U.S. Bank N.A., v. 508 Brundy Island Trust

Doc. 40

# I. FACTUAL AND PROCEDURAL HISTORY

This is an action by Plaintiff, US BANK (hereinafter "Plaintiff") arising from the non-judicial homeowners' association assessment lien foreclosure sale of the real property located at 508 Bruny Island, North Las Vegas, NV 89081 (hereinafter the "Property"). The Plaintiff generally disputes the validity of the sale and seeks to affirm or restore the status of its first deed of trust on the Property.

Defendant WASHBURN CREEK filed its Answer to Plaintiff's Complaint on May 30, 2017 [ECF No. 35]. WASHBURN CREEK has been working diligently to gather and review relevant documents as well as evaluate the nature of Plaintiff's claims against the HOA. As a result of the investigation, WASHBURN CREEK has ascertained that a non-party, Absolute Collection Services, LLC was the entity that performed the collection and foreclosure sale activities of which Plaintiff has complained. Absolute Collection Services, on behalf of WASHBURN CREEK, was the entity that managed and conducted the collections and foreclosure process on the Property.

WASHBURN CREEK seeks leave of the Court to file a third-party complaint against Absolute Collection Services. A copy of the proposed Third-Party Complaint is attached hereto as Exhibit A. The nature of the proposed Third-Party Complaint is for breach of contract, contribution and indemnity should a defect in the foreclosure process be found. It is necessary to add Absolute Collection Services to this case in order to apportion liability to them at trial, if any is found.

The Court's Scheduling Plan [ECF No. 23] provides the parties until September 1, 2017 to file motions to amend pleadings or add parties. Thus, WASHBURN CREEK has timely sought this leave to amend.

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### II. <u>LEGAL ARGUMENT</u>

Pursuant to FRCP 14(a)(1),

A defending party may, as third-party plaintiff, serve a summons and complaint on a nonparty who is or may be liable to it for all or part of the claim against it. But the third-party plaintiff must, by motion, obtain the court's leave if it files the third-party complaint more than 14 days after serving its original answer.

The Court has the discretion to grant leave to file the third-party complaint. Southwest *Administrators, Inc. v. Rozay's Transfer*, 791 F.2d 769, 777 (9<sup>th</sup> Cir. 1986). The Court may grant leave when doing so would not "disadvantage the existing action" or complicate or lengthen the trial. Id. The purpose of Rule 14 "is to promote judicial efficiency by eliminating the necessity for the defendant to bring a separate action against a third individual who may be secondarily or derivatively liable to the defendant for all or part of the plaintiff's original claim." Id. Courts in the Ninth Circuit have long recognized Rule 14(a) as the proper vehicle through which contribution may be sought against a non-party. Employers Ins. of Wausau v. Musick, Peeler & Garrett, 954 F.2d 575, 577 (9th Cir. 1992) (internal citations omitted).

In this present case, WASHBURN CREEK seeks to file a third-party complaint against Absolute Collection Services for indemnity and contribution to the extent of any damages which the Court may find against WASHBURN CREEK arising from Absolute Collection Services' conduct as collection agent acting on behalf of the association. Absolute Collection Services may be secondarily or derivatively liable to WASHBURN CREEK for breach of contract, indemnity, and contribution based on its actions or omissions in the collection and foreclosure process of which Plaintiff complains.

