FILED SUPREME COURT STATE OF WASHINGTON 1/17/2024 BY ERIN L. LENNON CLERK

102733-8

FILED
Court of Appeals
Division I
State of Washington
1/17/2024 11:32 AM

### NO. 85006-7 IN THE COURT OF APPEALS FOR THE STATE OF WASHINGTON DIVISION I

Deustsche Bank National Trust Company as Trustee for Long Beach Mortgage Loan Trust 2006-4<sup>1</sup>, Plaintiff/Respondent

v.

John Earl Erickson and Shelley Ann Erickson, *in propria persona*, Defendants/Appellants.

APPELLANTS' PETITION FOR REVIEW TO THE SUPREME COURT OF WASHINGTON OF PART OF THE DECISION OF THE COURT OF APPEALS' ON NOVEMBER 13, 2023

On Appeal from King County Superior Court No. 14-2-00426-5-KNT Judge Chad Allred Presiding

John Earl Erickson & Shelley Ann Erickson, in propria persona 5421 Pearl Ave S.E. Auburn, Washington 98092 (206) 255-6324

Email: Shelleystotalbodyworks@comcast.net

<sup>1</sup> The name of the entity which placed the credit bid is not the judgment creditor. The judgment under which the sale was made was not assigned as allowed by RCW 4.56.090 and RCW 6.17.030.

### **TABLE OF CONTENTS**

TABLE OF AUTHORITIES	111
IDENTITY OF PARTIES	1
CITATION TO COURT OF APPEALS DECISIONS	6
ISSUES PRESENTED FOR REVIEW	7
STATEMENT OF THE CASE	7
Procedural History	7
Statement of Facts	10
Errors of Law	11
ARGUMENT-Reasons for Granting Review	11
I. The correct application of RCW 4.56.090 (Appendix 3) and RCW 6.17.030 (Appendix 4) is of substantial public interest and should be determined by the Supreme Court under Rule 13.4(b)(4) of the Rules of Appellate Procedure (RAP).	11
II. Under RAP 13.4(b)(3), a significant question of law is involved under the Article One, Section 3 of Constitution of the State of Washington (Appendix 5) and of Section One of the Fourteenth Amendment of the United States Constitution (Appendix 6) when persons ar denied their Due Process Rights established by statutory procedures.	12 re

CONCLUSION	15
CERTIFICATE OF COMPLIANCE	16
CERTIFICATE OF SERVICE	17

### TABLE OF AUTHORITIES

## **Constitution of the United States**

Fourteenth Amendment	7, 12, 13, 14
Due Process Rights	passim
Constitution of the State of Washington	
Article I, Section 3	7, 12, 13, 14
United States Supreme Court Cases	
Armstrong v. Manzo, 380 U.S. 545, 552, 85 S.Ct. 1187, 14 L.Ed.2d 62 (1965)	15
Grannis v. Ordean, 234 U.S. 385, 394, 34 S.Ct. 779, 783	15
Mullane v. Central Hanover Bank & Trust Co., 339 U.S. 306, 70 S.Ct. 652, 94 L.Ed. 865 (1949)	14
Washington Supreme Court Cases	
State ex. rel. Adams v. Super. Ct., Pierce Cty., 36 Wn.2d 868, 872, 220 P.2d 1081 (1950)	13
Watson v. Washington Preferred Life Ins. Co., 81 Wn.2d 403, 502 P.2d 1016 (Wash. 1972)	13, 14
Ware v. Phillips, 77 Wash.2d 879, 882, 468 P.2d 444, 446 (1970)	14

## **Washington Court of Appeals Cases**

Williams v. Board of Directors of Endicott School
Dist. 308, 10 Wn. App. 579, 583, 519 P.2d 15
(Wash. App. 1974)

### Revised Code of Washington (RCW)

RCW 4.56.090 7, 10, 11, 12, 13, 15

RCW 6.17.030 3, 6, 7, 10, 11, 12, 13, 15

#### **IDENTITY OF PARTIES**

John Earl Erickson (Mr. Erickson) and Shelley Ann Erickson (Ms. Erickson), collectively the Ericksons, are the owners of the subject property located at 5421 Pearl Ave S.E. in Auburn, Washington 98092. The Ericksons are Defendants in a Foreclosure Action in which Judgment in favor of the named Plaintiff was entered on August 27, 2024 ("Judgment"). The named Plaintiff is identified as Deustsche Bank National Trust Company as Trustee for Long Beach Mortgage Loan Trust 2006-4 but is known to have been represented by attorneys retained by Select Portfolio Servicing Inc. ("SPS"). An entity identified as either "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4" or "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4, Asset-Backed Certificates, Series 2006-4" began to appear in the Foreclosure Action after Judgment was

entered commencing on March 4, 2019 by the Notice of Appearance of McCarthy & Holthus, LLP (CP 143-144).

