1	IN THE SUPREME COURT OF	F THE STATE OF NEVADA
2	RESOURCES GROUP, LLC, AS	
3	TRUSTEE OF THE EAST SUNSET	
4	ROAD TRUST,	Electronically Filed Aug 25 2017 01:47 p.m.
5	Appellant,	Elizabeth A. Brown
6	VS.	Clerk of Supreme Court SUPREME COURT CASE NO.:
7	NEVADA ASSOCIATION SERVICES.	71268
8	INC.; and HYDR-O-DYNAMIC	
9	CORPOARTION	EIGHTH JUDICIAL DISTRICT COURT CASE NO.: A-15-714027-C
10	Respondents,	A-15-/1402/-C
1 1		
12	<b>RESPONDENT HYDR-O-DYN</b>	
13	ANSWERING	GBRIEF
14		
15		
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ATTORNEYS AT LAW 175 VILLAGE CENTER CIRCLE SUITE 140 AS VEGAS, NEVADA 89134 (702) 436-2600		Docket 71268 Document 2017-28616

Y	<b>DISCLOSURE STATEMENT PUSUANT TO NRAP 26.1</b>
2	The undersigned counsel of record certifies that the following are
3	persons and entities as describe in NRAP 26.1(a) and must be disclosed:
5	Hydr-O-Dynamic Corporation is a Nevada corporation.
6	The sole shareholder of Hydr-O-Dynamic Corporation is Juan
7	Guzman.
8	
9	The Las Vegas law firm of Goold Patterson is the only firm that
10	represented Hydr-O-Dynamics Corporation in the District Court. Jeffrey D.
11 12	Patterson is the only attorney of Goold Patterson to appear on behalf of
13	Hydr-O-Dynamic Corporation.
14	These representations are made in order that the judges of this Court
15	
16	may evaluate possible disqualification or recusal.
17	$\square$
18	tothe Dratte
19	Jeffrey D. Patterson, Esq. GOOLD PATTERSON
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Hydr-O-Dynamic Corporation ("HODC"), submits this Answer ("<u>Answering Brief</u>") to Appellant Resources Group LLC's ("<u>Appellant</u>") Opening Brief ("<u>Opening Brief</u>") in Nevada Supreme Case No. 71268.

#### I. SUMMARY OF THE ARGUMENT

The CC&Rs for Sunpac Industrial Park granted the Association the right to record and foreclose an assessment lien pursuant to NRS §§ 116.31162 and 116.31164. HODC did not dispute the provisions of the CC&Rs at trial and does not dispute them on appeal.

Title to the Property did not vest in Appellant when Appellant tendered the bid amount to NAS following the foreclosure sale. Appellant's argument assumes such sale was valid and not subject to being set aside. HODC's position is the sale was not valid and/or is subject to being set aside. In either event, title would not vest in Appellant.

HODC is entitled to equitable relief. Appellant interprets this Court's decision in *Shadow Wood Homeowners Association, Inc. v. New York Community Bancorp, Inc.*, 132 Nev. Adv. Op. 5, 366 P.3d 1105, very narrowly. A proper reading of the case concludes that the Court has broad equitable powers to set aside a foreclosure sale, based on the totality of the circumstances.

Appellant argues that the trial court's findings of fact in paragraphs 26 and 27 of the Judgment (JA2, pg. APP000324 – APP000333) are not

GOOLD PATTERSON ATTORNEYS AT LAW 5 VILLAGE CENTER CIRCLE SUITE 140 S VEGAS, NEVADA 89134 (702) 438-2600 supported by substantial evidence. A review of the trial testimony and trial court's discussion shows substantial evidence to support the trial court. Findings of fact are in the purview of the trial court, having heard the evidence and observed the witnesses and testimony. This Court should not substitute its judgment for the trial court's findings of fact.

