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7 **IN THE DISTRICT COURT FOR THE SECOND JUDICIAL DISTRICT**
8 **FOR THE STATE OF IDAHO, IN AND FOR NEZ PERCE COUNTY**

DPW Enterprises LLC and Mountain Prime 2018
LLC,

Plaintiff,

vs.

Jeremy L. Bass, Dwayne Pike, and Current
occupant, and Unknown Parties in
Possession of the real property commonly
known as 1515 21st Avenue, Lewiston,
Idaho 83501

Defendants.

Case No. CV35-24-1063

**DEFENDANT JEREMY L. BASS' SUBMISSION
OF SUPPLEMENTAL AUTHORITY IN
SUPPORT OF OPPOSITION TO
PLAINTIFFS' MOTION FOR
SUMMARY JUDGMENT**

DEMAND FOR JURY

9
10 COMES NOW the Defendant Jeremy L. Bass, (hereinafter "Defendant Bass"), perforce pro se,
11 and hereby upon the Honorable Court's granting of ***MOTION FOR LEAVE TO SUBMIT***
12 ***SUPPLEMENTAL AUTHORITY*** would submit this ***SUPPLEMENTAL AUTHORITY IN SUPPORT OF***
13 ***OPPOSITION TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT.*** This submission provides
14 detailed legal authorities that are directly relevant to the core issues concerning the validity of
15 the trustee's sale and the limitations of good faith purchaser protections under Idaho law.
16 Additional arguments are not intended, only clarification in regard to the question of authority.
17 These authorities clarify the protections afforded by ***Idaho Code § 45-1508*** and how those
18 protections apply—or do not apply—under the specific circumstances found in Defendant Bass's
19 case.

20 **I. INTRODUCTION**

21 Plaintiffs seek summary judgment on the basis that they are entitled to possession of the
22 property located at **1515 21st Avenue, Lewiston, ID 83501**, following a non-judicial foreclosure

1 sale. Plaintiffs assert that they are good faith purchasers and, as such, are entitled to the
2 statutory protections afforded under *Idaho Code § 45-1508*. Defendant Bass, however, challenged
3 the validity of the foreclosure sale, citing procedural and substantive defects, including
4 collusion, improper conduct during the trustee's sale, and lack of a valid default, to name a few.
5 To clear up a question of what authority is granted to the Honorable Court, Defendant Bass
6 submits supplemental case law empowering the Honorable Court in ruling that the Plaintiffs are
7 not entitled to summary judgment under Idaho law.

8 II. SUPPLEMENTAL CASE LAW

9 1. *Baker v. Nationstar Mortg., LLC, 574 B.R. 184 (Bankr. D. Idaho 2017)*

10 Explanation of *Baker v. Nationstar Mortg., LLC*

11 In *Baker v. Nationstar Mortg., LLC*, the United States Bankruptcy Court for the District of
12 Idaho thoroughly examined the scope of protections provided to good faith purchasers under
13 *Idaho Code § 45-1508*. Specifically, the court clarified that these protections are limited to
14 sales challenged for procedural defects. The decision also emphasized that the statute does
15 not shield purchasers from all claims or grounds for invalidating a sale, particularly when the
16 sale itself was void due to substantive defects, such as the absence of a valid default.

17 Key Facts of the *Baker v. Nationstar Mortg., LLC* Case:

- 18 • The homeowner (Baker) held a mortgage serviced by Nationstar Mortgage.
- 19 • Nationstar initiated a non-judicial foreclosure sale in accordance with Idaho law.
- 20 • Baker contested the foreclosure, arguing that there was no default on the mortgage
- 21 loan at the time of the sale.
- 22 • The property was subsequently sold to a third-party buyer at the foreclosure sale.
- 23 • The buyer sought protection as a good faith purchaser under *Idaho Code § 45-1508*,
- 24 which generally insulates buyers from certain defects in the foreclosure process.