Every reference to the purported assignee of the Judgment contains the phrase "in Trust for Registered Holders" whether the reference is to "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4" (CP 273; CP 277; CP 278; CP 279; CP 280; CP 283; CP 284; CP 289; CP 294; and CP 297) or "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4, Asset-Backed Certificates, Series 2006-4" (CP 273; CP 275; CP 282; CP 284-285; CP 294-295).

The use of the two (2) different names of containing the phrase "in Trust for Registered Holders" appears to be an effort to conform the name of the entity purporting to proceed in the Foreclosure Action to the name of "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4, Asset-Backed

Certificates, Series 2006-4", the purported assignee set forth in the October 8, 2019 Assignment of Deed of Trust (CP 525). The name which appears in the case caption of the December 12, 2022 Order Confirming Sale (CP 443-444), "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4" is different from the name used in the October 8, 2019 Assignment of Deed of Trust. The October 14, 2022 Certificate of Purchase (CP 483–484) is in the name of "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4" and is not the name which appears on October 8, 2018 Assignment of Deed of Trust (CP 525), which is identified as "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4, Asset-Backed Certificates, Series 2006-4".

It is undisputed that no Assignment of Judgment allowed by RCW 6.17.030 has ever been recorded in the execution docket of the Superior Court as required in order to allow for execution of by assignment of the August 27, 2015 Judgment.

Previous counsel from STOEL RIVES, LLP (STOEL RIVES) represented Select Portfolio Servicing, Inc. ("SPS") and did not represent Deutsche Bank National Trust Company as Trustee for the Long Beach Mortgage Loan Trust 2006-4 according to admissions in related matters. Nevertheless, as of December 8, 2023 Attorney Midori R. Sagara of BUCHALTER was substituted in this appeal for STOEL RIVES. It is presently unknown what entity retained BUCHALTER. Nevertheless, BUCHALTER has not appeared in this appeal on behalf of the purported assignee of the Deed of Trust or the entity identified in the Certificate of Purchase (CP 143-144). BUCHALTER was substituted for STOEL RIVES, purporting to represent the named Plaintiff in the Foreclosure Action: Deustsche Bank National Trust Company as Trustee for Long Beach Mortgage Loan Trust 2006-4.

There has never been an assignment of the August 27, 2015

Judgment (CP 78-83). There are three (3) different identities of

entities involved in the proceedings before the Superior Court and in this appeal:

- 1. The entity which recovered the August 27, 2015 Judgment, identified as "Deutsche Bank National Trust Company as Trustee for Long Beach Mortgage Loan Trust 2006-4";
- 2. The assignee of the purported October 8, 2018
  Assignment of Deed of Trust (CP 525), identified as "Deutsche
  Bank National Trust Company, as Trustee, in Trust for Registered
  Holders of Long Beach Mortgage Loan Trust 2006-4, AssetBacked Certificates, Series 2006-4"; and
- 3. The entity which the "credit bid" at the October 14, 2022 Sheriff's Sale and which obtained the Certificate of Purchase (CP 483-484), identified as "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4".

The presence of three (3) different identities in the Foreclosure Action and in this appeal is the result of the failure of "Deutsche Bank National Trust Company as Trustee for Long

Beach Mortgage Loan Trust 2006-4" to lawfully assign the August 27, 2015 Judgment (CP 78-83) to any entity. Nevertheless, the Court of Appeals erroneously concluded that the identity of the purchaser at the Sheriff's Sale is "not in question" and "does not prejudice the Ericksons in any way". See November 13, 2023, Decision of the Court of Appeals, Appendix 1, page 6, footnote 2.

#### CITATION TO COURT OF APPEALS DECISION

The November 13, 2023 Decision of the Court of Appeals is unpublished. It is provided in the Appendix accompanying this Petition for Review as Appendix 1. Reconsideration of the Decision was sought on December 4, 2023 because the Court of Appeals ignored the plain text of RCW 6.17.030 which provides for execution of judgments in the name of assignees of judgments

<sup>1</sup> It is fundamental that a party whose property is subject to execution be informed of the identity of the party seeking to execute a judgment. RCW 6.17.030. There is substantial doubt as to the identity and legal existence of the entity claiming the right to execute the August 27, 2015 Judgment of Foreclosure which has not been heard or considered because the assignment of judgment was not made as allowed RCW 6.17.030.

after assignments of judgments are recorded in the execution docket by the clerk of the court in which the judgment was recovered. Reconsideration was denied on December 18, 2023. See attached Appendix 2. It is undisputed that there has never been an assignment of the August 27, 2015 Judgment.