Appellant is not entitled to receive a trustee's deed from NAS, the foreclosure trustee, pursuant to NRS § 116.31164(3)(a). NAS determined that the foreclosure sale was not valid. HODC maintains the foreclosure sale was not valid and/or should be set aside on equitable grounds. NRS § 116.31164(3)(a) assumes a valid, unchallenged foreclosure sale. In the absence of such a sale, its provisions do not apply.

### II. LEGAL ARGUMENT

# A. <u>The CC&Rs for Sunpac Industrial Park granted to the</u> <u>Association the right to record and foreclose an</u> <u>assessment lien pursuant to NRS §§ 116.31162 and</u> <u>116.31164.</u>

The provisions of the Sunpac Industrial Park CC&Rs and the rights of the Association under the CC&Rs to file an assessment lien for delinquent assessments and to enforce the lien by foreclosure pursuant to NRS §§ 116.31162 and 116.31164 have not been disputed by the parties in the previous proceedings of this case. HODC does not dispute Appellant's assertion in the Opening Brief, Argument, Section 1. (Opening Brief, pg.

28 GOOLD PATTERSON ATTORNEYS AT LAW VILLAGE CENTER CIRCLE SUITE 140 S VEGAS, NEVADA 89134 (702) 436-2600 10-11).

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# **Title to the Property DID NOT vest in Appellant when Appellant tendered the bid amount to NAS**.

Appellant argues that completion of a foreclosure sale and tender of the sale bid amount vests title in the successful bidder. Opening Brief, Section 2, pg. 11-12. Appellant couches its argument in terms of an absolute: If a foreclosure sale is completed and the successful bidder tenders the bid price, title absolutely passes to the bidder.

Appellant relies primarily on *In re Grant*, 303 B.R. 205 (Bankr. D. Nevada), an opinion authored by Judge Linda B. Riegle. *In re Grant* involved a foreclosure sale completed on August 6, 2013. The debtor filed bankruptcy the next day, on August 7, 2013. The trustee's deed was not recorded until August 15, 2013, after the filing of the bankruptcy. The debtor argued that title to the foreclosed property did not transfer until the recording of the deed, and that the filing of the bankruptcy imposed the Bankruptcy Code's automatic stay, prohibiting recording of the deed and transfer of title.

The Bankruptcy Court rejected the debtor's argument, holding that the foreclosure sale is complete upon the conclusion of the bidding and the payment of the bid amount. *Id.* at 209-210. Appellant relies on this holding for the conclusion in its Opening Brief:

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delivered four cashier's checks for the purchase price of \$350,000.00 to NAS at the foreclosure sale held on February 13, 2015, title to the Property vested in plaintiff when plaintiff paid the \$350,000.00 purchase price immediately after the public auction held on February 13, 2015. (Opening Brief, pg. 12, lines 21-27.) Appellant misses a critical point in *In re Grant*. Judge Riegle begins her opinion by stating: "Under Nevada law, a valid trustee's foreclosure sale terminates all legal interest of the debtor in the property," citing *Charmicor*, Inc. v. Bradshaw Fin. Co., 92 Nev. 310, 313, 550 P. 2d 413 (1976). Id. at 208-209. (emphasis added). Thus, the holding in In re Grant is based on the assumption of a valid foreclosure sale. Title passes to the successful bidder at the conclusion of a valid foreclosure sale and the payment of the bid amount. That only makes sense. An invalid or deficient sale should not have the effect of transferring title. The overriding issue presented in the case before this Court is whether the February 13, 2015, foreclosure sale was, in fact, valid. Appellant argues that the validity or propriety of the sale is inconsequential so long as the sale is completed and the bidder tenders the bid amount. That is not the law. If HODC's check was received by NAS prior to the sale, the debt would have been discharged, making the sale improper. See

