Case Summaries
May 29, 2026

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DECIDED CASES

Huffman Asset Management, LLC v. Colter, ___ S.W.3d ___, 2026 WL ___ (Tex. May 29, 2026) [24-0205]

This residential-lease dispute involves an appeal of a no-answer default judgment based on defective service of process.

The Colters sued Prairie Capital, LLC, and its property manager, Huffman Asset Management, LLC. The Colters attempted substituted service through the Secretary of State, who issued certificates in accordance with *Whitney v. L & L Realty Corp.*, 500 S.W.2d 94 (Tex. 1973), confirming that the process documents were sent to the entities at their designated registered offices for service. The Colters then moved for default judgment, relying on the certificates. The trial court granted the default.

After receiving a notice of default judgment, Prairie and HAM moved for a new trial, arguing that the *Whitney* certificates did not show that the process documents were forwarded to the entities' "most recent address . . . on file" with the Secretary, as required by statute. The trial court denied the motion for new trial, and the entities appealed. The court of appeals reversed as to a portion of the damages award but otherwise affirmed the judgment, holding that Prairie and HAM were properly served.

The Supreme Court reversed. The Court first noted that while the *Whitney* certificates document that process was forwarded, they do not establish that the addresses to where process was forwarded are the addresses required by statute. Next, the Court held that the record does not demonstrate strict compliance with the substituted-service requirements. The Court explained that a filing entity may have multiple addresses "on file" with the Secretary and that the plain text of the statute directs us to the most recently filed. To that end, the Court concluded that the most recent address on file with the Secretary could be the entity's registered office address, but that is not necessarily the case. The record in this case reflects that HAM's and Prairie's registered office addresses were not the most recent addresses on file with the Secretary and, accordingly, that process was not forwarded to the

statutorily required addresses. The trial court therefore abused its discretion in denying the entities' motion for new trial.

Justice Huddle filed a concurring opinion, emphasizing the Court's growing hostility toward default judgments.

Studio E. Architecture & Interiors, Inc. v. Lehmberg, ___ S.W.3d ___, 2026 WL ___ (Tex. May 29, 2026) [24-0286]

This case concerns whether a plaintiff may reassert claims dismissed without prejudice for failure to attach a certificate of merit through amendment or only in a new lawsuit.

Lehmberg sued Studio E. and other defendants for claims related to home renovation work. Studio E. moved to dismiss the claims against it because Lehmberg did not file a certificate of merit with her original petition. The trial court denied the motion, but the court of appeals reversed and dismissed the claims against Studio E. On remand, the trial court concluded that Lehmberg's claims should be dismissed without prejudice.

Lehmberg filed an amended petition reasserting the same claims with a certificate of merit. Studio E. again moved to dismiss, arguing that Lehmberg must file her claims with a certificate of merit in a new lawsuit. The trial court denied the motion, and the court of appeals affirmed.

The Supreme Court also affirmed. In an opinion by Justice Huddle, the Court explained that, although the statute requires filing a certificate of merit with the first pleading asserting claims against a defendant covered by the statute, a dismissal without prejudice places the parties in the position they were in before the suit was brought. The Court therefore held that Lehmberg's claims could be reasserted in an amended petition, according to the ordinary rules, as if they were brought for the first time. The Court reserved for the trial court the question of whether Lehmberg's amended petition relates back to her original petition for limitations purposes.

Justice Hawkins filed a concurring opinion, concluding that the Court's interpretation best harmonizes the statute with baseline procedural rules, and noting that the statute's lack of a clear time limit for filing a motion to dismiss invites gamesmanship.

Justice Sullivan filed a dissenting opinion. He would have held that, because the statute requires that the certificate of merit be filed with the first petition asserting claims against a covered defendant, Lehmberg was required to file the requisite certificate attached to the first pleading in a new cause.

Staub v. BBVA USA, ___ S.W.3d ___, 2026 WL ___ (Tex. May 29, 2026) [24-1057]

The issue in this case is whether a home equity lender forfeits the entire loan amount for overcharging interest under the forfeiture provision found in Texas Constitution Article XVI, Section 50(a)(6)(Q)(x).

In 2018, Parker Young opened a home equity line of credit with BBVA USA secured by his homestead. In 2020, Young discovered that BBVA had erroneously charged a higher interest rate than agreed for the previous two years and notified

BBVA of its error. BBVA failed to cure its breach within sixty days of Young's notice. Young sued BBVA for breach of contract, seeking forfeiture of the principal of the loan amount under Section 50(a)(6)(Q)(x) or, alternatively, contract damages. BBVA and Young filed cross motions for summary judgment on the availability of the forfeiture remedy and then resolved the contract damages.

The trial court ruled that Young is not entitled to constitutional forfeiture. The court of appeals affirmed, holding that the forfeiture remedy is limited to breaches of those obligations listed within Article XVI, Section 50(a), not all obligations arising from loan agreements.

The Supreme Court affirmed. The Court held that the forfeiture remedy applies to constitutional breaches only. Read in context, the "obligations" found in Section 50(a)(6)(Q)(x) refers to a lender's constitutional obligations. Both the history surrounding the adoption of the home equity amendment and precedent interpreting Section 50 are consistent with this textual reading. The forfeiture remedy corresponds to the Constitution's required terms.