#### **ISSUE PRESENTED FOR REVIEW**

I. The correct application of RCW 4.56.090 (Appendix 3) and RCW 6.17.030 (Appendix 4) is of substantial public interest and should be determined by the Supreme Court under Rule 13.4(b)(4) of the Rules of Appellate Procedure (RAP).

II. Under RAP 13.4(b)(3), a significant question of law is involved under the Article One, Section 3 of Constitution of the State of Washington (Appendix 5) and of Section One of the Fourteenth Amendment of the United States Constitution (Appendix 6) when persons are denied their Due Process Rights established by statutory procedures.

#### STATEMENT OF THE CASE

#### **Procedural History**

The Foreclosure Action was commenced in the name of "Deutsche Bank National Trust Company as Trustee for Long Beach Mortgage Loan Trust 2006-4" by STOEL RIVES on January 3, 2014 as No. 14-2-00426-5 KNT (CP 1-23). Summary

Judgment was granted in the name of the party named as Plaintiff in the Foreclosure Action on July 17, 2015 (CP 67-69). The Judgment and Decree of Foreclosure was obtained in favor of the named Plaintiff on August 27, 2015 (CP 78-83).

On March 4, 2019 (CP 143-144) McCARTHY & HOLTHUS, LLP (McCARTHY HOLTHUS) appeared on behalf of "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4, Asset-Backed Certificates, Series 2006-4". After multiple Praecipes for Order of Sale were filed, a Sheriff's Sale was conducted on October 14, 2015 at which the Ericksons were present and objected to a credit bid being made on behalf of an entity which was not the judgment creditor (CP 305-308, specifically ¶¶ 8 and 9 at CP 306). The Certificate of Purchase was issued to McCARTHY HOLTHUS dated October 14, 2022 (CP 483-484).

The Ericksons objected to confirmation of the sale and informed the Superior Court that the sale was made based on a

credit bid by a nonparty (CP 438-442). On December 12, 2022, the Superior Court entered the Order Confirming Sale (CP 443-444). The Ericksons sought reconsideration of the Order Confirming Sale and further informed the Court that the amount of the Judgment had been substantially miscalculated (CP 445-464). Reconsideration was denied (CP 582) and the Ericksons brought this appeal.

Counsel appearing for the named Plaintiff admitted that the amount owed on the August 27, 2015 Judgment was miscalculated for the first time on appeal in the August 30, 2023 Response Brief, to which a Notice of Expiration of Redemption Period was attached in an effort to correct the miscalculation. On September 1, 2023, an Amended Response Brief was filed with the Court of Appeals to which an Amended Notice of Expiration of Redemption Period was attached but was never filed with the Superior Court.

The Court of Appeals remanded the case to the Superior

Court to consider the whether the miscalculation of the amount

due on the August 27, 2015 Judgment, which the Court of Appeals calculated as creating an amount for redemption of \$141,712.13 greater than the amount owed. The Court of Appeals remanded the case to the Superior Court to determined whether the miscalculation, "amounted to a "substantial irregularit[y] in the proceedings concerning the sale, to the probable loss or injury of the party objecting." RCW 6.21.110(3)" (Appendix 1, pages 8 and 9). This Petition for Review does not challenge the remand on the grounds stated by the Court of Appeals but seeks review of the Court of Appeals' misreading of RCW 6.17.030 and its failure to provide the Ericksons with their Due Process Rights under the established statutory procedures at RCW 4.56.090 and RCW 6.17.030 as a result of the misapplication of the statutory procedure.

#### **Statement of Facts**

It is undisputed that no assignment of the August 27, 2015

Judgment was ever made.

#### **Errors of Law**

The Court of Appeals ignored the plain meaning of RCW 6.17.030 and substituted the October 8, 2018 Assignment of Deed of Trust, recorded on November 8, 2018 (CP 525), for the required Assignment of Judgment under RCW 6.17.030. As a result, the Court of Appeals deprived the Ericksons of their Due Process Rights to the statutory procedures required under RCW 6.17.030 and RCW 4.56.090.

#### **ARGUMENT-Reasons for Granting Review**

I. The correct application of RCW 4.56.090 (Appendix 3) and RCW 6.17.030 (Appendix 4) is of substantial public interest and should be determined by the Supreme Court under Rule 13.4(b)(4) of the Rules of Appellate Procedure (RAP).

Not only do the Ericksons have Due Process Rights to the correct application of the procedures set forth at RCW 4.56.090 and RCW 6.17.030, but the public has a substantial interest in the correctness of its public land records. An Assignment of Deed of Trust is not a substitute for an Assignment of Judgment which is required for a nonparty to

execute a Judgment on real estate in the State of Washington.