1 **Court's Decision:**

- 2 • The court ruled that the protections under *Idaho Code § 45-1508* apply only to
- 3 procedural defects and do not extend to substantive defects, such as when there is a
- 4 lack of default, or .
- 5 • The statute does not protect purchasers from all claims or reasons for voiding a sale.
- 6 • Specifically, *Idaho Code § 45-1508* does not apply when a foreclosure sale is void
- 7 because of the absence of a valid default at the time of sale.
- 8 • The court held that the foreclosure sale was void due to the lack of default, and the
- 9 buyer could not claim protections as a good faith purchaser under *Idaho Code § 45-*
- 10 *1508*.

11 **Application to Defendant Bass's Case:**

12 The parallels between *Baker v. Nationstar Mortg., LLC* and the current case are striking.

13 Plaintiffs claim protection as good faith purchasers under *Idaho Code § 45-1508*, arguing that

14 the trustee's sale must be upheld despite Defendant Bass's objections. However, Baker

15 establishes that these protections do not extend to substantive defects such as the lack of a

16 valid default or fraud. Defendant Bass has consistently maintained that the foreclosure sale

17 was void because it was conducted without a valid default, and that improper conduct,

18 including collusion, marred the auction process.

19 **Key Legal Points from Baker v. Nationstar Mortg., LLC:**

20 **1. Limitations of Good Faith Purchaser Protections:**

- 21 • *Idaho Code § 45-1508* provides protections to purchasers in foreclosure sales
- 22 only when the sale is challenged for procedural defects. It does not insulate
- 23 buyers from the consequences of substantive defects.

- In Baker, the absence of a valid default rendered the sale void, and the protections of *§ 45-1508* were deemed inapplicable.
- In Defendant Bass's case, the lack of a valid default at the time of the foreclosure sale is a substantive defect that renders the sale void.

2. Void Sales Due to Substantive Defects:

- Foreclosure sales conducted without a valid default are void, not merely voidable. This distinction is critical, as a void sale has no legal effect and cannot confer valid title on a purchaser.
- Defendant Bass argues that the trustee's sale in this case was void due to a substantive defect: the lack of a valid default. Therefore, Plaintiffs cannot claim to have acquired valid title, and their reliance on good faith purchaser protections is misplaced.

3. Bidder's Involvement in Rigging the Auction:

- Baker emphasizes that when a sale is void due to substantive defects, protections under *Idaho Code § 45-1508* are unavailable to purchasers.
- In this case, Defendant Bass alleges that the bidder (Plaintiffs) engaged in improper conduct by manipulating the auction process. Such misconduct constitutes a substantive defect that voids the foreclosure sale.

Conclusion:

Baker v. Nationstar Mortg., LLC is directly applicable to Defendant Bass's case, as it underscores that *Idaho Code § 45-1508* does not protect purchasers from substantive defects, such as the absence of a valid default. Plaintiffs' claim to good faith purchaser protections must fail because the trustee's sale was void, and without valid title, they cannot maintain an ejectment action.

2. *Idaho Power Co. v. Benj. Houseman Co.*, 123 Idaho 674, 851 P.2d 970 (1993)

Explanation of Idaho Power Co. v. Benj. Houseman Co.:

In *Idaho Power Co. v. Benj. Houseman Co.*, 123 Idaho 674, 851 P.2d 970 (1993), the Idaho Supreme Court addressed the rights of mortgagees and lienholders in the context of foreclosure sales, particularly when a property is sold by trustees under prior deeds of trust. The case is significant because it clarifies the rights of junior lienholders when their security interest is extinguished in a foreclosure sale, and it emphasizes that foreclosure sales must be based on a valid default.

