1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 EASTERN DISTRICT OF CALIFORNIA 10 11 JOHN VODONICK, 2:15-cv-00539-JAM-EFB 12 Plaintiff, 1.3 v. ORDER DENYING PLAINTIFF'S MOTION TO AMEND AND GRANTING 14 FEDERAL NATIONAL MORTGAGE DEFENDANT'S MOTION FOR SUMMARY ASSOCIATION, INC., a JUDGMENT 15 federally chartered corporation, all persons 16 claiming any right, title, or interest in certain real 17 property; and DOES 1 through 50, inclusive, 18 Defendants. 19 20 John Vodonick ("Plaintiff") moves for leave to file a second amended complaint. See Pl. Mot. to Am. ("Pl. Mot."), ECF No. 59. 2.1 22 Federal National Mortgage Association ("Defendant") moves for 23 summary judgment on Plaintiff's first claim for declaratory relief, parts (A) and (B), as well as Plaintiff's second claim 24 for quiet title easement by implication. See Def. Mot. for Summ. 25 26 J. ("Def. Mot."), ECF No. 60. /// 2.7 28 ///

For the reasons set forth below, the Court DENIES

Plaintiff's Motion to Amend the First Amended Complaint and

GRANTS Defendant's Motion for Summary Judgment.<sup>1</sup>

2.1

#### I. FACTUAL AND PROCEDURAL BACKGROUND

On March 10, 2015, Plaintiff filed a complaint against

Defendant. Compl., ECF No. 1. Plaintiff amended the complaint a

few days later to add additional facts but made no changes to the

claims for relief. See First Am. Compl. ("FAC"), ECF No. 4.

Plaintiff owns and resides at 15240 Willow Ridge Court in Nevada

City, California. Defendant's Statement of Undisputed Material

Facts ("SUF") ¶ 1. In August 2014, Defendant was assigned the

promissory note to the neighboring property, which was declared

to be in default. SUF ¶ 4. In addition to being neighbors,

Plaintiff has an easement over a portion of the property. SUF

¶ 3. Defendant posted a copy of the notice of the foreclosure

sale—to take place on November 26, 2014, at 12:30 p.m.—at the

main entrance of the Nevada County, California, Superior

Courthouse. SUF ¶ 5.

Plaintiff was out of town on November 26, 2014, and dispatched an agent, Michael Nudelman, to appear at the auction. SUF at ¶ 7. Nudelman showed up for the scheduled sale. SUF at ¶ 13. What follows is in dispute. Plaintiff alleges Nudelman waited at the courthouse for approximately one and a half hours, but the auction did not take place, nor did anyone announce a

<sup>&</sup>lt;sup>1</sup> This motion was determined to be suitable for decision without oral argument. E.D. Cal. L.R. 230(g). The hearing was scheduled for May 5, 2020.

continuance of the auction date and time. FAC ¶ 19. Meanwhile, Defendant alleges the foreclosure sale auctioneer, Dana Haemmig, appeared at the courthouse's main entrance, at the time and date set for the sale, and announced it was postponed to December 1, 2014. SUF at ¶ 10. According to the "Trustees Deed Upon Sale," the property was sold "at public auction on 12/01/2014 at the place named in the Notice of Sale[.]" Ex. 8 to Def. Req. for Jud. Notice ("Def. RJN") at 2, ECF No. 61.

2.1

On March 2, 2016, the Court granted Defendant's Motion for Judgment on the Pleadings with respect to claims three, four, and five, and part of the first claim. See ECF No. 18. The Court denied Defendant's motion with respect to the part of the first claim seeking a declaration that the deed to Defendant is null and void. Id. On March 31, 2017, the Court denied Defendant's first Motion for Summary Judgment, which only sought judgment as to the first part (part A) of Plaintiff's declaratory relief claim. See ECF No. 36. For the surviving claims, Plaintiff first seeks declarations that the purported deed is null, void, and of no effect and that Plaintiff is vested in title and interest to the easement. Second, Plaintiff seeks to quiet title to the easement by implication. See FAC.