Title to the subject property cannot pass on execution sale to an entity which is not the lawful assignee of a judgment.

Accordingly, this Petition involves an issue of substantial public interest that should be determined by the Supreme Court.

II. Under RAP 13.4(b)(3), a significant question of law is involved under the Article One, Section 3 of Constitution of the State of Washington (Appendix 5) and of Section One of the Fourteenth Amendment of the United States Constitution (Appendix 6) when persons are denied their Due Process Rights established by statutory procedures.

In this case, there is substantial doubt as to the identity and legal existence of the entity claiming the right to execute the August 27, 2015 Judgment of Foreclosure which has not been heard or considered because the Assignment of Judgment was not made as allowed by RCW 4.56.090 and RCW 6.17.030. The Ericksons intend to pursue the issue of the identity and legal existence of the entity claiming the right to execute the August 27, 2015 Judgment of Foreclosure in

further proceedings, but they raise the issue of identity and legal existence of the purported entity in this Petition for Review because they have been denied the opportunity to be heard on that issue in violation of their Due Process Rights.

Section 1 of the Fourteenth Amendment to the Constitution of the United States of America provides Due Process Rights to citizens of the states.<sup>2</sup> (Appendix 3) The Court of Appeals committed constitutional error by violating Petitioners' Due Process Rights by depriving them of the statutory procedures required under RCW 6.17.030 and RCW 4.56.090.

This Court has held that a court enters a void judgment if it did not first provide notice and an opportunity to be heard.

State ex. rel. Adams v. Super. Ct., Pierce Cty., 36 Wn.2d 868, 872, 220 P.2d 1081 (1950). In Watson v. Washington Preferred

<sup>2</sup> The Article I, Section 3 of the Constitution of the State of Washington also guarantees due process of law:

SECTION 3 PERSONAL RIGHTS. No person shall be deprived of life, liberty, or property, without due process of law.

Life Ins. Co., 81 Wn.2d 403, 502 P.2d 1016 (Wash. 1972), this Court held:

The essence of procedural due process is notice and the right to be heard. The notice must be reasonably calculated to apprise a party of the pendency of proceedings affecting him or his property, and must afford an opportunity to present his objections before a competent tribunal. *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 70 S.Ct. 652, 94 L.Ed. [502 P.2d 1020] 865 (1950). . . [I]n *Ware v. Phillips*, 77 Wash.2d 879, 882, 468 P.2d 444, 446 (1970), we observed, 'It is fundamental that a notice to be meaningful must apprise the party to whom it is directed that his person or property is in jeopardy.'

The source of this Court's holdings on procedural due process under the Washington Constitution are generally United States Supreme Court cases applying the Fourteenth Amendment to the Constitution of the United States of America. Accordingly, this Court applies Article I, Section 3 of the Constitution of the State of Washington in conformity with the United States Supreme Court's application of the Due Process Clause of the Fourteenth Amendment. See Watson, supra, citing Mullane v. Central Hanover Bank & Trust Co.,

supra. See also Williams v. Board of Directors of Endicott

School Dist. 308, 10 Wn.App. 579, 583, 519 P.2d 15 (Wash. App. 1974):

'The fundamental requisite of due process of law is the opportunity to be heard.' *Grannis v. Ordean*, 234 U.S. 385, 394, 34 S.Ct. 779, 783, 58 L.Ed. 1363 (1914). The hearing must be 'at a meaningful time and in a meaningful manner.' *Armstrong v. Manzo*, 380 U.S. 545, 552, 85 S.Ct. 1187 1191, 14 L.Ed.2d 62 (1965).

This Petition for Review raises significant constitutional issues which must be addressed to assure that the courts of the State of Washington do not violate the Due Process Rights of litigants by depriving them of the statutory process provided for execution sales under RCW 6.17.030 and RCW 4.56.090.

#### **CONCLUSION**

Review should be accepted under RAP 13.4 (b)(3) and (4) for the reasons stated above.

// // // Dated this 17<sup>th</sup> day of January, 2024 at Auburn, Washington.

E-signed: /s/ John Earl Erickson

John Earl Erickson, in propria persona

5421 Pearl Ave. S.E.

Auburn, Washington 98092 Telephone: (206) 255-6326

Email: john206erickson@icloud.com

Dated this 17<sup>th</sup> day of January, 2024 at Auburn, Washington.