Key Facts of the *Idaho Power Co. v. Benj. Houseman Co.* Case:

- Idaho Power held a second mortgage on a property, securing a debt that had not yet matured.
- Benj. Houseman Company, which held senior deeds of trust on the same property, initiated a foreclosure sale due to a default on the senior debt.
- The foreclosure sale resulted in the property being sold to a third-party purchaser for less than its fair market value.
- Idaho Power did not participate in or consent to the sale, but it subsequently sought to collect the full amount of the debt secured by its mortgage, despite the foreclosure sale extinguishing its security interest in the property.

Court's Decision:

- The court held that Idaho Power was entitled to pursue the collection of the debt secured by its mortgage, even though the security interest had been extinguished by the foreclosure of the senior lien.
- The court emphasized that the foreclosure sale, though extinguishing junior liens, does not eliminate the underlying personal obligation of the debtor to repay the loan.

- The decision clarified that a mortgagee whose debt was not due at the time of the foreclosure sale retains the right to collect the debt after the sale, even if their security interest in the property has been lost.

Application to Defendant Bass's Case:

The relevance of *Idaho Power Co. v. Benj. Houseman Co.* to Defendant Bass's case lies in its treatment of foreclosure sales and the necessity of having a valid default as the basis for the sale. Defendant Bass argues that the foreclosure sale was initiated without a valid default, which makes the sale improper under Idaho law. Additionally, Defendant Bass contends that the conduct of the bidder (Plaintiffs) unfairly influenced the sale, resulting in the property being sold for less than its fair market value, just as in the *Idaho Power Co.* case.

Key Legal Points from *Idaho Power Co. v. Benj. Houseman Co.*:

1. Mortgagee's Right to Collect Debt Despite Loss of Security Interest:

- Idaho Power establishes that a mortgagee retains the right to pursue the underlying debt, even if the security interest is extinguished in a foreclosure sale.
- In Defendant Bass's case, the foreclosure sale should be considered void due to improper conduct and the lack of a valid default, meaning that Plaintiffs cannot rely on the sale to extinguish Defendant Bass's rights or obligations regarding the property.

2. Improper Foreclosure Actions:

- The court's decision in *Idaho Power* emphasizes that foreclosure sales must be based on a valid default and conducted according to proper legal procedures. If the sale is not valid, the rights of the parties involved may not be properly extinguished.

- Defendant Bass asserts that the foreclosure sale in this case was conducted without a valid default and was tainted by collusion and improper conduct, which violates the principles established in Idaho Power.

3. Sale for Less Than Fair Market Value:

- In Idaho Power, the property was sold for less than its fair market value, which was one of the issues raised by the junior lienholder. Similarly, in Defendant Bass's case, the bidder's conduct during the auction affected the fairness and legality of the sale, resulting in the property being sold under improper conditions.

Conclusion:

Idaho Power Co. v. Benj. Houseman Co. supports Defendant Bass's position that the foreclosure sale was improperly conducted and therefore void. The lack of a valid default and the improper conduct surrounding the sale render it invalid, justifying Defendant Bass's challenge to the Plaintiffs' claim to the property.

3. *Taylor v. Just*, 138 Idaho 137, 59 P.3d 308 (2002)

Explanation of *Taylor v. Just*:

In *Taylor v. Just*, 138 Idaho 137, 59 P.3d 308 (2002), the Idaho Supreme Court addressed the consequences of a foreclosure sale that failed to comply with the statutory requirements set forth in *Idaho Code § 45-1505(2)*. The Court determined that when a foreclosure sale does not meet the statutory criteria, it is void ab initio, meaning it has no legal effect from its inception. This decision is directly relevant to cases where substantive defects in the foreclosure process render the sale invalid and the purchaser's claim to the property cannot be upheld.

Key Facts of the Case:

- A foreclosure sale took place after the homeowner defaulted on a deed of trust.
- The foreclosure sale did not comply with the statutory requirements under *Idaho Code § 45-1505(2)*.
- Specifically, the sale suffered from procedural defects that were significant enough to invalidate it.
- A bidder at the foreclosure sale sought to assert rights as a good faith purchaser for value, claiming legitimate ownership despite the defects in the sale process.

