NOT TO BE PUBLISHED IN THE OFFICIAL REPORTS

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION ONE

CANYON VIEW LIMITED, Plaintiff and Respondent, v. NATIONSTAR MORTGAGE LLC, Defendant and Appellant.	B312642 (Los Angeles County Super. Ct. No. PC057040)

APPEAL from an order of the Superior Court of Los Angeles County, Melvin D. Sandvig, Judge. Affirmed.

McGlinchey Stafford and Sanford Shatz for Defendant and Appellant.

Greines, Martin, Stein & Richland, Robin Meadow, and Jeffrey Gurrola for Plaintiff and Respondent.

Appellant Nationstar Mortgage LLC (Nationstar) is a loan servicing company, and respondent Canyon View Limited, dba Canyon View Estates (Canyon View) owns and operates a manufactured home park, where it leases home site lots to occupants who purchase and install mobilehomes and other improvements on permanent foundations. Following a bench trial, the trial court entered judgment for Canyon View in Canyon View's lawsuit against Nationstar and other defendants seeking to quiet title to a mobilehome located in Canyon View's mobilehome park. That judgment is now final and nonappealable. In a postjudgment order, the court awarded Canyon View attorney fees and costs under Civil Code section 798.85,[1] the fees and costs provision of the Mobilehome Residency Law (MRL) (§ 798 et seq.).

Nationstar appeals that fees and costs order, first arguing that the MRL fees provision does not apply to the action, and thus that Canyon View was not entitled to recover any fees or costs thereunder. In the alternative, Nationstar argues that, even assuming Canyon View is entitled to recover fees under the MRL, the court abused its discretion by awarding an amount in excess of what was reasonable and recoverable under the MRL. Finally, Nationstar argues that Canyon View cannot recover costs for various reasons, including that Canyon View refused an offer of compromise Nationstar made under Code of Civil Procedure section 998 that was equally or more favorable to Canyon View than the judgment ultimately entered in Canyon View's favor was.

We find no reversible error, and affirm the challenged fees and costs order in full.

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[1] Unless otherwise specified, all subsequent statutory references are to the Civil Code.

BACKGROUND

A. *MRL Background*

We first summarize the provisions of the MRL most relevant to the instant appeal.

Article 6 of the MRL (§§ 798.55–798.62) creates procedures whereby (mobilehome park management owners of mobilehome parks) may sell or dispose of abandoned mobilehomes. (See § 798.61.) Specifically, mobilehome park "management" must properly notice all owners and lienholders of a mobilehome of mobilehome management's intention to file a petition for declaration of abandonment. (*Id.*, subds. (b) & (c).) If no lienholder or owner appears at the hearing on the petition to claim the abandoned home (and pay all rents and fees due), and/or "the petitioner shows by a preponderance of the evidence that the criteria for an abandoned mobilehome has been satisfied and no party establishes an interest therein at the hearing and tenders all past due rent and other charges," the court "shall" issue a judgment of abandonment. (*Id.*, subd. (d)(2).) After obtaining such a judgment, management may "dispose of" the property (*id.*, subd. (f)) or sell it via a public sale (*id.*, subd. (e)(2)), but in either case must follow MRL procedures. (See *id.*, subds. (e) & (f).) If management chooses to sell the home, the purchaser in such a sale takes the home "free of any prior interest . . . or lien."[2] (§ 798.61, subd. (e)(4).) The MRL expressly permits management to purchase an abandoned mobilehome at such a sale, and to offset

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[2] The one exception to this provided for in the MRL is a lien of the state for nonpayment of the fees and penalties under Health and Safety Code section 18116.1. (§ 798.61, subd. (e)(4).)

from its bids the amount management is owed under the lease. (*Id.*, subd. (e)(2).)

Article 8 of the MRL (§§ 798.84–798.88) contains an attorney fees and costs provision, which requires a court to award reasonable attorney fees and costs to the "prevailing party" "[i]n any action arising out of the provisions of this chapter [i.e., the MRL]." (§ 798.85.)

B. *Abandonment and MRL Proceedings*

In 2005, nonparties Victor and Jodie Benvenuto purchased a mobilehome installed on lot 187 in Canyon View Estates and a leasehold interest in the lot (collectively, the property). To finance the purchase, the Benvenutos obtained two loans from nonparty Countrywide Home Loans, Inc. (CHL), which were secured by the property under two deeds of trust (DOTs) recorded in title records. The first DOT was for $206,400 (instrument no. 05-2185511); the second for $51,600 (instrument no. 05-2185522). For both DOTs, the original trustee was nonparty ReconTrust Company, N.A. (ReconTrust), the holder of the deed was CHL, and the beneficiary was nonparty Mortgage Electronic Registration Systems, Inc. (MERS).