E-signed: /s/ Shelley Ann Erickson

Shelley Ann Erickson, in propria persona

5421 Pearl Ave. S.E

Auburn, Washington 98092 Telephone: (206) 255-6324

Email: Shelleystotalbodyworks@comcast.net

#### **CERTIFICATE OF COMPLIANCE**

I hereby certify that I directed the foregoing Petition to be prepared in accordance with the requirements of RAP 13.4 and RAP 18. 17 and that the preparer informed me that the Petition was prepared in 14 point Times New Roman font and consists of 2,594 words including footnotes and exclusive of the signature block, certifications and contents of the Appendix, according to the word count tool for the word-processing program upon which the Petition was prepared. The preparer was directed to create the Appendix attached hereto to contain the documents required by RAP 13.4.

E-signed: /s/ Shelley Ann Erickson

Shelley Ann Erickson, in propria persona

#### **CERTIFICATE OF SERVICE**

I hereby certify that on January 17, 2024, I caused a true and correct copy of this Petition for Review and the Appendix attached thereto to be served via E-Filing as set forth below:

Attorney Midori R. Sagara BUCHALTER 1420 Fifth Ave., Suite 3100 Seattle, Washington 98101 Attorney for Respondent

DATED this 17<sup>th</sup> day of January, 2024 in Auburn, Washington.

E-signed: /s/ Shelley Ann Erickson

Shelley Ann Erickson, in propria persona

## APPENDIX 1

FILED 11/13/2023 Court of Appeals Division I State of Washington

#### IN THE COURT OF APPEALS OF THE STATE OF WASHINGTON

DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee for Long Beach Mortgage Loan Trust 2006-4,

Respondent,

٧.

JOHN E. ERICKSON AND SHELLEY A. ERICKSON, individuals residing in Washington,

Appellants,

BOEING EMPLOYEES' CREDIT UNION, a Washington corporation; AMERICAN GENERAL FINANCIAL SERVICES, INC., a Delaware corporation; TBF FINANCIAL, LLC, an Illinois limited-liability corporation; JUSTIN. PARK & ROMERO PARK & WIGGINS, PS, a Washington professional services corporation: RANDAL EBBERSON, an individual residing in Washington; THE LAW FIRM OF KEATING BUCKLIN & MCCORMICK, INC, PS, a Washington professional services corporation; CITY OF AUBURN, WASHINGTON, a Washington municipality; CHARLES JOINER, an individual residing in Washington; PAUL KRAUSS, an individual residing in Washington; DAN HEID, an individual residing in Washington; SHELLEY COLEMAN, an individual residing in Washington; BRENDA HEINEMAN, an individual residing in Washington; and THE WASHINGTON CITIES INSURANCE AUTHORITY, a municipal organization of Washington public entities,

Defendants.

No. 85006-7-I

**DIVISION ONE** 

UNPUBLISHED OPINION

JPMORGAN CHASE BANK, N.A., a national banking association; LONG BEACH MORTGAGE LOAN TRUST, 2006-4; and JOHN DOES 1-99,

Third Party Defendants.

SMITH, C.J. — This is the fourth appeal before this court arising from John and Shelley Erickson's 2009 default on their mortgage. Deutsche Bank National Trust Company (Deutsche Bank), via its corporate assignee, executed on the foreclosure judgment and purchased the property at a sheriff's sale. The Ericksons appeal the trial court's orders confirming the sheriff's sale and denying reconsideration. They argue that Deutsche Bank's corporate assignee is a "nonparty" that lacked authority to enforce the judgment or purchase the property as a judgment creditor. They also argue that an error in the judgment amount upon which the sale was based requires reversal. We conclude that the Deutsche Bank was authorized to act via its corporate assignee. But because the sheriff's sale was confirmed based on a substantial miscalculation of the judgment amount, we remand to the trial court for a determination as to whether this irregularity requires a new sale.

#### FACTS<sup>1</sup>

John and Shelley Erickson used their home in Auburn to secure a \$476,000 loan from Long Beach Mortgage Company. Long Beach was part of

<sup>&</sup>lt;sup>1</sup> We adopt the facts as set out in the opinion from the direct appeal in this matter. <u>Deutsche Bank Nat. Tr. Co. for Long Beach Mort. Loan Tr. 2006-4 v. Erickson</u>, No. 73833-0-I (Wash. Ct. App. Feb. 13, 2017) (unpublished), http://www.courts.wa.gov/opinions/pdf/738330.pdf (<u>Erickson</u> II).

