

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA

3
4 Nationstar Mortgage, LLC,
5 Plaintiff

6 v.

7 Shenandoah Owners Association, Inc., et al.,
8 Defendants

2:16-cv-00268-JAD-VCF

**Order Denying Nationstar Mortgage's
Motion to Lift Stay**

[ECF No. 54]

9
10 A few months ago, I stayed this case pending the Ninth Circuit's consideration of a
11 petition for en banc review of the panel decision in *Bourne Valley Court Trust v. Wells Fargo*
12 *Bank*, which held that Chapter 116's nonjudicial foreclosure scheme "facially violated mortgage
13 lenders' constitutional due process rights" before it was amended in 2015.¹ Although the Ninth
14 Circuit denied en banc review, the Nevada Supreme Court held on January 26, 2017, in *Saticoy*
15 *Bay v. Wells Fargo* that "the Due Process Clauses of the United States and Nevada Constitutions
16 are not implicated in an HOA's nonjudicial foreclosure of a superpriority lien."² The Nevada
17 Supreme Court "acknowledge[d]" the Ninth Circuit's *Bourne Valley* holding but "decline[d] to
18 follow its holding."³ The losing parties in both *Bourne Valley* and *Saticoy Bay* have indicated
19 their intent to file petitions for certiorari in the United States Supreme Court.⁴ Because *Bourne*
20 *Valley* and *Saticoy Bay* offer starkly conflicting views on the central question in the instant case,
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22 ¹ *Bourne Valley Ct. Trust v. Wells Fargo Bank*, 2016 WL 4254983, at *5 (9th Cir. Aug. 12,
23 2016).

24 ² *Saticoy Bay v. Wells Fargo*, 133 Nev. Adv. Op. 5 (Jan. 26, 2017).

25 ³ *Id.* at 7–8, n.5.

26 ⁴ The Nevada Supreme Court has stayed issuance of the remittitur until June 21, 2017, to allow
27 time to seek certiorari. *Saticoy Bay*, Nev. S. Ct. Case No. 68630, Doc. 17-04543 (Feb. 8, 2017).
28 The United States Supreme Court has extended the deadline for the *Bourne Valley* cert petition to
April 3, 2017. Case No. 16A753 (Feb 24, 2017).

1 that question may ultimately be decided by the United States Supreme Court.⁵

2 Noting that the Ninth Circuit issued the mandate in *Bourne Valley*, Nationstar now moves
3 to lift the stay in this case to allow it to file a motion to dismiss.⁶ To save the parties from the
4 need or inclination to invest resources briefing the effect of the *Bourne Valley* and *Saticoy Bay*
5 opinions before the United States Supreme Court has ruled on those petitions, I deny the motion
6 to lift the stay and extend the stay in this case until the Supreme Court’s consideration of *Bourne*
7 *Valley* and *Saticoy Bay* is completed.

8 Discussion

9 A district court has the inherent power to stay cases to control its docket and promote the
10 efficient use of judicial resources.⁷ When determining whether a stay is appropriate pending the
11 resolution of another case—often called a “*Landis* stay”—the district court must weigh: (1) the
12 possible damage that may result from a stay, (2) any “hardship or inequity” that a party may
13 suffer if required to go forward, (3) “and the orderly course of justice measured in terms of the
14 simplifying or complicating of issues, proof, and questions of law” that a stay will engender.⁸
15 After weighing these considerations, I find that a *Landis* stay remains appropriate here. I address
16 these considerations in reverse order.

17 A. A stay will promote the orderly course of justice.

18 At the center of this case is an HOA-foreclosure sale under NRS Chapter 116 and the
19 competing arguments that the foreclosure sale either extinguished the bank’s security interest or
20 had no legal effect because the statutory scheme violates due process. The United States
21 Supreme Court’s consideration of petitions for certiorari in *Bourne Valley* and *Saticoy Bay* has

22 ⁵ See S.C.R. 10(a) (suggesting that a conflict between a circuit court and “a state court of last
23 resort” on “an important federal question” can be a basis for granting review on a writ of
24 certiorari).

25 ⁶ ECF No. 54. I find this motion suitable for disposition without oral argument. Nev. L.R. 78-1.

26 ⁷ *Landis v. North American Co.*, 299 U.S. 248, 254–55 (1936); *Dependable Highway Exp., Inc.*
27 *v. Navigators Ins. Co.*, 498 F.3d 1059, 1066 (9th Cir. 2007).

28 ⁸ *Lockyer v. Mirant Corp.*, 398 F.3d 1098, 1110 (9th Cir. 2005).

1 the potential to be dispositive of this case or at least of discrete issues that it presents. As the
2 jurisprudence in this area of unique Nevada law continues to evolve, the parties file new motions
3 or move to supplement the ones that they already have pending, often resulting in docket-
4 clogging entries and an impossible-to-follow chain of briefs in which arguments are abandoned
5 and replaced. Continuing to stay this case pending the Supreme Court’s disposition of the
6 petitions for certiorari in *Bourne Valley* and *Saticoy Bay* will permit the parties to evaluate—and
7 me to consider—the viability of the claims under the most complete precedent. This will
8 simplify and streamline the proceedings and promote the efficient use of the parties’ and the
9 court’s resources.

10 **B. Hardship and inequity**

11 All parties face the prospect of hardship if I resolve the claims or issues in this case
12 before the petitions for certiorari have been decided. Denying this motion to lift stay at this time
13 and extending this stay will prevent unnecessary briefing and the expenditures of time, attorney’s
14 fees, and resources that could be wasted—or at least prematurely spent—should the Supreme
15 Court take up these cases.

16 **C. Damage from a stay**

17 The only potential damage that may result from a stay is that the parties will have to wait
18 longer for resolution of this case and any motions that they have filed or intend to file in the
19 future. But a delay would also result from any rebriefing or supplemental briefing that may be
20 necessitated if the Supreme Court grants certiorari and resolves this circuit-state split. So it is not
21 clear to me that a stay pending the Supreme Court’s disposition of the petitions for certiorari will
22 ultimately lengthen the life of this case. I thus find that any possible damage that the extension
23 of this stay may cause the parties is minimal.

24 **D. The length of the stay is reasonable.**

25 Finally, I note that the stay extension in this case pending the disposition of the petitions
26 for certiorari in *Bourne Valley* and *Saticoy Bay* is expected to be reasonably short. The petition
27 in *Bourne Valley* is due April 3, 2017, and the petition in *Saticoy Bay* is due April 25, 2017.
28 Because the length of this stay extension is directly tied to the petition proceedings in those

1 cases, it is reasonably brief, and it is not indefinite.

2 **Conclusion**

3 IT IS THEREFORE ORDERED that the motion to lift stay [ECF No. 54] is DENIED
4 without prejudice to the filing of a new motion after the Supreme Court rules on the
5 *Bourne Valley and Saticoy Bay* petitions for certiorari review.

6 DATED: March 6, 2017

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9 Jennifer A. Dorsey
10 United States District Judge
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