Currently before this Court is Plaintiff's request to amend his complaint for a second time, to add claims of private and public nuisance and unfair business practices. See Pl. Mot. Defendant filed an opposition top this motion, ECF No. 62, and Plaintiff replied, ECF No. 65. Defendant seeks summary judgment, but on different grounds and for additional claims than its previous motion. See Def. Mot. Defendant contends there are no

triable issues of material fact that would allow for Plaintiff to obtain judgment on either his first or second claims. Plaintiff opposed this motion, ECF No. 63, and Defendant filed a reply, ECF No. 66.

2.1

#### II. OPINION

# A. Plaintiff's Motion to Amend

# 1. <u>Legal Standard</u>

After the Court has filed a pretrial scheduling order, a party's motion to amend must satisfy Rule 16(b)'s "good cause" requirement. Johnson v. Mammoth Recreations, Inc., 975 F.2d 604, 607-08 (9th Cir. 1992). This requirement primarily looks to "the diligence of the party seeking the amendment." Johnson, 975 F.2d at 609. "[T]he existence or degree of prejudice to the party opposing the modification might supply additional reasons to deny a motion." Id. But, unlike Rule 15's analysis, "the focus of the inquiry is upon the moving party's reasons for seeking modification [of the schedule]." Id. If the "[moving] party was not diligent, the inquiry should end." Id.

# 2. Judicial Notice

Plaintiff suggests the Court "can" take judicial notice that "the foothills and other areas of Northern California have become more and more prone to wildfires." Pl. Mot at 5.

Plaintiff then mentions the Nevada County Hazardous Vegetation Ordinance and refers to his "request to take judicial notice filed concurrently herewith." Id. However, Plaintiff failed to include a request for judicial notice with his motion.

Plaintiff's request for judicial notice—or lack thereof—is,

therefore DENIED.

2.1

3.

### a. Rule 16(b)

Analysis

Rule 16(b)'s "good cause" requirement is typically not met "where the party seeking to modify the pretrial scheduling order has been aware of the facts and theories supporting amendment since the inception of the action." In re Western States

Wholesale Natural Gas ("Western States"), 715 F.3d 716, 737 (9th Cir. 2013). Indeed, "carelessness is not compatible with a finding of diligence and offers no reason for a grant of relief." Johnson, 975 F.2d at 610.

Plaintiff's motion to amend raises issues similar to those before the Ninth Circuit in Western States. In Western States, plaintiffs knew for two years that they had potentially viable federal antitrust claims. 715 F.3d at 737. Yet, they did not move to amend their complaint to include these claims until seven months after the scheduling order's deadline. Id. As a result, the Ninth Circuit held that "the district court [had] not abuse[d] its discretion in concluding that the Plaintiffs were not diligent." Id. at 737-38.

Plaintiff seeks to add claims that are related to an increased risk of wildfire in the area since the Court's March 1, 2016 Order on Defendant's Motion for Judgment on the Pleadings. See Pl. Mot. at 2. However, as in Western States, Plaintiff has been aware of potential claims related to this increased risk as he, admittedly, has had "concerns regarding the [wildfire] prone nature of the maintenance of [the neighboring] property" since "the inception of the litigation."

Pl. Mot. at 4. Nonetheless, Plaintiff failed to amend his complaint in a timely manner. In Plaintiff's FAC, filed over five years ago, Plaintiff states that a portion of the neighboring property has "historically been used by the dominant tenement to . . . maintain a fire safe perimeter and for purposes of drawing emergency water in the event of fire." FAC ¶ 8. Plaintiff goes on to mention his use of the property as a "defensible fire protection perimeter and [] an emergency water source" repeatedly thereafter. See FAC ¶¶ 10, 12, 13, 14, 24.

