Teal Petals St Trust v. NewRez LLC

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Teal Petals St Trust and NewRez LLC f/k/a New Penn Financial d/b/a Shellpoint Mortgage Servicing, file this stipulation to request the court to extend the close of discovery by ninety (90) days. This is the parties' fifth request for an extension of the current discovery deadlines.

# I. <u>Introduction</u>.

This is the second action concerning the Fannie Mae-owned deed of trust (**Deed of Trust**) recorded against real property located at 9863 Dublin Valley Street in Las Vegas (**Property**), which Teal Petals' predecessor-in-interest purchased at an HOA foreclosure sale in 2011.

Teal Petals was the title owner of the subject property when it initiated this action in February 2022. Teal Petals claims it transferred title to Dublin Valley, LLC on June 23, 2022. A Deed-of-Trust foreclosure sale was set for June 24, 2022. Dublin Valley initiated a bankruptcy action for the purpose of stopping the foreclosure sale. After the bankruptcy court granted Shellpoint's motion to retroactively annul the automatic stay, the trustee under the Deed of Trust foreclosed on the Property. Saticoy Bay LLC Series 9863 Dublin Valley St made the winning bid of \$427,100 at the Deed-of-Trust foreclosure sale on May 17, 2023.

Teal Petals asserts claims for quiet title/declaratory relief, slander of title, fraud/misrepresentation, equitable relief – rescission, and unjust enrichment. Teal Petals claims NRS 106.240 extinguished the Deed of Trust "by operation of law and rendered [it] null, void and unenforceable not later than September 2, 2020," ten years after the alleged 2010 trigger date. See Compl. at ¶ 41. Shellpoint contends the Deed of Trust continued to encumber the Property until May 17, 2023, and that Teal Petals' theory has been soundly rejected to the point that continuing to maintain this action in the face of binding precedent to the contrary is without reasonable grounds. Shellpoint asserts counterclaims for quiet title/declaratory judgment, tortious interference with contractual relations, unjust enrichment, slander of title, abuse of process, and equitable lien – in the alternative against Teal Petals in this action. Shellpoint moved for judgment on the pleadings as to Teal Petals' claims and its quiet-title counterclaim, and its dispositive motion is fully briefed. ECF Nos. 40, 53, 54. Shellpoint has also initiated litigation against Teal Petals through its trustee, Resources Group, LLC, along with several other defendants as case no. 2:23-cv-01839 (**new action**). Teal Petals and Shellpoint agree to reset the discovery schedule in this case as set forth below.

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# II. <u>STATEMENT SPECIFYING THE DISCOVERY COMPLETED.</u>

Discovery is currently set to close on March 29, 2024. ECF No. 56. To date, the parties have undertaken the following discovery:

- 1) Shellpoint served its initial disclosures on April 7, 2022.
- 2) Teal Petals served its initial disclosures on August 9, 2023.
- 3) Teal Petals served its first set of interrogatories and first set of requests for production of documents on Shellpoint on October 17, 2023.
  - 4) Shellpoint served a first supplement to its initial disclosures on October 25, 2023.
- 5) Shellpoint served its first set of interrogatories, first set of requests for admission, and first set of requests for production of documents on Teal Petals October 25, 2023.
- 6) Shellpoint served a subpoena duces tecum for real property tax records on the custodian of records for the Clark County Treasurer on October 26, 2023.
  - 7) Shellpoint served a second supplement to its initial disclosures on November 3, 2023.
- 8) Shellpoint served a notice of deposition on November 3, 2023, setting Teal Petals' Rule 30(b)(6) deposition for November 29, 2023.
- 9) Shellpoint received documents from the Clark County Treasurer in response to its subpoena duces tecum on November 6, 2023.
  - 10) Shellpoint served a third supplement to its initial disclosures on November 29, 2023.
- 11) Shellpoint served its answers to Teal Petals' first set of interrogatories and first set of requests for production of documents on November 29, 2023.
- 12) Teal Petals' served its responses to Shellpoint's first set of interrogatories, first set of requests for admission, and first set of requests for production of documents on November 29, 2023.
- 13) Shellpoint served its verified answers to Teal Petals' first set of interrogatories on December 11, 2023.
- 14) Shellpoint served a notice of deposition on November 3, 2023, setting Teal Petals' Rule 30(b)(6) deposition for November 29, 2023.
- 15) Shellpoint served a first amended notice of deposition on December 29, 2023, setting Teal Petals' Rule 30(b)(6) deposition for January 17, 2024, to continue as necessary the next day.