In approximately 2008, the Benvenutos abandoned the mobilehome, stopped making payments on their home loan, and breached their lease. When the breach was not cured, Canyon View terminated the lease and recorded a memorandum for termination of lease on June 24, 2008, declaring the lease was "terminated and of no further effect." (Boldface & capitalization omitted.)

In August and December 2008, ReconTrust, then the trustee and beneficiary of the first DOT,[3] recorded notices of default on the first DOT. On January 20, 2009, ReconTrust filed a notice of trustee sale based on the noticed default on the first DOT, but the sale never took place.

In April 2009, Canyon View initiated an abandonment proceeding under the MRL, and the superior court entered a judgment of abandonment in Canyon View's favor. On May 7, 2009, a public sale of the mobilehome was held pursuant to that judgment in accordance with the MRL, section 798.61. Canyon View purchased the home at the sale, free of any prior interest. On February 23, 2010, Canyon View Limited recorded a grant deed reflecting that "Canyon View Limited" and "Canyon View Estates, Inc." granted the home to "Canyon View Limited" "[f]ollowing a public sale held pursuant to a Los Angeles Superior Court judgment."

C. *Documents Recorded After Canyon View's Purchase of the Mobilehome*

On September 19, 2011, original lender CHL assigned all beneficial interest in the first DOT to Bank of America, N.A. (BOA). On September 13, 2012, BOA, then the holder of the DOT, assigned its beneficial interest under the first DOT to Deutsche Bank National Trust Company (Deutsche Bank). That same day, nonparty Deutsche Bank (through ReconTrust acting as its agent) recorded a notice of default on the first DOT. When the default still had not been cured three months later, ReconTrust recorded

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[3] In 2008, MERS substituted ReconTrust as the beneficiary of the first DOT, making ReconTrust both the trustee and the beneficiary of that instrument.

a notice of trustee sale on the first DOT. Again, that sale never took place.

Almost a year later, on October 28, 2013, BOA recorded a document in which it purports to assign the first DOT to Nationstar, although BOA had, as noted above, already assigned its interest to Deutsche Bank over a year prior, rendering this a "wild assignment."

In December 2013, Canyon View sent two letters to various entities, "including one sent directly to Nationstar, informing entities with possible interests in the property that the deeds of trust had been extinguished by the 2010 court-ordered sale, and that title had to be cleared." (Capitalization omitted.) On December 11, 2013, ReconTrust recorded another notice of trustee sale that does not specify the underlying DOT at issue, but appears to be related to the first DOT.

On January 29, 2014, Deutsche Bank substituted the nonparty National Default Servicing Corporation (NDSC) as the trustee of the first DOT, replacing ReconTrust. Nationstar began acting as the servicer of the loan secured by the first DOT in April 2014, and on December 8, 2014, Deutsche Bank assigned the first DOT to Nationstar.

"Nationstar has no set and regular practice to investigate title prior to recording documents to determine whether such recordings are proper or would cloud someone else's interest." In 2014, Nationstar asked NDSC to proceed with foreclosure on the mobilehome and provide a title update. The title company ultimately advised NDSC that the DOT had been extinguished, and NDSC reported this to Nationstar. On June 2, 2015, Nationstar recorded a notice of rescission of the September 13, 2012 notice of default on the first DOT. The notice of rescission, however, "recites the [first DOT] in the amount of $206,400.00

continues to be a lien against the property" (capitalization omitted) and that the "[first DOT] and all obligations secured thereby are hereby reinstated and shall be an[d] remain in force and effect."

D. *Canyon View's Demand Letters and Nationstar's Responses*

On January 14, 2016, Canyon View's counsel sent a letter to NDSC and Nationstar informing them that Canyon View had obtained a judgment declaring the home abandoned and subsequently purchased it free and clear of any prior interests at a warehouse sale. The letter stated NDSC and Nationstar had recorded documents clouding Canyon View's title to the mobilehome and "demand[ed] that [NDSC and Nationstar] agree to provide such releases and other assurances, and to execute and record the instruments as are necessary, in order to remove that cloud." The letter clarified that its demand "includ[ed] the execution and recordation of a full reconveyance of the [DOT] and quitclaim deed of any interest in the home." (Capitalization omitted.) The letter gave NDSC and Nationstar 15 days to respond before Canyon View would file suit.

