

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

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Helen Donald,

Plaintiff,

Civ. No. 07-3597 (RHK/JJK)

**ORDER**

v.

Jeffery Beliveau, *et al.*,

Defendants.

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This matter is before the Court *sua sponte*.

This is an “equity-stripping” action against several Defendants to whom Plaintiff Helen Donald sold (and leased back) her home in an attempt to save it from foreclosure. Unfortunately, the Defendants had ulterior motives and “stripped” the equity from the home. They failed to pay the mortgage used to finance the purchase and eventually it went into default.<sup>1</sup> Donald then commenced the instant action, alleging various violations of state and federal law in connection with the transaction and seeking rescission thereof and a declaration that she holds title to the property free and clear. U.S. Bank, the assignee of the mortgage, later intervened in this action (with leave of Court) to protect its interest in the property.

U.S. Bank has now moved for summary judgment, arguing (among other things) that its interest is protected under Minnesota law because it was a bona fide purchaser for

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<sup>1</sup> At least two Defendants have pleaded guilty to crimes related to their scheme and currently await sentencing by this Court.

value of the mortgage. Donald disputes that contention and argues that the entire transaction is void *ab initio*. The parties have submitted lengthy, and at times confusing, briefs on these issues, and oral argument is currently scheduled for May 25, 2010. It is unclear to the Court, however, whether the Motion will in fact resolve all of the claims in this case or, rather, leave at least some claims pending, regardless of whether the Motion is granted. Moreover, this case has already been pending for nearly three years, delayed in large part by the bankruptcy of one of the Defendants.

For these reasons, the Court believes it would best serve all parties to attempt to resolve this matter via settlement before the Court rules on the pending Motion for Summary Judgment. Based on the foregoing, and all the files, records, and proceedings herein, **IT IS ORDERED** that this matter is **REFERRED** to Magistrate Judge Keyes to conduct a settlement conference, at a date and time to be set by him. The hearing on the Motion for Summary Judgment scheduled for May 25, 2010, is **CANCELED**.<sup>2</sup> The Court strongly urges the parties to resolve this matter at the settlement conference (if not sooner). In the event the parties are unable to reach a settlement, the Court will notify the parties if it later desires a hearing on the pending Motions.

Date: May 13, 2010

s/Richard H. Kyle  
RICHARD H. KYLE  
United States District Judge

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<sup>2</sup> The hearing of even date on U.S. Bank's Motion for Default Judgment against certain Defendants also is canceled.