

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

Aug 17, 2018

SEAN F. MCAVOY, CLERK

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

KEYBANK NATIONAL
ASSOCIATION, a national banking
association,

Plaintiff,

v.

LEON R. BAKER FARMS, LLC, a
Washington limited liability
company; LEON R. BAKER and
LORRAINE BAKER, husband and
wife, individually, and the marital
community composed thereof;
JAMES LEON BAKER and LESLIE
N. BAKER, husband and wife,
individually, and the marital
community composed thereof; REID
T. BAKER and LORI J. BAKER,
husband and wife, individually, and
the marital community comprised
thereof; and CHS, INC., a Minnesota
cooperative corporation.

Defendants.

NO: 2:17-CV-197-RMP

ORDER GRANTING PLAINTIFF'S
MOTIONS FOR SUMMARY
JUDGMENT

1 BEFORE THE COURT are Plaintiff’s Motions for Summary Judgment, ECF
2 Nos. 48, 52, and 56, against Defendants Leon R. Baker Farms, LLC, Leon R. Baker
3 and Lorraine Baker; Defendants James Leon Baker and Leslie N. Baker; and
4 Defendants Reid T. Baker and Lori J. Baker (collectively, “the Defendants”). The
5 Court has reviewed the pleadings, has considered the record, and is fully informed.

6 Plaintiff Keybank National Association (“Keybank”) filed this lawsuit against
7 Defendants and Defendant CHS, Inc., alleging claims for Defendants’ alleged breach
8 of promissory note, the turnover of Defendants’ 2015 crop proceeds, and
9 Defendants’ failure to provide accounting records, and seeking a declaratory
10 judgment regarding the priority of liens in crop proceeds as to Defendant CHS, Inc.
11 ECF No. 1 at 15-24. Defendant CHS, Inc., answered Keybank’s complaint, and
12 filed a counterclaim against Keybank, as well as cross-claims against Defendants,
13 and third-party claims against Defendants Jordan J. Baker and Allison Baker. ECF
14 No. 30 at 40-41.

15 Keybank, Defendants, and Defendant CHS, Inc., then agreed to dismiss
16 Keybank’s claims as to the turnover of Defendants’ 2015 crop proceeds, and
17 Defendants’ failure to provide accounting records. ECF No. 44. They also agreed
18 to dismiss the claim against Defendant CHS, Inc., seeking a declaratory judgment
19 regarding the priority of liens in crop proceeds, and to dismiss Defendant CHS,
20 Inc.’s counterclaim against Keybank. *Id.* Accordingly, the Court dismissed all but
21 three of Keybank’s claims in this matter. *See* ECF Nos. 45 and 46. Defendant’s

1 CHS, Inc.’s cross-claims and third-party complaint also remain. *See* ECF No. 30 at
2 40-48.

3 Keybank moves for summary judgment against Defendants regarding its
4 claims for Defendants’ alleged breach of promissory note. *See* ECF Nos. 48, 52, and
5 56. Defendants have not responded to Keybank’s motions.

6 ***Jurisdiction***

7 The Court has subject matter jurisdiction over this matter pursuant 28 U.S.C.
8 § 1332 based on the diversity of the parties and the amount in controversy.

9 Plaintiff Keybank is a banking association organized under the laws of the United
10 States, with its principal place of business and main office in Cleveland, Ohio.

11 ECF No. 1 at 2. Defendant Leon R. Baker Farms, LLC, is a limited liability
12 company organized under the laws of Washington, with its principal place of
13 business in Grant County, Washington. *Id.* Defendants Leon R. Baker and

14 Lorraine Baker are residents of the state of Washington. *Id.* Defendants James
15 Leon Baker and Leslie N. Baker are residents of the state of Washington. *Id.*

16 Defendants Reid T. Baker and Lori J. Baker are residents of the state of

17 Washington. *Id.* at 2-3. Defendant CHS, Inc., is a cooperative corporation

18 incorporated in the state of Minnesota. *Id.* at 3. The amount in controversy is not

19 less than \$2 million, which exceeds the statutory requirement of \$75,000. *Id.* at

20 25-27.

