

IN THE COURT OF APPEALS OF THE STATE OF NEVADA

EMILIANO PASILLAS; AND YVETTE
PASILLAS,
Appellants,
vs.
HSBC BANK USA, N.A., AS TRUSTEE
FOR LUMINENT MORTGAGE TRUST
2006-7 MORTGAGE PASS-THROUGH
CERTIFICATES 2006-7,
Respondent.

No. 88467-COA

FILED

AUG 27 2025

ENIZABETH A. BROWN
CLERK OF SUPREME COURT
BY [Signature]
DEPUTY CLERK

ORDER OF AFFIRMANCE

Emiliano and Yvette Pasillas appeal from a district court order directing the issuance of a foreclosure certificate in a foreclosure mediation matter. Second Judicial District Court, Washoe County; Egan K. Walker, Judge.

The present case concerns a long-running foreclosure dispute between the Pasillas and respondent HSBC Bank USA, N.A.—the beneficiary of the deed of trust encumbering the subject property. Most recently, HSBC commenced nonjudicial foreclosure proceedings against the property, and the Pasillas elected to participate in Nevada's Foreclosure Mediation Program (FMP).

HSBC appeared at the mediation through its servicer's counsel, Kristin A. Schuler-Hintz, who also represents HSBC in the present appeal. During the mediation, HSBC produced an assignment of the deed of trust from the original beneficiary to itself, which was recorded in September

2015, as well as a declaratory judgment from a prior district court action concerning the assignment's validity. The declaratory judgment concluded that the September 2015 assignment was the sole, valid assignment of the deed of trust, making HSBC the beneficiary of the deed of trust, and directed the Washoe County Recorder's office to expunge from its records the four assignments that had been recorded against the property prior to September 2015.

The parties did not come to an agreement on a loan modification at the mediation, and the mediator later filed a mediator's statement in district court, recommending that the court direct the issuance of a foreclosure certificate and dismiss the Pasillases' petition for foreclosure mediation assistance. In doing so, the mediator did not check any boxes indicating that HSBC failed to comply with the FMP's requirements.

The Pasillases then filed in district court what was essentially a request for appropriate relief under FMR 20(2), although the document was styled differently, arguing that the district court should impose various sanctions against HSBC, including denying the issuance of a foreclosure certificate. For support, the Pasillases asserted that, because they were not parties to the prior declaratory judgment action, the declaratory judgment could not be given binding effect in the present proceeding to establish that the September 2015 assignment was the sole, valid assignment of the deed of trust and reflected its complete chain-of-title. The Pasillases also provided a detailed history of the six assignments of the deed of trust that had been executed—the September 2015 assignment, the four assignments

recorded prior to September 2015, and an earlier unrecorded assignment.¹ From there, the Pasillases argued that each of the pre-September 2015 assignments were invalid or potentially invalid due to various alleged defects, such that the deed of trust's chain-of-title was "confused and illogical." HSBC disagreed in its response, arguing that it did not need to name the Pasillases in the declaratory judgment action because they lacked standing to challenge the various assignments of the deed of trust. Moreover, HSBC asserted it produced a complete assignment chain for the deed of trust.

Following a hearing, the district court entered an order denying the Pasillases' request for appropriate relief, finding that the declaratory judgment completed the assignment chain for the deed of trust and that the Pasillases lacked standing to challenge it. Further, the court found that the Pasillases did not assert or otherwise produce any documentation to show that HSBC was not the beneficiary of the deed of trust.

The district court later entered an order directing the issuance of a foreclosure certificate. This appeal followed.

To obtain the foreclosure certificate that is generally needed to foreclose on owner-occupied housing, the beneficiary of the deed of trust

¹The unrecorded assignment was not discussed in the declaratory judgment action, presumably because the supreme court held that it was invalid in *Pasillas v. HSBC Bank USA*, 127 Nev. 462, 467 n.9, 255 P.3d 1281, 1285 n.9 (2011) (*Pasillas I*) (concluding that the assignment was ineffective because it did not identify an assignee), and there was no need to direct the Washoe County Recorder's office to expunge the document from its records given that it was unrecorded.

must: (1) attend the mediation, (2) participate in good faith, (3) bring the required documents, and (4) if attending through a third-party representative, have a person present with authority to modify the loan or have access to such a person. NRS 107.086(1), (2)(e), (5), (6);² *Edelstein v. Bank of N.Y. Mellon*, 128 Nev. 505, 513, 286 P.3d 249, 255 (2012). The documents that the beneficiary must produce include “the original or a certified copy of . . . each assignment of the deed of trust.” NRS 107.086(5); *see also* FMR 13(7)(a). In an FMP matter, we defer to the district court’s factual findings and review its decision regarding the imposition of sanctions for an abuse of discretion, but we review its legal conclusions de novo. *Jacinto v. PennyMac Corp.*, 129 Nev. 300, 304, 300 P.3d 724, 727 (2013); *Pasillas I*, 127 Nev. at 468, 255 P.3d at 1286.

