims against parties with whom the plaintiff may have no direct relationship whatsoever, let alone contractual privity.

The mortgage and subsequent assignment remain recorded, and the obligation secured by that mortgage has long been satisfied. These allegations are sufficient to invoke the court’s authority under Maine’s declaratory judgment and quiet title statutes. By requiring Plaintiff to plead a contractual relationship with a particular defendant, the trial court imposed a legal standard that does not govern.

In this case, the plaintiff has alleged that a mortgage and subsequent assignment remain of record against the property. That recorded instrument, by its nature, creates an ongoing cloud on title because it purports to reflect a legally cognizable interest in the property. The presence of such a cloud, particularly one traceable through an assignment to a deceased mortgagee and his potential heirs or successors, falls within the type of uncertainty that section 6651 is intended to resolve. The statute does not require the plaintiff to identify with precision which specific heir or successor currently holds a legally enforceable interest, nor does it require the plaintiff to establish a contractual relationship with any such person. It is enough that the record reflects a potential claim arising “by, through or under” the original mortgagee, thereby implicating individuals who may assert rights derived from that instrument.

Accordingly, the trial court erred as a matter of law in dismissing the plaintiff’s claims on the ground that he failed to allege a “legal relationship” with a specific defendant. Maine law does not require such a relationship in actions to quiet title or to obtain declaratory relief. It requires only that the plaintiff demonstrate a concrete interest in the property affected by an actual or potential adverse claim creating a cloud on title. Because the plaintiff has alleged that a recorded mortgage and assignment continue to encumber his property despite satisfaction of the

underlying debt, he has satisfied that standard, and his claims should have been permitted to proceed.

B. The Complaint Adequately Alleged a Justiciable Controversy.

A recorded but unreleased mortgage constitutes a cloud on title and presents a justiciable controversy appropriate for declaratory and quiet title relief. *See Parker v. Vallerand*, 136 Me. 519, 8 A.2d 594, 594 (1939) (holding “a cloud on title is something, such as a mortgage”).

To establish justiciability for a declaratory judgment, a party must assert “a claim of right, buttressed by a sufficiently substantial interest to warrant judicial intervention.” *Passamaquoddy Water Dist. v. City of Eastport*, 1998 ME 94, ¶ 8, 710 A.2d 897. The declaratory judgment act may be invoked only “where there is a genuine controversy,” and “a genuine controversy exists if a case is ripe for judicial consideration and action” because it satisfies two prongs: (1) the issues raised are fit for judicial review and (2) “hardship to the parties will result if the court withholds review.” *Utsch v. Dep’t of Env’t Prot.*, 2024 ME 10, ¶ 24, 314 A.3d 125.

Plaintiff has established a justiciable controversy sufficient to seek declaratory relief. The complaint alleges that a mortgage and subsequent assignment remain recorded against the property despite the satisfaction of the underlying obligation, thereby continuing to encumber Plaintiff’s title. Those

allegations, taken as true at the pleading stage, demonstrate the existence of a genuine dispute concerning Plaintiff's legal rights in the property and the continuing legal effect of the recorded instrument. Under Maine law, that is sufficient to invoke the court's jurisdiction under the Declaratory Judgments Act and to proceed to adjudication.

The continued existence of a recorded mortgage that purports to encumber Plaintiff's property plainly satisfies both prongs. The legal issue is fully developed and requires no further factual contingency, and the ongoing presence of the record encumbrance constitutes a present hardship by impairing Plaintiff's title and an uncertainty in property rights. Because Plaintiff has alleged a claim of right affecting his property and a concrete legal uncertainty that impacts his title, the complaint satisfies Maine's justiciability requirements, and the dismissal cannot stand.

C. The Court Improperly Resolved Factual Questions at the Pleading Stage.

At the Rule 12(b)(6) stage, the court must accept all well-pleaded allegations as true and may not resolve factual disputes or weigh competing inferences. *Ramsey v. Baxter Title Co.*, 2012 ME 113, ¶ 2, 54 A.3d 710.

A complaint is sufficient to withstand a 12(b)(6) motion to dismiss "if from a liberal construction of the pleadings and possible amendments thereto, the court can determine that a plaintiff can prove a set of facts to support his claim." *Nat'l*

Hearing Aid Centers, Inc. v. Smith, 376 A.2d 456, 459 (Me. 1977). A complaint is not defective on the basis alone that it “does not allege in nonconclusory form the specific injury that will result.” *Id.*

In this case, the trial court held that the “complaint makes no allegation that Stephen Oxley actually inherited an interest in the mortgage.” The dismissal rested on determinations regarding estate administration, authority of heirs, and the identity of the mortgage holder, issues that are factual and inappropriate for resolution on the pleadings. Whether Defendants qualify as successors, whether they have authority to discharge, and whether statutory remedies apply are matters for discovery and adjudication, not dismissal.

CONCLUSION

For the foregoing reasons, Plaintiff/Appellant Lucas D. Nash respectfully requests that this Court vacate the Superior Court's Judgment and remand the case to the Superior Court for further proceeding consistent with this Court's opinion.

Dated at Portland, Maine, this 17th day of June, 2026.

/s/ Dawn D. Dyer

Dawn D. Dyer, Bar No. 4691

BERNSTEIN SHUR
100 Middle Street; P.O. Box 9729
Portland, Maine 04014-5029
207-774-1200
ddyer@bernsteinshur.com

Attorney for Appellant
Lucas D. Nash

CERTIFICATE OF SERVICE

I hereby certify that on this date, June 17, 2026, I sent a copy of the foregoing Brief of Appellant to all parties to this appeal via electronic mail.

/s/ Dawn D. Dyer
Dawn D. Dyer, Bar No. 4691