Because the evidence is undisputed that Eddie Haddad

Ruppert v. Edwards, 67 Nev. 200, 216 P.2d 616 (1950). Even if not,

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provident	Shadow Wood Homeowners Association, Inc. v. New York Community
2	Bancorp, Inc., 132 Nev. Adv. Op. 5, 366 P.3d 1105, holds that the Court
3	
4	has equitable authority to set aside a foreclosure sale.
5	The trial court rejected Appellant's argument of the absolute finality
6 7	of the foreclosure sale. During closing, Appellant presented basically the
8	same argument as set forth in the Opening Brief, Argument, Section 2,
9	relying on In re Grant. The trial judge noted:
10	If the law ended there, Shadow Creek [sic, Wood] wouldn't
11	exist. So, that cannot be an absolute, the way that you want to
12	argue it, Mr. Bohn. It simply can't because if that were true, then the Supreme Court would have simply said, if someone is
13	a bona fide purchaser, that's the end of the discussion and we
14	don't discuss equity at all.
15	(JA1, pg. APP000417, lines 10-16.)
16	(JA1, pg. APP000417, lines 10-16.) Accepting Appellant's argument abrogates this Court's holding in
16 17	Accepting Appellant's argument abrogates this Court's holding in
16 17 18	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the
16 17 18 19	Accepting Appellant's argument abrogates this Court's holding in
16 17 18 19 20	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the
16 17 18 19 20 21	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the bid amount does not necessarily result in the vesting of title of the Property
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the bid amount does not necessarily result in the vesting of title of the Property in Appellant where the validity of the sale is subject to challenge or
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the bid amount does not necessarily result in the vesting of title of the Property in Appellant where the validity of the sale is subject to challenge or
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the bid amount does not necessarily result in the vesting of title of the Property in Appellant where the validity of the sale is subject to challenge or equitable considerations. C. Equitable Relief is Available to Respondents.
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>	Accepting Appellant's argument abrogates this Court's holding in Shadow Wood. The completion of the foreclosure sale and payment of the bid amount does not necessarily result in the vesting of title of the Property in Appellant where the validity of the sale is subject to challenge or equitable considerations. C. Equitable Relief is Available to Respondents. Appellant argues that HODC and NAS are not entitled to equitable
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	Accepting Appellant's argument abrogates this Court's holding in <i>Shadow Wood</i> . The completion of the foreclosure sale and payment of the bid amount does not necessarily result in the vesting of title of the Property in Appellant where the validity of the sale is subject to challenge or equitable considerations. C. Equitable Relief is Available to Respondents.

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25. Appellant ignores the fact that NAS, the trustee of the sale, determined the foreclosure sale was improper, refused to issue a trustee's deed and offered Appellant return of the purchase monies. Joint Pre-Trial Memorandum, JA2, pg. APP000259, lines 17-18. As examined in more detail in the following section of this Answering Brief, Appellant had the burden of proof regarding the propriety of the sale and the right to title. *Breliant v. Preferred Equities Corp.*, 112 Nev. 663, 669, 918 P.2d 314, 318 (1996) ("In a quiet title action, the burden of proof rests with the plaintiff to prove good title in himself."). Appellant failed to carry that burden.

Appellant primarily argues that this Court's holding in *Shadow Wood Homeowners Association, Inc., v. New York Community Bancorp, Inc.*, 137 Nev. Adv. Op. 5, 366 P.3d 1105 (2016) allows setting aside a foreclosure sale only in the event of a grossly inadequate price accompanied by some element of fraud, unfairness, or oppression as accounts for and brings about the inadequacy of price. Opening Brief, pg. 13, line 7 – 14, line 6. Appellant reads *Shadow Wood* too narrowly.

In *Shadow Wood*, the Court noted that "[h]istory and basic rules of statutory interpretation confirm our view that courts retain the power to grant equitable relief from a defective foreclosure sale when appropriate." *Id.*, 366 P.3d at 1110. The Court further confirmed "[i]t has always been recognized that equity has inherent original jurisdiction of bills to quiet title to property

GOOLD PATTERSON ATTORNEYS AT LAW 5 VILLAGE CENTER CIRCLE SUITE 140 S VEGAS, NEVADA 89134 (702) 436-2600 and to remove a cloud from the title," citing *MacDonald v. Krause*, 77 Nev. 312, 317, 362 P.2d 724, 727 (1961). *Id.*, 366 P.3d at 1111. The Court additionally held "[w]hen sitting in equity, however, courts must consider the entirety of the circumstances that bear upon the equities." *Id.*, 366 P.3d 1114 (citations omitted).