Washington Mutual, Inc., until it failed. <u>Deutsche Bank Nat. Tr. Co. for Long Beach Mort. Loan Tr. 2006-4 v. Erickson</u>, No. 73833-0-I, slip op. at 2 (Wash. Ct. App. Feb. 13, 2017) (unpublished), http://www.courts.wa.gov/opinions/pdf/738330.pdf (<u>Erickson</u> II). JP Morgan Chase purchased Washington Mutual's assets. <u>Erickson</u> II, slip op. at 2. Shortly after executing the loan, Long Beach sold it into Long Beach Mortgage Loan Trust 2006-4. <u>Id.</u> at 2-3. Deutsche Bank was the trustee of the Long Beach Mortgage Loan Trust. <u>Id.</u> at 3. J.P. Morgan Chase later assigned its beneficial interest under the deed of trust to Deutsche Bank. <u>Id.</u>

The Ericksons defaulted on their payments in 2009. <u>Id.</u> The Ericksons filed suit against Deutsche Bank in 2010, arguing the bank lacked standing to enforce the note because it was not the original creditor and could not produce the original note. <u>Id.</u> The lawsuit was removed to federal court, which held that the defendants provided sufficient evidence to prove their ownership of the note and dismissed the lawsuit on summary judgment. <u>Erickson v. Long Beach</u> Mortg. Co., No. 10-1423 MJP, 2011 WL 830727 (W.D. Wash. Mar. 2, 2011) (court order) (Erickson I), aff'd., 473 F. App'x. 746 (9th Cir. 2012).

In January 2014, Deutsche Bank filed a foreclosure action in King County Superior Court to foreclose on the Ericksons' property. The trial court granted Deutsche Bank's motion for summary judgment and on August 27, 2015, entered a judgment and decree of foreclosure against the Ericksons. This court affirmed, concluding that Deutsche Bank held the note and that collateral estoppel prevented the Ericksons from relitigating the issue. <u>Erickson</u> II, slip op. at 2.

In 2019, the Ericksons filed a CR 60 motion in superior court to vacate the 2015 judgment on the ground that Deutsche Bank did not hold the note and therefore could not foreclose. <u>Erickson v. Deutsche Bank Nat'l Tr. Co. for Long Beach Mort. Loan Tr. 2006-4</u>, No. 81648-9-I, slip op. at 2-3 (Wash. Ct. App. Nov. 29, 2021), http://www.courts.wa.gov/opinions/pdf/816489.pdf (<u>Erickson III</u>). The trial court granted summary judgment in favor of Deutsche Bank and this court affirmed. Erickson III, slip op. at 1.

In 2020, the Ericksons filed suit against attorneys who represented Deutsche Bank in <u>Erickson</u> II and <u>Erickson</u> III, arguing that they perpetrated fraud upon the court because Deutsche Bank did not properly hold the note. <u>Erickson v. Power</u>, No. 82755-3-I, slip. op. at 4 (Wash. Ct. App. April 25, 2022), http://www.courts.wa.gov/opinions/pdf/827553.pdf (<u>Erickson IV</u>). The trial court granted summary judgment for the defendants and this court affirmed. <u>Erickson IV</u>, slip op. at 1.

A sheriff's sale of the property was held on October 14, 2022. Deutsche Bank, via its corporate assignee, purchased the property under a credit bid in the amount of \$1,146,435.80. A sheriff's return on sale of real property issued on October 19, 2022 noted that the sale resulted in a deficiency of \$410,423.45. Deutsche Bank moved for confirmation of sale. The Ericksons objected. On December 12, 2022, the trial court found that there were no substantial irregularities in the proceedings and confirmed the sale. The Ericksons unsuccessfully moved for reconsideration.

The Ericksons now appeal.

#### **ANALYSIS**

#### Standard of Review

Confirmation of a purchase at a judicial sale is governed by RCW 6.21.110. A sheriff's sale must be confirmed unless "there were substantial irregularities in the proceedings concerning the sale, to the probable loss or injury of the party objecting." RCW 6.21.110(3). " '[C]onfirmation of judicial sales rests largely within the discretion of the trial court' and so is reviewed for manifest abuse of such discretion." Sixty-01 Ass'n of Apartment Owners v. Parsons, 181 Wn.2d 316, 322, 335 P.3d 933 (2014) (quoting Braman v. Kuper, 51 Wn.2d 676, 681, 321 P.2d 275 (1958)). "A trial court abuses its discretion when its decision is based on untenable grounds or is made for untenable reasons." Shandola v. Henry, 198 Wn. App. 889, 896, 396 P.3d 395 (2017). We generally defer to a sale "absent substantial irregularities or great inadequacies." Sixty-01 Ass'n, 181 Wn.2d at 327.

#### Corporate Assignee

The Ericksons do not challenge the validity of the August 27, 2015 judgment and decree of foreclosure entered in favor of Deutsche Bank as the judgment creditor. Rather, they argue that the trial court erred in confirming the sheriff's sale because it was based on a credit bid submitted in the name of a nonparty entity without assignment of the judgment. The Ericksons are incorrect.