Court's Decision:

- The Idaho Supreme Court determined that the foreclosure sale was void due to its failure to comply with the statutory requirements of *Idaho Code § 45-1505(2)*.
- As a result of this non-compliance, the bidder did not acquire valid title to the property.
- The Court held that the bidder could not claim to be a good faith purchaser for value because the sale was void ab initio (from the beginning).
- Without valid title, the bidder could not avail themselves of the protections provided to good faith purchasers under Idaho law.

Application to Defendant Bass's Case:

The decision in *Taylor v. Just* is highly relevant to Defendant Bass's opposition to Plaintiffs' Motion for Summary Judgment. Plaintiffs in this case claim that they are entitled to possession of the property as good faith purchasers, despite Defendant Bass's arguments regarding defects in the foreclosure process. However, *Taylor v. Just* makes clear that a foreclosure sale that fails to comply with statutory requirements is void from the outset, meaning no valid title passes to the purchaser. Defendant Bass argues that the foreclosure sale in this case was marred by both procedural and substantive defects, including non-

1 compliance with statutory requirements and bidder collusion, which renders the sale void and
2 precludes Plaintiffs from claiming title.

3 **Key Legal Points from *Taylor v. Just*:**

4 **1. Void Sale Due to Non-Compliance with Statutory Requirements:**

- 5 • *Taylor v. Just* establishes that a foreclosure sale that does not strictly comply
6 with the statutory requirements set forth in *Idaho Code § 45-1505* is void.
- 7 • In Defendant Bass's case, the foreclosure sale is void due to procedural
8 irregularities and statutory non-compliance, including the improper handling
9 of the auction process and the involvement of the trustee and bidder in
10 collusion.
- 11 • Because the sale was void ab initio, Plaintiffs cannot claim to have acquired
12 valid title, and any attempt to rely on good faith purchaser protections is
13 without merit.

14 **2. Good Faith Purchaser Status:**

- 15 • In *Taylor v. Just*, the Idaho Supreme Court clarified that good faith purchaser
16 protections do not apply when the foreclosure sale is void due to statutory
17 non-compliance.
- 18 • Plaintiffs' claim to good faith purchaser status in Defendant Bass's case is
19 similarly unsupported because the sale itself was invalid. Without valid title,
20 the protections afforded to good faith purchasers under Idaho law are
21 inapplicable.

22 **3. Impact on Ejectment Proceedings:**

- 23 • Since the foreclosure sale in *Taylor v. Just* was found to be void, the purchaser
24 could not claim ownership of the property and was not entitled to possession.

- Likewise, in Defendant Bass’s case, the Plaintiffs’ claim to possession is based on a void sale. As such, Plaintiffs lack standing to maintain an ejectment action against Defendant Bass because they did not acquire valid title through the defective foreclosure sale.

Legal Principles Highlighted:

- **Statutory Compliance and Validity of Foreclosure Sales:**

- Foreclosure sales must strictly adhere to the statutory requirements outlined in *Idaho Code § 45-1505* to be valid.
- A failure to comply with these statutory provisions renders the sale void ab initio, meaning it has no legal effect and cannot transfer valid title to the purchaser.

- **Void vs. Voidable Sales:**

- A void sale is invalid from the outset and confers no legal rights on the purchaser, while a voidable sale is valid until it is annulled but can be challenged on certain grounds.
- In Defendant Bass’s case, the sale is void because of the procedural and substantive defects in the foreclosure process.

- **Good Faith Purchaser Protections:**

- The Idaho Supreme Court in *Taylor v. Just* held that the protections afforded to good faith purchasers under Idaho law do not apply when the sale is void due to non-compliance with statutory procedures.
- Plaintiffs cannot claim the protections of a good faith purchaser in this case because the sale was not conducted in accordance with *Idaho Code § 45-1505*.

