## IN THE SUPREME COURT OF THE STATE OF NEVADA

THE ENTRUST GROUP INC. FBO
BLAKE D. RENFROE; AND BLAKE D.
RENFROE,
Appellant,
vs.
MIN HYEOK HONG,
Respondent.

MAR 2 4 2023

ELIZABETH A BROWN
PEPUTY CLERK

## ORDER OF REVERSAL AND REMAND

This is an appeal from a district court order granting preliminary injunctive relief. Eighth Judicial District Court, Clark County; Nancy L. Allf, Judge.

In November 2017 respondent Min Hyeok Hong (Hong) purchased real property at 866 La Sconsa Drive, Las Vegas (the property). The property was subject to a special assessment lien in favor of the City of Las Vegas (the city), as provided in NRS Chapter 271. In February 2018 Hong missed his first installment payment under the special assessment lien, although he did make the payment after the city sent a letter regarding it.

Hong subsequently missed his next installment payment, and the city sent him four separate notices of delinquency via first class certified mail regarding the unpaid fees and informing him that a foreclosure sale of the property was scheduled for January 22, 2019. The city sent the first three notices to "Hong Min Hyeok" at the property's La Sconsa address and sent the final notice to "Min Hyeok Hong" at 6825 Frogs Leap Court, Las Vegas (the Frogs Leap address, which was listed as Hong's previous address

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in his deed to the La Sconsa property). All four notices were returned to sender as "unable to forward," "unclaimed," and/or "not deliverable as addressed." After receiving no response from Hong, the city sold the property at a nonjudicial foreclosure sale pursuant to NRS 271.560 on January 22, 2019, and issued a certificate of sale to Joshua Crump (Crump). Crump then conveyed all rights, title, and interest in the certificate of sale to appellant Blake D. Renfroe (Renfroe).

NRS 271.595 affords a residential property owner such as Hong a two-year redemption period, followed by a separate sixty-day redemption period. On January 29, 2021, Renfroe attempted to serve Hong a notice of expiration of NRS 271.595(1)(a)'s two-year redemption period and inform Hong of Renfroe's intent to demand a deed from the city upon expiration of Hong's subsequent sixty-day redemption period under NRS 271.595(3)-(4). After failing to personally serve this notice to Hong at the property's La Sconsa address, Renfroe hired a process server, who again attempted personal service. After several unsuccessful attempts at personal service, the process server posted the notice to the front door of the property, conducted a skip trace on Hong, and left a message at a phone number associated with him. Renfroe also mailed the notice to the property's La Sconsa address and the Frogs Leap address, both of which were returned to

<sup>&</sup>lt;sup>1</sup>In addition to several arguments regarding deficient notice, Hong argues that letters transposing his legal name, Min Hyeok Hong, failed to provide him sufficient notice of the delinquent payments, foreclosure sale, and subsequent redemption periods. Since this order resolves the dispute without considering the alleged notice violations, we do not further discuss the alleged errors to his legal name and leave Hong's arguments regarding deficient notice for the district court to consider on remand.

sender and/or the post office. Finally, between March 17 and March 31, 2021, Renfroe published the notice three times in the Las Vegas Review Journal.

On June 18, 2021, more than sixty days following publications of the notice and after receiving affidavits of attempted service, the city granted Renfroe a quitclaim deed to the property. Renfroe's property manager then called Hong's real estate agent to inform him of the sale and receipt of the quitclaim deed. Hong's real estate agent relayed this information to Hong's associate, who traveled to Las Vegas to find the locks had been changed and that furniture had been removed from the property.

Shortly thereafter, Hong filed a complaint against Renfroe and Crump asking the district court to invalidate the foreclosure sale and restore title to Hong, alleging defective notice and violation of his due process rights under the U.S. and Nevada constitutions. After finding that depriving Hong of the possession of his home and the furnishings therein would cause irreparable harm, the district court issued a temporary restraining order (TRO) prohibiting Renfroe and Crump "from preventing [Hong] and his agents access to the property . . . and the furnishings for the home." The district court then conducted a hearing to determine whether to issue a preliminary injunction on the property and ordered supplemental briefing. Hong's supplemental brief argued, among other points, that the foreclosure sale was invalid because the Governor's Emergency Directive 009 (Directive 009) tolled his two-year statutory redemption period under NRS 271.595(1)(a) and that the city's grant of the quitclaim deed to Crump therefore occurred before the expiration of Hong's subsequent sixty-day redemption period under NRS 271.595(3)-(4). Agreeing that Directive 009

tolled Hong's two-year redemption period, the district court granted the preliminary injunction "pursuant to NRS 271.595 and Emergency Directive 009 and 026" and stated that the bond posted for the TRO was sufficient to support the injunction and that issuance of the injunction did not address the merits of the complaint. Renfroe now appeals, arguing that Directive 009 did not apply to the two-year redemption period under NRS 271.595(1)(a) (providing two-year redemption period to prior owner following nonjudicial foreclosure sale).