The entirety of the circumstances in this case weigh the equities in favor of HODC. Mr. Guzman, the president and sole shareholder of HODC, testified that the Property was purchased in 2009 as part of an exchange for the amount of \$2,250,000.00. JA2, pg. APP000377, lines 20-25. The Property was used primarily to store equipment. JA2, pg. APP000379, line 19 – APP000380, line 6. Mr. Guzman testified that the Property was rarely visited, mail to HODC was directed to HODC's offices at another location and that Mr. Guzman did not obtain keys to the onsite mailbox for the Property until late 2014. JA2, pg. APP000380, lines 7 – APP000381, line 12. Mr. Guzman first became aware of the Association lien foreclosure matter when he was personally served with the notice of sale while visiting the Property. JA2, pg. APP000375, lines 4-13. Mr. Guzman testified that after receiving the notice, he wrote a check in the amount stated in the notice of sale (\$6,554.09) payable and addressed to NAS, and mailed the check from the Las Vegas Main Post Office on Sunset Road. JA2, pg. APP000375, line 16 – APP000376, line 14. The check was written and

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mailed on February 6, 2015. JA1, pg. APP000041; JA2, APP000377, lines
9-12. Mr. Guzman further testified that he mailed the check at the Las
Vegas Main Post Office expecting it to be delivered the next business day.
JA2, APP000376, line 14 – APP000377, line 8.

There is no dispute in the record that Mr. Guzman acted reasonably by mailing the check and expecting it to arrive at NAS' offices across town prior to the date of the foreclosure sale. Indeed, Nevada law provides a presumption, though disputable, that "a letter duly directed and mailed was received in the regular course of the mail." NRS § 47.250(13) (emphasis added). Certainly Mr. Guzman could have done a better job to insure the payment reached NAS' offices prior to the February 13 sale date, such as personal delivery, overnight delivery or other form of trackable delivery. Mr. Guzman should have called NAS to make sure it received the payment. The clarity of hindsight undoubtedly emphasizes the preferable choice of those options. However, the fact that Mr. Guzman could have done better does not negate the reasonableness of his actions. The notice of foreclosure sale received by HODC warned:

> UNLESS YOU PAY THE AMOUNT SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE THE SALE DATE.

JA1, pg. APP000211. HODC did act before the sale date. It desired to, and

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did, pay the arrearages as demanded in the notice.

At the time of the foreclosure sale, the Property was worth at least one million dollars. (Mr. Guzman testified that the value was \$1.5 to \$1.8 million (JA2, pg. APP000384), Mr. Yergensen testified that Mr. Haddad had referred to the Property as "a million-dollar piece of property" (JA2, pg. APP000393, lines 15-17) and the trial court found that the Property had a value of "between one million and 1.2 million dollars (Judgment, JA2, pg. APP000327, lines 27-28).) Accordingly, the payment of the \$6,554.09 would preserve approximately one million dollars of value for HODC.

Appellant's bid at the sale was \$350,000.00. JA2, pg. APP000355, lines 13-18. If the sale was unchallenged, HODC would have received the bid price less the lien claim, being \$343,444.91. That amount is more than \$650,000.00 less than the lowest valuation of the Property at the time of sale and a whopping \$1,900,000.00 less than the purchase price of the Property. No matter how one runs the numbers, HODC would take a huge beating if the sale were confirmed.

However, HODC is aware the record includes considerations in favor of Appellant. At the time of the sale, Appellant was not aware that HODC had sent the check to NAS and that Appellant believed it had legitimately purchased the Property. HODC also understands that Appellant anticipated the realization of a significant profit, purchasing a property worth

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not less than one million dollars for approximately one-third that amount.