In his motion, Plaintiff points to a Nevada County Hazardous Vegetation Ordinance as evidence that the area is at increased risk of wildfire. Pl. Mot. at 5. That ordinance was last updated on March 29, 2019-one year before Plaintiff filed the instant motion. Id. And in his reply, Plaintiff references a letter to Defendant's attorney as evidence that he requested Defendant take steps to reduce the fuel load on the neighboring property. Pl. Mot at 4-5. In this letter, Defendant discusses the ways in which "the hazard of forest fires has been building lately" and informs Defendant's attorney that he is "intensely worried about [his] own safety and the security of [his] property due to the increased fire risk posed by the deplorable and unsafe condition of [Defendant's] property." Vodonick Decl. at 3-4, ECF No. 65-1. This letter also dates from approximately one year before Plaintiff filed this motion. Presented as justification for an amended complaint, both the ordinance and the letter are, instead, evidence that this request to amend is untimely.

///

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

28

2.1

Plaintiff has had concerns over wildfires since he commenced this action over five years ago and for at least the past year, Plaintiff has been aware of an increase in the frequency and severity of wildfires in the area. Nevertheless, Plaintiff waited until well after this Court's June 25, 2019 pretrial scheduling order, see ECF No. 49, and just before the deadline to file dispositive motions, see ECF No. 57, to file this motion to amend his complaint for the second time. As a result of this significant delay, the Court finds that Plaintiff has failed to satisfy Rule 16(b)'s "good cause" requirement. The Court therefore need not address whether the amendment to the complaint is proper under Rule 15.

Accordingly, the Court DENIES Defendant's Motion to Amend the First Amended Complaint.

#### B. Defendant's Motion for Summary Judgment

#### 1. Legal Standard

A court must grant a party's motion for summary judgment "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. Proc. 56(a). The movant bears the initial burden of "informing the district court of the basis for its motion, and identifying [the documents] which it believes demonstrate the absence of a genuine issue of a material fact."

Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). A fact is material if it "might affect the outcome of the suit under the governing law."

Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). Once the movant makes this initial showing, the burden rests upon the nonmoving party to "set forth specific

facts showing that there is a genuine issue for trial." Id. An issue of fact is genuine if "the evidence is such that a reasonable jury could return a verdict for the nonmoving party." Id.

### 2. Evidentiary Objections

2.1

Plaintiff raises evidentiary objections to the declaration of Dana Haemmig and the documents attached to her declaration, provided in support of Defendant's Motion for Summary Judgment.

See Obj. to Haemmig Decl., ECF No. 63-1. Regarding the Haemmig declaration, Plaintiff argues it is inadmissible because the date of execution is incomplete and the declaration provides it is governed by California law, not the laws of the United States of America. Obj. to Haemmig Decl. at 1-3. However, at the summary judgment stage, courts focus on the admissibility of the evidence's content, not the admissibility of its form. Fraser v.

Goodale, 342 F.3d 1032, 1036 (9th Cir. 2011); see also Burch v.

Regents of the University of California, 433 F.Supp.2d 1110, 1119 (E.D. Cal. 2006). Accordingly, the Court overrules this objection at this time.

Plaintiff also contends the documents attached to Haemmig's declaration are inadmissible because they were not produced by Defendant during discovery. Obj. to Haemmig Decl. at 3-4. The documents attached to Haemmig's declaration are: (1) the auctioneer's script for the postponement of the foreclosure sale of Plaintiff's neighboring property; and (2) the postponement script of another foreclosure sale that was postponed at the same date, time, and location of the neighboring property's postponement. See Exs. 1-2 to Haemmig Decl., ECF 60-1. These

documents are business records of Summit Ridge Services, Inc., the independent contractor foreclosure auctioneer. Haemmig Decl.  $\P\P$  2-3, ECF 60-1. Thus, they were not in Defendant's possession, custody, or control. Defendant had no ability or obligation to produce these documents in its initial disclosures. See Fed. R. Civ. Pro. 26(1)(a)(ii). Plaintiff's objection to these documents is overruled.