The district court erred in applying Directive 009 in Hong's favor. This court typically reviews the grant of a preliminary injunction for an abuse of discretion; however, we review purely legal questions de novo. Sowers v. Forest Hills Subdivision, 129 Nev. 99, 108, 294 P.3d 427, 433 (2013). Since the interpretation of an executive order or directive presents a purely legal question, Cervantes-Guevara v. Eighth Judicial Dist. Court, 138 Nev., Adv. Op. 10, 505 P.3d 393, 397 (2022), we review the district court's issuance of the preliminary injunction under Directive 009 de novo.

In March 2020, during Hong's two-year redemption period under NRS 271.595(1)(a), then-Governor Sisolak issued various Emergency Directives related to the COVID-19 pandemic. Emergency Directive 008 (Directive 008) addressed foreclosure specifically and provided that "[n]o provision contained in this Directive shall be construed [t]o prohibit the continuation of any . . . foreclosure action or proceeding redating the March 12, 2020 Declaration of Emergency." Emergency Directive 008 (March 29, 2020), § 4. Directive 009, by contrast, provided that "[a]ny specific time limit set by state statute or regulation for the commencement of any legal

action is hereby tolled from the date of this directive until 30 days from the date the state of emergency declared on March 12, 2020 is terminated." Emergency Directive 009 (Revised) (April 1, 2020), § 2. Emergency Directive 026 amended Directive 009 to provide that time limits tolled by Directive 009 would recommence on July 31, 2020. See Emergency Directive 026 (June 29, 2020), § 5.

Applying these Directives to Hong's complaint, the district court found that Hong's "right of redemption is a judicial foreclosure, thus making the matter a legal action" to which Directive 009 applied. If tolled by Directive 009, Hong's two-year right of redemption under NRS 271.595(1)(a) would have expired on June 13, 2021, and the city's grant of the quitclaim deed to Renfroe on June 18, 2021 would have fallen under Hong's subsequent sixty-day redemption period under NRS 271.595(3)-(4). since NRS 271.595 provides two separate redemption periods that do not overlap. See Pawlik v. Deng, 134 Nev. 83, 89, 412 P.3d 68, 73-74 (2018) (explaining that the two-year redemption period under NRS 271.595(1)(a) runs from the city's issuance of the certificate of sale, while the sixty-day redemption period under NRS 271.595(3)-(4) may only begin upon expiration of the two-year redemption period and after purchaser provides notice to prior owner); see also 2019 Nev. Stat., ch. 229, § 7, at 1302 (amending NRS 271.595(3)-(4) to clarify the separate two-year and sixtyday redemption periods). On appeal, Renfroe argues that the district court committed legal error by failing to apply Directive 008 as the more specific statute and that Directive 009 does not apply because the foreclosure action had already "commenced" prior to the March 12, 2020 Declaration of Emergency.

These arguments require us to determine whether the right of redemption following a nonjudicial foreclosure sale under NRS Chapter 271 constitutes a separate action that "commenced" following the foreclosure sale, or whether the right of redemption is part of a single nonjudicial foreclosure action that continued through expiration of the redemption period. We disagree with the district court that Directive 009 tolled Hong's right of redemption under NRS 271.595(1)(1) because his right of redemption was part of a nonjudicial foreclosure action that already had "commenced" before the Emergency Directives took effect.