The trial court weighed these considerations. The trial court noted that non-judicial foreclosure sales serve the purposes of protecting a debtor form wrongful foreclosure and loss of property while providing a quick, inexpensive and efficient remedy for creditors. Citing *Residential Capital v. Cal-Western Conveyance Corp.*, 134 Cal.Rptr.2d 162, 108 Cal.App.4<sup>th</sup> 807 (2003), and finding those policies consistent with the holdings in *Shadow Wood.* Judgment, JA2, pg. APP000339, lines 11-17.

The trial court determined that HODC's check arrived between 9:30 a.m. and 11:30 a.m. on February 13, 2015, that Appellant had the burden of proof to show title should be vested in its name, and Appellant failed to demonstrate that the check did not arrive prior to the sale. Judgment, JA2, pg. APP000337, lines 25-26, APP000328, line 2, and APP000330, lines 15-16.

If the check arrived prior to the sale, the debt and assessment lien would have been discharged. *Ruppert v. Edwards*, 67 Nev. 200, 216 P.2d 616 (1950); see also *Deming National Bank v. Walraven*, 651 P.2d 1203, 1204, 133 Ariz. 378 (1982), "[t]here can be no quarrel with the general principle that ordinarily when the secured obligation is discharged in full, any mortgage securing that obligation is extinguished and ceases to exist."

But even if the check was delivered after the sale, the time of

delivery would have been no more than one hour following the sale. Judgment, JA2, pg. APP000328, line 22, "Mail is usually delivered between 9:30 a.m. and 11:30 a.m." Under the Shadow Wood holding, considering the entirety of the circumstances that bear upon the equities, considering the inordinate amount of time between mailing the check and delivery at NAS' offices, considering the relatively small amount of the lien claim (\$6,554.09) compared to the value of the Property (at least one million dollars), considering the large loss HODC would incur even if receiving the proceeds of the foreclosure sale, and considering that (i) the loss of the purchase of the Property by Appellant is not prejudicial to Appellant, and (ii) Appellant was offered return of its funds plus interest (Judgment, JA2, pg. APP000340, lines 1-3, JA2 pg. APP000326, lines 26-28), the record supports the Court exercising its equitable authority to set aside the sale.

# **D.** <u>The District Court's findings are supported by substantial</u> <u>evidence</u>.

In the Opening Brief, Argument, Section 4, Appellant concludes that "defendants [NAS and HODC] were required to prove that the cure payment by HODC was received before the foreclosure sale." Opening Brief, pg. 19, lines 1-3. Appellant relies on *Nguyen v. Calhoun*, 105 Cal. App. 4<sup>th</sup> 428, 129 Cal.Rptr. 2d 436 (2003). In *Nguyen v. Calhoun*, Nguyen was purchasing a property subject to a foreclosure sale. Nguyen closed escrow on the purchase, but the funds to pay off the foreclosing lender were not delivered to the lender until three days after the sale. Calhoun was the successful bidder at the foreclosure sale. The foreclosure trustee delivered the trustee's deed to Calhoun. Nguyen brought an action seeking quiet title and declaratory relief. The trial court found for Nguyen. Calhoun appealed.

On the California Court of Appeals reversed the trial court decision, finding that the lender's debt had not been paid prior to the sale. Based on that holding, Appellant concludes NAS and HODC had the burden of proof of the timing of NAS' receipt of HODC's payment.

However, in *Nguyen v. Calhoun*, Nguyen was the plaintiff, bringing an action to quiet title. Similarly, in this case, Appellant was the plaintiff, bringing an action to quiet title. (See Opening Brief, Routing Statement, pg. viii, "This case is a quiet title action.") Under Nevada law, the party seeking to quiet title carries the burden "to prove good title in himself." *Breliant v. Preferred Equities Corporation*, 112 Nev. 663, 669, 918 P.2d 314, 318 (1996); cited in *Shadow Wood Homeowners Association, Inc. v. New York Community Bancorp, Inc.*, 366 P.3d at 1112. Accordingly, Appellant carried the burden to show that the foreclosure sale was valid and HODC's payment did not arrive prior to the sale.