Judicial economy and interest of justice weigh in favor of grant of leave. Allowing WASHBURN CREEK to bring Absolute Collection Services into this action will promote judicial efficiency as it may eliminate the need for WASHBURN CREEK to bring a separate action in the future against Absolute Collection Services. Leave to file the Third-Party

1	Complaint and add a party is sought within the time contemplated by the Court's Scheduling		
2	Plan [ECF No. 23] which provides the parties until September 1, 2017 to file motions to		
3	amend pleadings or add parties. Further, Absolute Collection Service's involvement in this		
4	litigation as a party may facilitate the discovery of relevant documents as Absolute Collection		
5	Services was the entity which handled the foreclosure sale. Absolute Collection Services is		
6	integrally involved in the events that led to Plaintiff's lawsuit. WASHBURN CREEK's claims		
7	against Absolute Collection Services will not complicate the existing action by Plaintiff.		
8	III. <u>Conclusion</u>		
10	Based on the foregoing, WASHBURN CREEK respectfully asks this Court to grant its		
11	Motion for Leave to file its Third-Party Complaint against Absolute Collection Services.		
12	Dated this 8th day of August, 2017:		
13	BOYACK ORME & ANTHONY		
14	/s/ Edward D. Boyack		
15	FDWAPD D ROVACK		
16	EDWARD D. BOYACK Nevada Bar No. 005229 ADAM J. BREEDEN, ESO.		
16 17			
16 17 18	Nevada Bar No. 005229  ADAM J. BREEDEN, ESQ. Nevada Bar No. 008768 7432 W. Sahara Ave., Suite 101 Las Vegas, NV 89117 ted@boyacklaw.com		
16 17 18 19	Nevada Bar No. 005229  ADAM J. BREEDEN, ESQ. Nevada Bar No. 008768 7432 W. Sahara Ave., Suite 101 Las Vegas, NV 89117 ted@boyacklaw.com IT IS HEREBY ORDERED that Washburn Creek  Nevada Bar No. 005229 ADAM J. BREED 8008768  Revada Bar No. 005229 ADAM J. BREED 8008768  Adam @boyacklaw.com Ph.: 702.562.3415		
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UNITED STATES MAGISTRATE JUDGE

**DATED**: 8-25-2017

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## **INDEX OF EXHIBITS** Exhibit A Washburn Creek Association's Third Party Complaint **CERTIFICATE OF SERVICE** I do hereby certify that on the 8th day of August, 2017, I served a copy of the foregoing legal document via the method indicated below: Pursuant to FRCP 5, by electronically serving all counsel and e-mails registered to this matter on the Court's official ECF/CM case management X system. Pursuant to FRCP 5, by placing a copy in the US mail, postage pre-paid to the following counsel of record or parties in proper person: Via receipt of copy (proof of service to follow) An Attorney or Employee of the following firm: /s/ Norma Ramirez BOYACK, ORME & ANTHONY

# EXHIBIT A Washburn Creek Association's Third Party Complaint

- 1			
1	EDWARD D. BOYACK Nevada Bar No. 005229		
2	ADAM J. BREEDEN, ESQ. Nevada Bar No. 008768		
3	BOYACK ORME & ANTHONY 7432 W. Sahara Ave., Suite 101		
4	Las Vegas, NV 89117 ted@boyacklaw.com		
5	adam@boyacklaw.com Ph.: 702.562.3415		
6	Fax.: 702.562.3570 Attorneys for Defendant		
7	Washburn Creek Association		
8	UNITED STATES DISTRICT COURT		
	DISTRICT OF NEVADA		
9	U.S. BANK, N.A., AS TRUSTEE FOR THE		
10	CMLTI ASSET BACKED PASS-THROUGH CERTIFICATES, SERIES 2007-AMC3,		
11	Plaintiff,	CASE NO. 2:15-cv-01666-GMN-VCF	
12	·		
13	VS.	WASHBURN CREEK ASSOCIATION'S THIRD PARTY	
14	508 BRUNY ISLAND TRUST; WASHBURN CREEK ASSOCIATION, a Nevada non-profit	COMPLAINT	
15	corporation,		
16	Defendants.		
17	WASHBURN CREEK ASSOCIATION, a Nevada non-profit corporation,		
18	Third-Party Plaintiff		
19	·		
20	VS.		
21	ABSOLUTE COLLECTION SERVICES, LLC, a Nevada limited liability company.		
22	Third-Party Defendant		
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24	WASHBURN CREEK ASSOCIATION'S THIRD PARTY COMPLAINT		
25	NOW COMES the Third-Party Plaintiff, WASHBURN CREEK ASSOCIATION		
26	(hereinafter "WASHBURN CREEK"), and files its Third-Party Complaint against Third-Party		
27	Defendant ABSOLUTE COLLECTION SERVICES, LLC (hereinafter "ABSOLUTE		
28	COLLECTION SERVICES") and alleges as follows:		