### 3. Judicial Notice

Rule 201 of the Federal Rules of Evidence allows a court to take judicial notice of an adjudicative fact that is "not subject to reasonable dispute," because it (1) "is generally known within the trial court's territorial jurisdiction"; or (2) "can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned." Fed. R. Evid. 201(a)-(b). A Court may take judicial notice of matters of public record. United States ex rel. Lee v. Corinthian Colleges, 655 F.3d 984, 999 (9th Cir. 2011). Matters of public record include "documents on file in federal or state courts." Harris v. County of Orange, 682 F.3d 1126, 1132 (9th Cir. 2012).

Defendant requests that the Court take judicial notice of eight exhibits. See Exs. 1-8 to Def. RJN, ECF No. 61. Those exhibits are: (1) the Grant Deed, dated August 18, 1987 and recorded in the Nevada County Official Records on October 29, 1987 as Document No. 87 30610; (2) the First Amended Complaint in this matter, filed by Plaintiff on March 18, 2015; (3) the Grant and Reservation of Easement for Access & Recreation, recorded in the Nevada County Official Records on July 12, 1988 as Document No. 88 17719; (4) the Easement Deed, recorded in the

Nevada County Official Records on September 27, 1988 as Document No. 88 26119; (5) the Corporation Assignment of Deed of Trust, dated July 14, 2014 and recorded in the Nevada County Official Records as Document No. 20140013517; (6) Notice of Default, recorded in the Nevada County Official Records on August 5, 2014 as Document No. 20140014719; (7) the Notice of Trustee's Sale, dated December 2, 2014 and recorded in the Nevada County Official Records on December 8, 2014 as Document No. 20140023981; and (8) the Trustee's Deed Upon Sale, dated October 29, 2014 and recorded in the Nevada County Official Records as Document No. 20140021214. Id. Meanwhile, Plaintiff requests the Court take judicial notice of "the Court's files, records[,] and documents in this case," notably, the Court's Order on Defendant's Motion for Judgment on the Pleadings. See Pl. Req. for Jud. Notice ("Pl. RJN"), ECF No. 63-2.

All the above are matters of public record, and therefore, proper subjects of judicial notice. The Court GRANTS Defendant and Plaintiff's requests for judicial notice.

#### 4. Analysis

2.1

Defendant argues the Court should grant summary judgment with respect to Plaintiff's first and second claims. See Def.

Mot. at 2. The remaining portions of Plaintiff's first claim ask the Court for: (A) a declaration that Defendant's interest in the neighboring property is void due to procedural defects in the notice of sale; and (B) a declaration that that Plaintiff is vested in title and interest in an easement over the neighboring property to access Mosquito Creek and Deer Creek for purposes of recreation, to maintain a defensible fire protection perimeter,

and as an emergency water source. FAC  $\P$  24(A)-(B). Plaintiff's second claim requests that the Court determine Defendant has no right, title, or interest in the neighboring property that is adverse or superior to Plaintiff's. FAC  $\P\P$  27-31.

For the reasons set forth below, the Court GRANTS

Defendant's motion for summary judgment as to all the remaining claims against it in this case.

# a. Declaratory Relief

2.1

2.2

# i. Validity of the Sale

Plaintiff alleges that Defendant's deed over the neighboring property is void because Plaintiff never received notice of the foreclosure sale's postponement. FAC ¶ 20. Defendant argues that notice of the postponement was given in accordance with California Civil Code § 2924g and that there is no requirement that Plaintiff receive actual notice of the postponement. Def. Mot. at 4. Under California law, a non-judicial foreclosure sale must be preceded by an official notice of sale. Cal. Civ. Code § 2924f. A sale may be postponed at the discretion of the trustee. Cal Civ. Code § 2924g(c)(1)(D). Each postponement must be publicly announced in accordance with the following requirements:

The notice of each postponement and the reason therefor shall be given by public declaration by the trustee at the time and place last appointed for sale. A public declaration of postponement shall also set forth the new date, time, and place of sale and the place of sale shall be the same place as originally fixed by the trustee for the sale. No other notice of postponement

need be given.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

28

Ca. Civ. Code § 2924g(d). Including actual notice. Actual notice is not required "so long as notice is provided . . . in compliance with the statute." Knapp v. Doherty, 123 Cal. App. 4th 76, 88 (2004).