Appellant specifically objects to the trial court's findings in Paragraphs 26 and 27 of the Judgment in which the trial court determined

1	there was insufficient evidence of the time of arrival of the mailman at NAS'
2	offices on February 13, 2015, (JA 2, pg. APP000327, lines 16-24). The
3	gravamen of Appellant's argument is Mr. Haddad's testimony that he
4	specifically remembered seeing the mailman arrive at NAS' offices after the
6	
7	completion of the foreclosure sale and payment of the bid amount. Opening
8	Brief, pg. 19, lines 7-12; JA2, pg. APP000360, lines 1-12. However, the
9	trial judge specifically considered Mr. Haddad's testimony and was not
10	convinced of his recitation. The trial judge noted:
11	
12	I also don't have any doubt, though, that when you [Mr. Haddad] say that you remember that he [the mailman] came,
13	you have a tendency to take generalizations and make them into
14	positives. And I have no doubt you believe that you saw the mailman that day, but I think that belief is based upon the fact
15 16	that that's when you generally see the mailman and not that you really, specifically remember that the mailman arrived at between 10:30 and 11 on that day.
17	
18	JA2, pg. APP000433, lines 18-25.
19	Thus, the trial court considered the testimony upon which Appellant
20	relies and found it unconvincing.
21	
22	Long established Nevada precedence holds that the trial court, as the
23	trier of fact, has the right to consider the credibility of the witnesses, and
24	even if the testimony is unrefuted, the trial court has the prerogative to
25 26	disbelieve such testimony. Douglas Spencer and Associates v. Las Vegas
27	Sun, Inc., 84 Nev. 279, 281, 439 P.2d 473, 475 (1968). The Douglas court,
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1	citing the California Court of Appeals in Polk v. Polk, 228 Cal.App.2d 763,
2	39 Cal.Rptr. 824 (1964), noted:
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4	The trier of fact, as the exclusive judge of the credit and weight to be given the testimony of a witness, may reject such
5	testimony even though uncontradicted or unimpeached when he
6	does not act arbitrarily but does so upon sound and relevant
7 stateme 8 and the	considerations, such as the inherent improbability of the statements, the interest of the witness in the case, his motives,
	and the manner in which he testifies.
	Douglas Spencer and Associate v. Las Vegas Sun, Inc., 84 Nev. 279,
10	281-282, 439 P.2d 473, 475.
1	The <i>Douglas</i> court concluded:
12	The Dougras court concluded.
13	It is the prerogative of the trier of facts to evaluate the credibility of witnesses and determine the weight of their
14	credibility of witnesses and determine the weight of their testimony, and it is not within the province of the appellate
15	court to instruct the trier of fact that certain witnesses or
16	testimony must be believed.
17	Id. See also Fox v. First Western Savings & Loan Association, 86
18 19	Nev. 469, 472, 470 P.2d. 424, 426 (1970) (it is not the function of the
20	appellate court to substitute its view for that of the trial court); and <i>Tupper v</i> .
21	Kroc, 88 Nev. 146, 154, 494 P.2d 1275, 1279 (1972) (questions of fact are to
22	be determined by the trial judge who heard the testimony and observed
23	
24	witnesses).
25	In the Opening Brief, Argument, Section 4, Appellant recites
26	specific statements from Mr. Haddad's testimony to support its argument.
27	However, the trial record contains substantial evidence to support the trial
28 GOOLD PATTERSON	and the the the foote contains substantial evidence to support the that
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court's findings. For example, Mr. Haddad testified that the foreclosure sale began at "9 o'clock sharp," (JA2, pg. APP000355, line 8), when, in fact, the sales started at 10:00 a.m., as stipulated by all parties (Joint Pre-Trial Memorandum, JA2, pg. APP000258, lines 11-12, 16). While Appellant argued Mr. Haddad's memory was specific because "the present case was unlike 'any other day'" (Opening Brief, pg. 20, line 25), Mr. Haddad could not recall that the sale was conducted on the Friday prior to the three-day President's Day weekend (JA2, pg. APP000357, lines 7-9). Mr. Haddad testified that after the date of the sale he had paid "all the bills, all the dues, taxes, homeowners association dues" on the Property. JA2, pg. APP000360, lines 18-20. Yet, on cross-examination, he stated that was his customary practice and that could not be certain without checking his file. JA2, pg. APP000362, lines 8-24. Mr. Haddad couldn't recall specifics about the mailman outside the offices of NAS, stating he (Mr. Haddad) was at the offices "every Friday" (JA2, pg. APP000366, line 22), and that the events had occurred more than a year and a half earlier (JA2, pg. APP000367, lines 8-23).