Conclusion:

1 *Taylor v. Just* is directly applicable to the present case and supports Defendant Bass's
2 position that the foreclosure sale is void due to statutory non-compliance and bidder
3 misconduct. As a result, Plaintiffs did not acquire valid title to the property, and their claim to
4 possession must fail. The principles established in *Taylor v. Just* make clear that Plaintiffs
5 cannot claim to be good faith purchasers, and their attempt to eject Defendant Bass from the
6 property is without legal basis.

7 **4. *Spencer v. Jameson*, 147 Idaho 497, 211 P.3d 106 (2009)**

8 **Explanation of *Spencer v. Jameson*:**

9 In *Spencer v. Jameson*, 147 Idaho 497, 211 P.3d 106 (2009), the Idaho Supreme Court
10 considered whether a grantor must demonstrate actual harm resulting from an irregularity in
11 the foreclosure process to have the sale set aside. The Court held that *Idaho Code § 45-1506*
12 does not impose such a requirement. Instead, any material irregularity in the foreclosure
13 process can serve as grounds for setting aside the sale, regardless of whether the grantor
14 suffered actual harm. This case is critical in understanding the standard for challenging
15 foreclosure sales in Idaho and the rights of homeowners to seek redress for defects in the
16 foreclosure process.

17 **Key Facts of the *Spencer v. Jameson* Case:**

- 18 • David Spencer (the grantor) executed a deed of trust on his property to secure a loan.
- 19 • Following Spencer's default on the loan, the trustee initiated a non-judicial
20 foreclosure sale.
- 21 • Spencer alleged that there were irregularities in the foreclosure process, particularly
22 with regard to the notice of sale requirements.
- 23 • The district court required Spencer to demonstrate that he suffered actual harm as a
24 result of the irregularities in order to have the sale set aside.

- Spencer appealed the decision, arguing that the district court had improperly increased his burden by imposing a requirement to show harm.

Court's Decision:

- The Idaho Supreme Court reversed the district court's decision, holding that *Idaho Code § 45-1506* does not require a grantor to prove actual harm resulting from an irregularity in the foreclosure process to have the sale set aside.
- The Court emphasized that non-judicial foreclosure statutes must be strictly complied with by the trustee and that any material irregularity in the process can justify setting aside the sale.
- The decision made clear that the focus should be on whether the trustee complied with the statutory procedures, not on the consequences to the grantor.

Application to Defendant Bass's Case:

Spencer v. Jameson is directly applicable to Defendant Bass's argument that the foreclosure sale should be set aside due to procedural and substantive irregularities, including collusion and manipulation of the auction process. In this case, the Plaintiffs have attempted to downplay the significance of these irregularities, suggesting that Defendant Bass cannot demonstrate harm sufficient to invalidate the sale. However, Spencer makes it clear that Idaho law does not require Defendant Bass to prove harm; the mere existence of material irregularities in the foreclosure process is sufficient to justify setting aside the sale.

Key Legal Points from *Spencer v. Jameson*:

1. No Requirement to Prove Actual Harm:

- *Spencer v. Jameson* holds that a grantor does not need to prove that they suffered actual harm as a result of procedural defects in the foreclosure process.

- In Defendant Bass’s case, Plaintiffs cannot argue that Defendant Bass must demonstrate harm in order to challenge the sale. The focus should be on whether the foreclosure process complied with Idaho’s statutory requirements, which Defendant Bass argues it did not.

2. Material Irregularities in the Foreclosure Process:

- *Spencer v. Jameson* emphasizes that strict compliance with non-judicial foreclosure statutes is required, and any material irregularity can serve as grounds for setting aside the sale.
- Defendant Bass has presented evidence of multiple irregularities in the foreclosure process, including the involvement of the bidder in rigging the auction, lack of proper notice, and procedural defects in the trustee’s handling of the sale. These irregularities are sufficient to invalidate the sale under *Spencer*.