Defendant has submitted evidence establishing that notice of the oral postponement was given in accordance with § 2924g(d). As noted above, in a sworn declaration, auctioneer Dana Haemmig attests that, on November 26, 2014, at the entrance to the Nevada County courthouse, she announced that the foreclosure sale would be postponed until December 1, 2014. Haemmig Decl.  $\P$  7. Her testimony is corroborated by the auctioneer's script for the postponement of the foreclosure sale that she created on November 26, 2014, concurrently with postponing the sale of the neighboring property. Haemmig Decl.  $\P$  8. This document was maintained by her employer, Summit Ridge Services, Inc., as part of its records on the foreclosed property. See Ex. 1 to Haemmig Decl. Haemmig's script postpones the sale until December 1, 2014, specifies that two people were present when she made the announcement, and explains that trustee discretion was the reason for postponement. Id.

Meanwhile, Plaintiff has not submitted any evidence that directly refutes or contradicts Haemmig's declaration or the auctioneer's script. Plaintiff alleges that his agent, Michael Nudelman, appeared at the Nevada County courthouse in time for the November 26, 2014 sale, but that he did not hear Haemmig's announcement. Opp'n to Def. Mot. at 7. It is not alleged that Haemmig did not, in fact, announce the postponement. Plaintiff

makes reference in his opposition to a declaration from Mr.

Nudelman, Opp'n to Def. Mot. At 6-7; but Plaintiff failed to file this declaration along with his opposition. Portions of Nudelman's deposition testimony are however attached to Defendant's motion. The Court notes that nowhere in this testimony does Nudelman directly contend that Haemmig did not make an announcement. See Nudelman Dep. Tr., ECF No. 60-2.

The Court cannot rely on conclusory or speculative testimony from a declaration that was not filed or on unsupported

allegations in opposing papers to find genuine issues of material fact. Thornhill Publ'g Co., Inc. v. GTE Corp., 594 F.2d 730, 738 (9th Cir. 1979) (citing Fed. R. of Civ. Pro. 56(e)); see Crescenzo v. Wells Fargo Bank NA, Case No. 11-CV-02507, WL 510045 at \*4 (C.D. Cal. 2013) (finding evidence of a supposed cancellation of a foreclosure sale insufficient to create a genuine issue of material fact as to whether the auctioneer publicly announced the postponement of the sale). Plaintiff has failed to make a sufficient showing to establish that Defendant did not comply with the requirements of § 2924q. See Reynolds v. SunTrust Mortg., Inc., Case No. 10-CV-1508, WL 5884258 at \*4 (E.D. Cal. 2011) (plaintiffs declaration stating he never received or saw notices of a foreclosure sale was insufficient to: (1) overcome the common law presumption that a nonjudicial foreclosure sale is properly conducted; (2) dispute defendant's claim that it complied with nonjudicial foreclosure procedures; and, thus, failed to raise a triable issue of material fact).

27 ///

28 ///

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

Defendant, by contrast, has shown, as a matter of law, that the postponement complied with the notice requirements and the foreclosure sale was therefore valid. Accordingly, the Court GRANTS Defendant's Motion for Summary Judgment on part (A) of Plaintiff's first claim for declaratory relief.

# ii. Plaintiff's Easement

2.1

Plaintiff asks the Court to declare he is vested in title and interest in an easement over the neighboring property "to access Mosquito Creek and Deer Creek for purposes of recreation[,] to maintain a defensible fire protection perimeter[,] and as an emergency water source." FAC ¶ 24(B).