Typically, a right of redemption following foreclosure is a right granted by statute in *judicial* foreclosure proceedings. See 2 Baxter Dunaway, The Law of Distressed Real Estate § 16:49, at 16-61, § 20:3, at 20-2 to -3 (2022) (noting states granting a right of redemption following judicial foreclosure); NRS 21.190 (granting right of redemption following judicial foreclosure); NRS 21.210 (describing procedure for prior owners to exercise their right of redemption). Although nonjudicial foreclosure generally "does not give the debtor the right to redeem the property from the purchaser," see Building Energetix Corp. v. EHE, LP, 129 Nev. 78, 85, 294 P.3d 1228, 1233 (2013) (citing NRS 107.080(5)), NRS 271.595 expressly grants the prior owner a right of redemption following a nonjudicial foreclosure sale under Chapter 271. However, the parallel existence of the right of redemption in the judicial foreclosure context does not make the right of redemption following nonjudicial foreclosure a separate action because, in both contexts, the rights of redemption are part of the foreclosure action.

A valid foreclosure action extinguishes the prior owner's interest in the property. See, e.g., Miller & Starr, California Real Estate at

§ 13:154 (4th ed. 2020). Following a judicial foreclosure sale, the purchaser takes title to the property subject to a right of redemption that allows the prior owner to reestablish title. See NRS 21.190. Following a nonjudicial foreclosure sale under Chapter 271, the purchaser receives a certificate of sale, and after the expiration of both redemption periods under NRS 271.595, the purchaser takes title, extinguishing the prior owner's interest. See NRS 271.595(3)-(4). In both contexts, the rights of redemption provide a final opportunity for the prior owners to redeem the property being foreclosed in the foreclosure action. But these rights of redemption do not create a separate legal or judicial action apart from the foreclosure action because the foreclosure process is not complete until the statutory redemption periods expire. See generally Pawlik, 134 Nev. 83, 412 P.3d 68 (concluding that prior owner's interest in the property did not extinguish until after expiration of both redemption periods under NRS 271.595).

Therefore, since a nonjudicial foreclosure action under NRS Chapter 271 continues through the expiration of both redemption periods provided by the Chapter, the district court erred by failing to apply Directive 008 as the more specific provision. See Antonin Scalia & Bryan A. Garner, Reading Law: The Interpretation of Legal Texts 183 (2012) (describing the general/specific canon of interpretation applying more specific statute where there is perceived conflict with general statute). Likewise, since Directive 009 would not apply to a foreclosure action that began before the Declaration of Emergency, the district court erred by issuing the injunction on this basis.

This court declines to affirm the preliminary injunction on alternative grounds advanced by Hong



Separately, Hong argues that this court should affirm the district court's preliminary injunction on alternative grounds. Citing Jones v. Flowers, 547 U.S. 220, 221, 236-37 (2006) (holding that notice of foreclosure requires "additional reasonable steps" to provide actual notice where notice is returned unclaimed and that notice must be "reasonably calculated" to "actually inform[]" the prior owner considering the particular facts of the case), Hong argues that he demonstrated a reasonable likelihood of success on the merits of his claim that the city and Renfroe provided deficient notice and therefore the nonjudicial foreclosure sale violated his constitutional due process rights. A court may grant a preliminary injunction where a party seeking the injunction demonstrates a likelihood of success on the merits and that they will suffer irreparable harm without preliminary relief. See Clark Cty. Sch. Dist. v. Buchanan, 112 Nev. 1146, 1150, 924 P.2d 716, 719 (1996); see also NRS 33.010 (cases in which injunction may be granted). But we decline to address the alternative grounds Hong advances for affirmance because these grounds appear factbound and were not resolved or relied on by the district court. Cf. Las Vegas Novelty v. Fernandez, 106 Nev. 113, 118, 787 P.2d 772, 775 (1990) (affirming permanent injunction on alternative basis where that basis was "readily apparent elsewhere in the record and ... sufficiently clear to permit meaningful appellate review").

We also note that orders granting a preliminary injunction must state the reasons for issuing the injunction and the specific terms of the injunction, and "describe in reasonable detail—and not by referring to the complaint or other document—the act or acts restrained or required." NRCP 65(d)(1)(A)-(C). Here, the district court's order granting the

preliminary injunction did not state the "act or acts restrained" by the injunction. For these reasons, we decline to consider alternative bases for affirming the injunction. Therefore, we

REVERSE the injunction without consideration of Hong's constitutional arguments and REMAND to the district court for further proceedings in accordance with this order.

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J. Pickering

J.

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Hon. Nancy L. Allf, District Judge cc: Janet Trost, Settlement Judge Wallace & Millsap LLC Walsh & Rosevear Law Offices of Michael F. Bohn, Ltd. Eighth District Court Clerk