3. Trustee’s Duty to Comply with Statutory Requirements:

- The trustee’s duty to strictly adhere to the statutory requirements of *Idaho Code § 45-1506* is a central theme in *Spencer v. Jameson*.
- In this case, Defendant Bass asserts that the trustee failed to comply with these requirements, and as a result, the foreclosure sale is void. Under *Spencer v. Jameson*, the sale must be set aside due to these material deviations from the statutory procedures.

Legal Principles Highlighted:

- **Strict Compliance with Statutory Requirements:**
 - Idaho law requires strict compliance with the procedures outlined in the non-judicial foreclosure statutes. Any material irregularity, such as

1 collusion, improper notice, or procedural defects, can serve as grounds
2 for setting aside a foreclosure sale.

- 3 ○ In Defendant Bass's case, the numerous irregularities in the foreclosure
4 process render the sale void and justify setting it aside.

5 • **No Requirement to Demonstrate Harm:**

- 6 ○ The Idaho Supreme Court in *Spencer v. Jameson* made it clear that
7 grantors do not need to show that they suffered actual harm in order to
8 challenge a defective foreclosure sale.
9 ○ Defendant Bass's challenge to the foreclosure sale does not require him
10 to demonstrate harm; the material irregularities alone are sufficient to
11 invalidate the sale.

12 **Conclusion:**

13 *Spencer v. Jameson* is directly applicable to Defendant Bass's case and supports the
14 argument that the foreclosure sale must be set aside due to the procedural and substantive
15 irregularities in the process. The Idaho Supreme Court's decision in *Spencer v. Jameson* makes
16 clear that the existence of material irregularities is sufficient to justify setting aside a
17 foreclosure sale, and Plaintiffs cannot demand that Defendant Bass prove harm in order to
18 challenge the sale. The foreclosure process in this case was marred by significant
19 irregularities, and under *Spencer v. Jameson*, the sale is void.

20 **III. CONCLUSION**

21 For the reasons set forth in the supplemental case law discussed above, Defendant Bass
22 respectfully submits that Plaintiffs' Motion for Summary Judgment should be denied. Procedural
23 and substantive defects, including the lack of a valid default, collusion between the bidder and
24 the trustee, and violations of statutory requirements, marred the foreclosure sale in question.

1 These defects render the sale void under Idaho law, and Plaintiffs cannot claim to be good faith
2 purchasers entitled to possession of the property.

3 The cases of *Baker v. Nationstar Mortg., LLC, Idaho Power Co. v. Benj. Houseman Co., Taylor*
4 *v. Just, and Spencer v. Jameson* all support Defendant Bass's position that the foreclosure sale
5 was void and that Plaintiffs did not acquire valid title to the property with no new arguments
6 added. Accordingly, the Court should set aside the foreclosure sale and deny Plaintiffs' Motion
7 for Summary Judgment.

Dated this 25 day of October 2024.

Respectfully submitted,
Jeremy L. Bass
Defendant/ Pro Se

Signature

8 CERTIFICATE OF MAILING
9

I certify that I have sent by email and first-class mail this DEFENDANT JEREMY L. BASS' SUBMISSION OF SUPPLEMENTAL AUTHORITY IN SUPPORT OF OPPOSITION TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT to Plaintiffs on October 25st, 2024, at the following email address and postal address:

Email: lewis@hwmlawfirm.com
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Counsel for Dwayne Pike

Jeremy L. Bass
Defendant

Signature

ACKNOWLEDGMENT

STATE OF IDAHO)

: ss.

County of NEZ PERCE COUNTY)

On the _25_ day of __October__, 2024, before me, the undersigned Notary Public, personally appeared __Jeremy Bass__, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same.

IN WITNESS WHEREOF, I have set my hand and seal the day and year as above written.

Notary Public for Idaho

Residing at _____

Commission Expires: _____