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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

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|--|---|--------------------------|
| JOSE M. ARTEAGA and MARIA D. ARTEAGA, |) | Case No. 12-1370-SC |
| |) | |
| Plaintiffs, |) | ORDER DENYING WITHOUT |
| |) | PREJUDICE DEFENDANTS' |
| |) | <u>MOTION TO DISMISS</u> |
| v. |) | |
| |) | |
| WELLS FARGO BANK, N.A., a/k/a |) | |
| WACHOVIA MORTGAGE, REGIONAL |) | |
| TRUSTEE SERVICES CORPORATION, and |) | |
| DOES 1 through 100, inclusive, |) | |
| |) | |
| Defendants. |) | |
| |) | |

Now before the Court is Defendant Wells Fargo Bank, N.A.'s ("Wells") Motion to Dismiss the Amended Complaint of Plaintiffs Jose M. and Maria D. Arteaga ("Plaintiffs"). ECF Nos. 15 ("Mot."), 14 ("Am. Compl."). Defendant Regional Trustee Service Corporation ("Regional") joins in Wells's motion. ECF No. 17. The motion is fully briefed. ECF Nos. 19 ("Opp'n"), 20 ("Reply").

The motion was set for hearing on June 22, 2012. On June 18, 2012, the Court approved a stipulation signed by Wells, Regional, and Plaintiffs, opting to participate in an alternative dispute resolution ("ADR") process, specifically, court-sponsored mediation. ECF No. 26 ("ADR Order"). The ADR Order gave the parties until September 18, 2012 to complete the mediation. See id. (setting deadline of ninety days following signature date of order). On June 20, 2012, the Court vacated the June 22 hearing.

1 The purpose of mediation is to explore and, if possible,
2 achieve a compromise settlement.

3 The Ninth Circuit is firmly committed to the rule that
4 the law favors and encourages compromise settlements.
5 There is an overriding public interest in settling and
6 quieting litigation. It is well recognized that
7 settlement agreements are judicially favored as a matter
8 of sound public policy. Settlement agreements conserve
9 judicial time and limit expensive litigation.

10 Ahern v. Cent. Pac. Freight Lines, 846 F.2d 47, 48 (9th Cir. 1988)
11 (internal quotation marks, citations, brackets omitted). In view
12 of these policies, the Court is reluctant to rule on a dispositive
13 motion while the parties are engaging, or about to engage, in
14 mediation. First, mediation, like ADR generally, holds out the
15 possibility of voluntary resolution of this matter without coercive
16 intervention by the Court. Second, the principle of judicial
17 economy counsels the Court to avoid devoting resources to deciding
18 a dispositive motion when the parties have selected an ADR process
19 which, if successful, will result in voluntary dismissal of the
20 case. Even if mediation does not result in settlement, it may
21 narrow or reframe the issues of the case such that the motion now
22 before the Court becomes partly or even wholly moot.

23 Accordingly, the Court DENIES Wells's motion to dismiss
24 without prejudice. Wells has leave to re-notice the motion at a
25 later date.

26 IT IS SO ORDERED.

27 Dated: July 23, 2012

28 
UNITED STATES DISTRICT JUDGE