1 ***Legal Standard for Summary Judgment***

2 A court may grant summary judgment where “there is no genuine dispute as
3 to any material fact” of a party’s prima facie case, and the moving party is entitled to
4 judgment as a matter of law. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-33 (1986);
5 *see also* Fed. R. Civ. P. 56(c). A genuine issue of material fact exists if sufficient
6 evidence supports the claimed factual dispute, requiring “a jury or judge to resolve
7 the parties’ differing versions of the truth at trial.” *T.W. Elec. Serv., Inc. v. Pac.*
8 *Elec. Contractors Ass’n*, 809 F.2d 626, 630 (9th Cir. 1987). “A key purpose of
9 summary judgment ‘is to isolate and dispose of factually unsupported claims.’” *Id.*
10 (citing *Celotex*, 477 U.S at 324).

11 Here, Keybank moves the Court to find that summary judgment is proper
12 regarding its claims for Defendants’ alleged breach of promissory notes. ECF Nos.
13 48, 52, and 56. To recover on Defendants’ promissory notes, Keybank asserts that
14 it must prove: (1) the existence of the note; (2) that Defendants executed the note;
15 (3) that Keybank is the holder of the note; (4) that Keybank performed its duties
16 under the note; (5) breach of the note by the Defendants; and (6) that a certain
17 balance is due and owing on the note. ECF No. 48 at 7; ECF No. 52 at 7; ECF No.
18 56 at 7. Keybank argues that none of these elements is in dispute, and provides
19 documents in the record to support its argument.

20 Defendants have not responded to Keybank’s motions for summary judgment.
21 Pursuant to Local Rule (“LR”) 7.1(b)(2)(B), a response must be filed within 21 days

1 after the filing of a dispositive motion. “The failure to comply with the requirements
2 of LR 7.1(a) or (b) may be deemed consent to the entry of an Order adverse to the
3 party who violates these rules.” LR 7.1(d).

4 Keybank filed its motion for summary judgment against Defendants Leon R.
5 Baker Farms, LLC, Leon R. Baker and Lorraine Baker on June 8, 2018; against
6 Defendants Reid T. Baker and Lori J. Baker on June 11, 2018, and against
7 Defendants James Leon Baker and Leslie N. Baker on June 12, 2018. Keybank
8 mistakenly argues that the deadlines for Defendants to file their responses were July
9 27, 2018; July 30, 2018; and July 31, 2018, respectively. ECF No. 61 at 3. Instead,
10 the Court finds that, to file timely responses, Defendants’ responses were due June
11 29, 2018; July 2, 2018, and July 3, 2018, respectively. The record shows that
12 Defendants have failed to file any responses to Keybank’s motions for summary
13 judgment.

14 Because the Court finds that Defendants have failed to respond, and the Court
15 finds no genuine dispute as to the material facts asserted in Keybank’s pleadings, the
16 Court finds that summary judgment against Defendants is appropriate, and grants
17 Keybank’s summary judgment motions.

18 Accordingly, **IT IS HEREBY ORDERED:**

- 19 1. Plaintiff’s Motion for Summary Judgment, **ECF No. 48**, is **GRANTED**.
- 20 2. Plaintiff’s Motion for Summary Judgment, **ECF No. 52**, is **GRANTED**.
- 21 3. Plaintiff’s Motion for Summary Judgment, **ECF No. 56**, is **GRANTED**.

1 4. Judgment shall be entered for **Plaintiff**.

2 **IT IS SO ORDERED.** The District Court Clerk is directed to enter this
3 Order, enter judgment for **Plaintiff**, and provide copies to counsel.

4 **DATED** August 17, 2018.

5
6 *s/ Rosanna Malouf Peterson*
7 ROSANNA MALOUF PETERSON
8 United States District Judge
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