Under RCW 6.17.030, a judgment may be executed upon in the name of an assignee. The statute provides in relevant part:

When a judgment recovered in any court of this state has been assigned, execution may issue in the name of the assignee after the assignment has been recorded in the execution docket by the clerk of the court in which the judgment was recovered.

RCW 6.17.030.

This process was properly followed. On November 8, 2018, a Corporate Assignment of Deed of Trust was recorded in King County. The assignment identified the assignor as "Deutsche Bank National Trust Company, as Trustee for Long Beach Mortgage Loan Trust 2006-4" and the assignee as "Deutsche Bank National Trust Company, as Trustee, in Trust for Registered Holders of Long Beach Mortgage Loan Trust 2006-4, Asset-Backed Certificates, Series 2006-4." Based on this recorded assignment, Deutsche Bank's corporate assignee was authorized to execute on the foreclosure judgment and purchase the property as a judgment creditor at the sheriff's sale. Contrary to the Ericksons' claim, there is no doubt as to the identity of the purchaser and no need to substitute parties.<sup>2</sup> The trial court did not abuse its discretion in confirming the sheriff's sale or in denying reconsideration as to this issue.

#### **Redemption Amount**

The Ericksons also assign error to the trial court's confirmation of the sheriff's sale based on "an erroneously calculated value of the underlying

<sup>&</sup>lt;sup>2</sup> Deutsche Bank acknowledges that the sheriff's return on sale of real property appears to have left out the phrase, "In Trust for Registered Holders" in identifying its corporate assignee as the credit bidder that purchased the property. We agree with Deutsche Bank that this omission does not put the identity of the purchaser in question or prejudice the Ericksons in any way.

judgment and which created the wrong amount for redemption."3 They contend that the error amounts to a substantial irregularity that warrants overturning the sale. For the first time on appeal, Deutsche Bank acknowledges that there was an apparent error in the amount of prejudgment interest calculated under the accepted bid, and that as a result, the Ericksons were notified that the amount required to redeem the property was \$141,712.13 higher than it should have been. On August 30, 2023, in an effort to correct the error, Deutsche Bank filed an amended "Notice of Expiration of Redemption Period" in superior court that reflects a reduced redemption amount. Deutsche Bank asserts that this correction maintained the rights of all parties and that no further action is necessary. In reply, the Ericksons argue that the miscalculation amounts to a substantial irregularity that created an excessive deficiency and reduced the time for them to exercise their redemption rights. They assert that the error requires reversal and remand to the superior court with instructions to set aside the order confirming sale.

Chapter 6.23 RCW governs the statutory redemption of real property sold at a sheriff's sale. The judgment debtor or their successor may redeem the property from the purchaser within one year after the date of the sale. RCW 6.23.020(1)(b); Performance Constr. v. Glenn, 195 Wn. App. 406, 409, 380 P.3d 618 (2016). If no redemption is made within the one-year redemption period, the

<sup>&</sup>lt;sup>3</sup> Although not entirely clear, it appears that the Ericksons raised this issue for the first time in their motion for reconsideration.

purchaser is entitled to a sheriff's deed. RCW 6.23.060; <u>Performance</u>, 195 Wn. App. at 418.

Here, the one-year statutory redemption period commenced when the property was sold on October 14, 2022. As Deutsche Bank now acknowledges, the Notice of Expiration of Redemption Period affirmatively misinformed the Ericksons that the amount required to redeem the property was \$141,712.13 higher than it should have been.<sup>4</sup> Deutsche Bank asserts that the amended notice cured the error but, as the Ericksons point out, it was filed only six weeks before the one-year redemption period expired on October 14, 2023.

Based on the record before us, it is unclear if the trial court considered whether the miscalculation amounted to a "substantial irregularit[y]" that resulted in "probable loss or injury" to the Ericksons. <u>See</u> RCW 6.21.110(3). Although the matter was raised in the motion to reconsider, and the court indicated that there was no basis for reconsideration, it failed to specifically address this new issue raised. Nor has the trial court had an opportunity to address whether the amended Notice of Expiration of Redemption Period cured the error.

We therefore remand to the trial court to enter findings of fact, conclusions of law, and an order addressing these matters. Specifically, the court should consider (1) the basis and amount of the miscalculation, (2) whether the amended notice cured the error, and (3) whether a new sale is required on the ground that the miscalculation amounted to a "substantial irregularit[y] in the

We also note that neither the original nor the amended Notice of Expiration of Redemption Period includes the sheriff's address, as RCW 6.23.030(3) requires.

proceedings concerning the sale, to the probable loss or injury of the party objecting." RCW 6.21.110(3).