Defendant argues Plaintiff already holds a recorded easement that allows him "access and recreation over the westerly five feet and the northerly fifty feet" of the neighboring property. Def. Mot. at 9 (citing Easement Deed, Ex. 4 to Def. RJN, ECF No. 61). As a result, there is no present controversy and Plaintiff has not stated a claim for declaratory relief. Id.

Article III limits judicial adjudication to actual cases or controversies. Thus, "[w]hen presented with a claim for a declaratory judgment, [] federal courts must take care to ensure the presence of an actual case or controversy, such that the judgment does not become an unconstitutional advisory opinion."

Rhoades v. Avon Prods., Inc., 504 F.3d 1151, 1157 (9th Cir. 2007). "To determine whether a declaratory judgment action presents a justiciable case or controversy, courts consider "whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, or sufficient immediacy and reality to

warrant the issuance of a declaratory judgment." Shell Gulf of Mexico, Inc. v. Center for Biological Diversity, Inc., 771 F.3d 632, 635 (9th Cir. 2014) (internal quotation marks and citation omitted).

2.1

It is undisputed that Plaintiff holds an express easement "for access and recreation" over a portion of the neighboring property. See Easement Deed, Ex. 4 to Def. RJN. Plaintiff's easement gives him access to the westerly five feet and the northerly fifty feet of the neighboring property. Id.

Nonetheless, Plaintiff requests a declaratory judgment that he is vested in title and interest in an easement over the neighboring property. See FAC ¶ 24(B). Plaintiff's FAC describes how, on July 12, 1988, he became vested in title with an easement over the neighboring property and then, on September 27, 1988, he became vested with a further easement over the property. FAC ¶ 11. These allegations are uncontroverted. As a result, there is no substantial controversy or need for declaratory relief.

To the extent that Plaintiff seeks an expansion of this easement—to give him the ability to "maintain a defensible fire protection perimeter," see FAC ¶ 24(B)—the Court declines to do so. In effect, Plaintiff requests, in part (B) of his first claim, the same relief he requests in his second claim, i.e., an easement by implication. "An implied easement may arise when, under certain specific circumstances, the law implies an intent on the part of the parties to a property transaction to create or transfer an easement even though there is no written document indicating such an intent." Mikels v. Rager, 232 Cal. App. 3d 334, 357 (1991). Here, there is a written document setting forth

the grantor's intent. <u>See</u> Easement Deed, Ex. 4 to Def. RJN. Moreover, Defendant admits the grantor "wanted [him] to stop removing the dangerous brush, underwood and trees." Vodonick Decl. ¶ 5, ECF No. 64. Thus, the grantor's intent is clear.

The existence of the express easement detailing the scope of Plaintiff's access to the neighboring property therefore obviates the need for the Court to declare Plaintiff is vested in title and interest in an easement over the neighboring property.

Moreover, the express easement precludes the Court from expanding its scope by way of granting an easement by implication.

Accordingly, the Court GRANTS Defendant's Motion for Summary Judgment on part (B) of Plaintiff's first claim for declaratory relief.

# b. Quiet Title Easement by Implication

For the reasons set forth above, the Court does not, as a matter of law, find there exists an easement by implication. See <a href="Hansen v. Danielson">Hansen v. Danielson</a>, 136 Cal. App. 2d 653, 656 (1955) ("[A] judgment quieting title cannot enlarge the grant made by the parties.") Accordingly, the Court GRANTS Defendant's Motion for Summary Judgment on Plaintiff's second claim for quiet title easement by implication.

22 ///

2.1

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

#### III. ORDER

For the reasons set forth above, the Court DENIES

Plaintiff's Motion to Amend the First Amended Complaint and

GRANTS Defendant's Motion for Summary Judgment on Plaintiff's

remaining claims. The Clerk of the Court is therefore directed

to close the case.

IT IS SO ORDERED.

Dated: June 2, 2020

OHN A. MENDEZ, UNITED STATES DISTRICT JUDGE