The trial court, measuring these and other portions of Mr. Haddad's testimony against the interests of the Mr. Haddad in the case, his motives, and the manner in which he testified, had substantial basis to reach its findings in Paragraphs 26 and 27 of the Judgment. Those findings should

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not be overturned by this Court.

E. Appellant is not entitled to receive a foreclosure deed.

Appellant's claim of entitlement to a foreclosure deed is predicated upon the sale having been valid and/or not subject to being set aside for equitable reasons. As argued above, the sale was not valid and/or is subject to being set aside for equitable reasons. The requirement of NRS 116.31164(3)(a) does not apply.

## III. CONCLUSION

This is an unusual case for the reason that the key fact (the time of the delivery of HODC's check to NAS) cannot be determined with a degree of certainty. The trial judge in this case, having long experience both as a trial judge and as an appellate judge, carefully considered the facts, testimony and authorities presented. The trial judge concluded that Appellant had not met its burden of proof to show title to the Property should be vested in its name. Nothing in the record or Appellant's argument refutes that finding. Further, the weight of the equities in this case favor HODC. The judgment of the trial court should be affirmed.

DATED this 25<sup>th</sup> day of August, 2017.

GOOLD PATTERSON By:

Jeffrey D. Patterson, Esq. Nevada Bar No. 364

# **CERTIFICATE OF COMPLIANCE**

1. I hereby certify that this answering brief complies with the formatting requirements of NRAP 32(a)(4), the typeface requirements of NRAP 32(a)(5) and the type style requirements of NRAP 32(a)(5) because this answering brief has been prepared in a proportionally spaced typeface using Microsoft Word 2010 Times New Roman 14-point font.

2. I further certify this answering brief complies with the page or typevolume limitations of NRAP 32(a)(7)(ii). Excluding the parts of the brief exempted by NRAP 32(a)(7)(C), it is proportionately spaced, has a typeface of 14 points and contains 3,752 words, and does not exceed 30 pages.

3. I hereby certify that I have read this answering brief, and to the best of my knowledge, information, and belief, it is not frivolous or interposed for any improper purpose. I further certify that this answering brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e)(1), which requires every assertion in the brief regarding matters in the record to be supported by a reference to the page and volume number, if any, of the transcript or appendix where the matter relied on is to be found. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

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DATED this 25th day of August, 2017. -**GOOLD PATTERSON** By: Jeffred D. Patterson, Esq. Nevada Bar No. 364 1975 Village Center Circle, Suite 140 Las Vegas, Nevada 89134 Telephone: (702) 436-2600 Email: jpatterson@gooldpatterson.com Attorneys for Respondent Hydr-O-Dynamic Corporation GOOLD PATTERSON ATTORNEYS AT LAW VILLAGE CENTER CIRCLE SUITE 140 3 VEGAS, NEVADA 89134 (702) 436-2600

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2	
3	I hereby certify that I am an employee of the law firm of Goold
4	Patterson, and on the 25th day of August, 2017, I served the foregoing
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