- 16) Shellpoint served a second amended notice of deposition on January 16, 2024, setting Teal Petals' Rule 30(b)(6) deposition for February 12, 2024.
- 17) Shellpoint served a third amended notice of deposition on February 9, 2024, setting Teal Petals' Rule 30(b)(6) deposition for March 26, 2024.

## III. SPECIFIC DESCRIPTION OF THE DISCOVERY THAT HAS NOT BEEN COMPLETED.

- 1) Rule 30(b)(6) deposition of Teal Petals (and follow-up discovery on any new issues that arise at the deposition).
  - 2) Third-party discovery.<sup>1</sup>

# IV. REASON WHY EXTENSION IS REQUIRED / GOOD CAUSE.

The Court granted the parties' request to stay discovery in this case based on Dublin Valley's bankruptcy action, which it lifted in March 2023. ECF Nos. 19, 23. Since then, the Deed-of-Trust foreclosure has taken place, Shellpoint amended its responsive pleading, the parties have engaged in discovery, and Shellpoint initiated a new action against Teal Petals, through its trustee, among others. *See supra*. Shellpoint has moved to consolidate this case with the new action, which Teal Petals does not oppose. ECF Nos. 41, 49. The defendants have moved to dismiss the new action, and the defendants' motions to dismiss along with Shellpoint's unopposed consolidation motion are set for hearing before this court at 2:00 p.m. on April 16, 2024.

The April 16 hearing was previously set for March 4, 2024—prior to the discovery deadline in this action—and briefing was complete before that date. However, defense counsel Mickey Bohn was scheduled on the date and time of the hearing to teach a CLE seminar, and defense counsel Christopher Benner would be out of the jurisdiction. The parties accordingly requested the hearing be continued to a date and time convenient for counsel and this court in mid-April. The parties in the new action have jointly requested a nine month discovery period in light of the pending dispositive and consolidation motions, plus continued settlement negotiations thereafter are likely. The court granted the parties' request, and the discovery deadline in the new action is October 21, 2024—approximately six months (188 days) after the April 16, 2024, hearing.

<sup>&</sup>lt;sup>1</sup> The parties reserve the right to participate in additional discovery during the time frames outlined below should the need arise.

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The parties seek an extension of the discovery deadline set for March 29, 2024, for the above reasons, including but not limited to the procedural posture of this case and the new action. /// ///

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# V. PROPOSED SCHEDULE FOR COMPLETING ALL REMAINING DISCOVERY.

The parties agree that discovery will be extended ninety (90) days, and the scheduling order deadlines will be extended to the following:

- (a) Discovery Cut Off: Thursday, June 27, 2024.
- (b) Motions to amend pleadings or add parties: **None requested**.
- (c) Initial Expert Disclosures: **None Requested**.
- (d) Rebuttal Expert Disclosures: **None Requested**.
- (e) Dispositive motions: **Monday**, **July 29**, **2024**.<sup>2</sup>
- (f) Pre-Trial Order: Wednesday, August 28, 2024.

DATED this 8th day of March, 2024.

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IT IS SO ORDERED.

DANIEL J. ALBREGTS VUNITED STATES MAGISTRATE JUDGE

DATED: March 11, 2024

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<sup>&</sup>lt;sup>2</sup> The date occurring 30 days after the close of discovery falls on Saturday, July 27, 2024. The parties agree to move this deadline to the following business day.