Drull, C.g.
Chung, J.

Remanded.

WE CONCUR:

Diaz, J.

9

## APPENDIX 2

FILED 12/18/2023 Court of Appeals Division I State of Washington

## IN THE COURT OF APPEALS OF THE STATE OF WASHINGTON DIVISION ONE

DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee for Long Beach Mortgage Loan Trust 2006-4,

Respondent,

٧.

JOHN E. ERICKSON AND SHELLEY A. ERICKSON, individuals residing in Washington,

Appellants,

BOEING EMPLOYEES' CREDIT UNION, a Washington corporation; AMERICAN GENERAL FINANCIAL SERVICES, INC., a Delaware corporation; TBF FINANCIAL, LLC, an Illinois limited-liability corporation; JUSTIN. PARK & ROMERO PARK & WIGGINS, PS, a Washington professional services corporation; RANDAL EBBERSON, an individual residing in Washington; THE LAW FIRM OF KEATING BUCKLIN & MCCORMICK, INC, PS, a Washington professional services corporation: CITY OF AUBURN. WASHINGTON, a Washington municipality: CHARLES JOINER, an individual residing in Washington; PAUL KRAUSS, an individual residing in Washington; DAN HEID, an individual residing in Washington; SHELLEY COLEMAN, an individual residing in Washington; BRENDA HEINEMAN, an individual residing in Washington: and THE WASHINGTON CITIES INSURANCE AUTHORITY, a municipal organization of Washington public entities,

Defendants.

No. 85006-7-I

ORDER DENYING MOTION FOR RECONSIDERATION Appellants John and Shelley Erickson have moved for reconsideration of the opinion filed on 11/13/2023. The panel has considered the motion pursuant to RAP 12.4 and has determined that the motion should be denied.

Now, therefore, it is hereby

ORDERED that the motion for reconsideration is denied.

FOR THE COURT:

Judge

# APPENDIX 3

RCW 4.56.090

Assignment of judgment—Filing.

When any judgment has been assigned, the assignment may be filed in the office of the county clerk in the county where the judgment is recorded and a certified copy thereof may be filed in any county where an abstract of such judgment has been filed and from the time of such filing shall be notice of such assignment: PROVIDED, That such assignment of a judgment or such certified copy thereof, may not be filed unless it is properly acknowledged before an officer qualified by law to take acknowledgment of deeds.

[1935 c 22 § 1, part; 1929 c 60 § 5, part; RRS § 447. Prior: 1893 c 42 § 6.]

## **APPENDIX 4**

RCW 6.17.030-Execution in name of assignee or personal representative.

When a judgment recovered in any court of this state has been assigned, execution may issue in the name of the assignee after the assignment has been recorded in the execution docket by the clerk of the court in which the judgment was recovered. When the person in whose name execution might have issued has died, execution may issue in the name of the executor, administrator or legal representative of such deceased person after letters testamentary or of administration or other sufficient proof has been filed in the cause and recorded in the execution docket by the clerk of the court in which the judgment was entered.

[1987 c 442 § 403; 1957 c 8 § 2; 1929 c 25 § 7; RRS § 519. Prior: Code 1881 § 334; 1877 p 70 § 338; 1869 p 84 § 330. Formerly RCW 6.04.070.]

# APPENDIX 5

### CONSTITUTION OF THE STATE OF WASHINGTON

### ARTICLE 1 DECLARATION OF RIGHTS

SECTION 3 PERSONAL RIGHTS. No person shall be deprived of life, liberty, or property, without due process of law.

## APPENDIX 6

## FOURTEENTH AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES

Section 1. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

#### SHELLEY ANN ERICKSON - FILING PRO SE

#### January 17, 2024 - 11:32 AM

#### **Transmittal Information**

Filed with Court: Court of Appeals Division I

**Appellate Court Case Number:** 85006-7

**Appellate Court Case Title:** Deutsche Bank National Trust Co., Respondent v. John E. Erickson & Shelley A.

Erickson, Appellants

### The following documents have been uploaded:

• 850067 Petition for Review 20240117112824D1198384 6830.pdf

This File Contains: Petition for Review

The Original File Name was 1.17.2024. Petition for Review and Appendix.pdf

#### A copy of the uploaded files will be sent to:

• midori.sagara@gmail.com

• msagara@buchalter.com

#### **Comments:**

Sender Name: Shelley Ann Erickson - Email: shelleystotalbodyworks@comcast.net

Address:

5421 Pearl Ave S.E. Auburn, WA, 98092 Phone: (206) 255-6324

Note: The Filing Id is 20240117112824D1198384