On appeal, the Pasillases again attempt to demonstrate that HSBC’s production of the 2015 assignment and the declaratory judgment was insufficient for purposes of the FMP’s document production requirements. In particular, the Pasillases contend that, because they were not parties to the declaratory judgment action, the declaratory judgment could not be used in the present proceeding to establish that the 2015 assignment was the sole, valid assignment of the deed of trust and reflected

²Although NRS 107.086 was amended effective July 1, 2023, 2023 Nev. Stat., ch. 118, § 12, at 613-17, we apply the version of that statute that went into effect on October 1, 2019, since it was the version that was in effect at the time of the underlying mediation.

its complete chain-of-title.³ Insofar as the Pasillases dispute the enforceability of the declaratory judgment in the present proceeding, however, their argument is arguably beyond the scope of a request for appropriate relief following a foreclosure mediation. See FMR 20(3); cf. *Davis v. Bank of N.Y. Mellon*, No. 74155-COA, 2019 WL 1769090, at *2 (Nev. Ct. App. Apr. 17, 2019) (Order of Reversal and Remand) (concluding that a matter predating a foreclosure mediation and unrelated to the beneficiary's compliance with the FMP's requirements was beyond the scope of a petition for judicial review of the mediation). But regardless, the Pasillases have failed to establish a basis for relief because they have not demonstrated that HSBC did not meet its obligation to produce "each assignment of the deed of trust" under NRS 107.086(5) and FMR 13(7)(a), by producing the 2015 assignment.

In the proceedings below, the Pasillases attempted to demonstrate that each of the pre-September 2015 assignments were

³The Pasillases also argue that HSBC failed to comply with FMR 13(7)(d) because it did not produce documents sufficient to establish that Schuler-Hintz was authorized to appear at the mediation and negotiate a loan modification. In particular, the Pasillases argue that although HSBC produced various documents to establish a chain of authority leading from the securitization trust that owns their loan through various entities to Schuler-Hintz, one of the documents was deficient because it did not identify the loan to which it applied and was not accompanied by the underlying subservicing agreement. However, the Pasillases forfeited this argument by failing to raise it below, and therefore, they have not established a basis for reversal in this respect. See *Old Aztec Mine, Inc. v. Brown*, 97 Nev. 49, 52, 623 P.2d 981, 983 (1981) (declining to consider issues that were not raised before the district court).

invalid, and assuming *arguendo* that they were correct, none of these assignments operated to transfer the beneficial interest in the deed of trust away from the original beneficiary. As a result, the Pasillases' arguments suggest that the September 2015 assignment from the original beneficiary to HSBC was the sole, valid assignment of the deed of trust and reflected its complete chain-of-title. Moreover, under these circumstances, production of the September 2015 assignment would be sufficient since all the prior assignments were invalid and NRS 107.086(5) and FMR 13(7)(a) do not require production of invalid assignments, as that would not further the purpose of the FMP's document production requirements, which is to "ensure that the party seeking to enforce the homeowner's promissory note and to proceed with foreclosure is actually authorized to do so." *Wood v. Germann*, 130 Nev. 553, 555 n.3, 331 P.3d 859, 860 n.3 (2014); *see also Platte River Ins. Co. v. Jackson*, 137 Nev. 773, 778, 500 P.3d 1257, 1262 (2021) (providing that Nevada's appellate courts will not construe statutes to mandate "unreasonable or absurd result[s]" (alteration in original) (internal quotation marks omitted)).

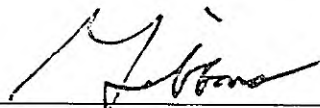
We recognize that the Pasillases also presented one argument below to assert that the September 2015 assignment itself was invalid, which turned on the effect of the unrecorded assignment that was held invalid in *Pasillas I*, 127 Nev. at 467 n.9, 255 P.3d at 1285 n.9. But that argument was meritless in light of *Pasillas I* and, regardless, the Pasillases have abandoned it on appeal. The Pasillases have not otherwise provided any argument or explanation as to why the September 2015 assignment would be invalid if the remaining five assignments are also invalid. *See Edwards v. Emperor's Garden Rest.*, 122 Nev. 317, 330 n.38, 130 P.3d 1280,

1288 n.38 (2006) (explaining that this court will not consider issues unsupported by cogent argument). We therefore conclude that the Pasillases have failed to demonstrate that HSBC did not meet its obligation under NRS 107.086(5) and FMR 13(7)(a) to produce each assignment of the deed of trust by producing the September 2015 assignment at the mediation.

As a result, we conclude that the district court did not abuse its discretion by denying the Pasillases' request for appropriate relief and directing the issuance of a foreclosure certificate. *See Jacinto*, 129 Nev. at 304, 300 P.3d at 727. Accordingly, we

ORDER the judgment of the district court AFFIRMED.⁴


_____, C.J.
Bulla


_____, J.
Gibbons


_____, J.
Westbrook

cc: Hon. Egan K. Walker, District Judge
Doyle Law Office, PLLC
McCarthy & Holthus, LLP/Las Vegas
Washoe District Court Clerk

⁴Insofar as the parties raise arguments that are not specifically addressed in this order, we have considered the same and conclude that they do not present a basis for relief.