#### **GENERAL ALLEGATIONS**

- 1) That at all times relevant hereto, WASHBURN CREEK was and is a Nevada Domestic Nonprofit Corporation and was and is doing business in Las Vegas, Clark County, Nevada as a community association under NRS Chapter 116.
- 2) At all times relevant herein, ABSOLUTE COLLECTION SERVICES was and is a domestic limited liability company organized and existing under the laws of the State of Nevada and is and was doing business as a collection agency located in Las Vegas, Clark County, Nevada.
- 3) WASHBURN CREEK and ABSOLUTE COLLECTION SERVICES entered into one or more agreement(s) ("Collection Agreements") wherein ABSOLUTE COLLECTION SERVICES would properly collect past-due assessments levied against homeowners and perform foreclosure activities on homes within WASHBURN CREEK'S community.
- 4) ABSOLUTE COLLECTION SERVICES performed collection and foreclosure work with respect to the property commonly known as 508 Bruny Island, North Las Vegas, NV 89081 (hereinafter "Subject Property"), which is located within the WASHBURN CREEK'S community and is the subject of the allegations asserted by Counter-Claimant Bank of New York Mellon, against WASHBURN CREEK.
- 5) Although WASHBURN CREEK denies the allegations against it, it has been sued in this action on various causes of action which assert that the foreclosure and collection process was incorrect, defective and not proper under the law, all of which were performed by ABSOLUTE COLLECTION SERVICES. Therefore, due to the alleged acts and/or omissions of ABSOLUTE COLLECTION SERVICES, WASHBURN CREEK became a defendant in this action and has had legal action filed against it.

ABSOLUTE COLLECTION SERVICES, arising out of and in connection with ABSOLUTE

COLLECTION SERVICES's action regarding the collection and foreclosure process.

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- WASHBURN CREEK contends that it is in no way legally responsible for the events giving rise to the causes of action alleged against it, or legally responsible in any other manner for the damages allegedly sustained by the alleging parties. However, if as a result of the matters alleged in the claims against WASHBURN CREEK, WASHBURN CREEK is held liable for all or any part of the claim or damages asserted against it, ABSOLUTE COLLECTION SERVICES has a contractual and/or equitable duty to indemnify WASHBURN CREEK, and WASHBURN CREEK is entitled to a determination of several liability.
- 14) As a direct result of the actions of ABSOLUTE COLLECTION SERVICES, it has been necessary for WASHBURN CREEK to secure the services of an attorney to prosecute this action and WASHBURN CREEK is therefore entitled to an award of reasonable attorney's fees and costs of suit incurred herein.

### THIRD CAUSE OF ACTION

(Contribution)

- 15) WASHBURN CREEK repeats and re-alleges each and every allegation set forth above as though fully set forth herein.
- Based upon the alleged acts and/or omissions of ABSOLUTE COLLECTION SERVICES, if a judgment is rendered against WASHBURN CREEK, WASHBURN CREEK is entitled to contribution from ABSOLUTE COLLECTION SERVICES in an amount proportionate to the amount of negligence and/or fault attributable to ABSOLUTE COLLECTION SERVICES.
- 17) As a direct result of the actions of the ABSOLUTE COLLECTION SERVICES herein, it has been necessary for WASHBURN CREEK to secure the services of an attorney to prosecute this action and WASHBURN CREEK is therefore entitled to an award of reasonable attorney's fees and costs of suit incurred herein.