A week later, NDSC responded by informing Canyon View that it had forwarded the demand letter to the loan servicer (Nationstar), and that NDSC was not involved in the loan. A week after that, on January 28, 2016, Nationstar responded to Canyon View with a letter representing that Nationstar was "reviewing [Canyon View's] concerns" and would provide responses "no later than March 7, 2016." On March 1, 2016, counsel for Canyon View sent Nationstar a "final demand letter." (Boldface, capitalization & italics omitted.) On March 7, 2016, Nationstar wrote to Canyon View informing it that Nationstar required a "valid borrower's third party authorization for this account" in order to further discuss the mobilehome or loan. (Capitalization omitted.)

Canyon View did not execute such a form or further correspond with Nationstar regarding its concerns. On April 25, 2016, Nationstar executed and notarized—but did not record—a "substitution of trustee and full reconveyance" (capitalization omitted) regarding the property, which provides as follows: "[T]he undersigned [BANA] hereby substitutes Nationstar Mortgage LLC as Trustee under [the first DOT] and does hereby reconvey, without warranty, to the person or persons legally entitled hereto, the Estate now held thereunder." (Capitalization omitted.) Nationstar did not inform Canyon View that it had executed this document.

E. *Lawsuit and Post-Litigation Recordings*

On May 3, 2016, Canyon View sued Nationstar, NDSC, and 20 unnamed doe defendants. Canyon View's complaint alleges causes of action for quiet title, declaratory relief, removal of cloud on title under Civil Code section 3412, and unfair business practices. The complaint identified the following documents as clouding title: (1) the October 28, 2013 assignment, (2) the December 11, 2013 notice of trustee sale, (3) the December 8, 2014 assignment, and (4) the June 2, 2015 notice of rescission of the September 13, 2012 notice of default. These were the same documents Canyon View had identified in its initial letter to Nationstar and NDSC. On May 10, 2016, Canyon View also recorded a lis pendens on the mobilehome.

On May 11, 2016, Nationstar recorded the previously-executed reconveyance document described above.

F. *Key Aspects of Pleadings, Discovery, and Motion Practice*

On June 8, 2016, Nationstar answered Canyon View's complaint. The answer "denie[d] [Canyon View] is entitled to the relief sought," denied the majority of the allegations in the

complaint, and asserted numerous affirmative defenses. As a basis for the asserted affirmative defense of "[m]ootness," Nationstar included the following language in its answer: "Nationstar does not and has not claimed any interest in the [mobilehome] adverse to the interest asserted by plaintiff. As a show of good faith, Nationstar caused to be recorded a full reconveyance of its underlying [DOT] in the Los Angeles County Recorder's Office on May 11, 2016[,] . . . which renders [Canyon View's] allegations moot as a matter of law."

The litigation proceeded to the discovery phase. In its discovery responses, Canyon View continued to identify only the four documents described in the complaint as the sole documents it contended clouded Canyon View's title to the mobilehome. Canyon View's discovery responses also expressly denied that it was asserting other recorded documents clouded Canyon View's title.

Nationstar filed a motion for judgment on the pleadings and, later, a motion for summary judgment, both arguing that Nationstar was entitled to judgment in its favor because it had disclaimed any interest in the mobilehome, had rescinded any effort to foreclose thereon, and was legally incapable of asserting any interest therein, given the documents recorded. The court rejected these arguments and denied the motions.

G. *Nationstar's Statutory Offers of Compromise*

On July 19, 2017, Canyon View made an offer to compromise pursuant to Code of Civil Procedure section 998. The offer proposed that a stipulated judgment be entered in Canyon View's favor on all claims and that Canyon View "be awarded all of the . . . relief [it] seeks by the complaint" except "the award of the compensatory damages it seeks against Nationstar." (Capitalization omitted.) The offer also proposed that a stipulated judgment would declare

Nationstar has no right to the mobilehome, that Canyon View holds title thereto free and clear of any prior interests, and cancel the four documents identified in the complaint as clouding title. The offer also provided that "[Canyon View] is entitled as the prevailing party to seek to recover its reasonable attorney's fees" by filing the appropriate documents with the court, and that Nationstar is entitled to oppose such an effort.

After Canyon View did not timely accept this offer, Nationstar made another offer on October 31, 2018. The second offer included terms virtually identical to those in the first offer, but offered a set payment to Canyon View of $50,000 for any costs, expenses, and attorney fees, rather than permitting the parties to litigate the issue of fees and costs. When the offer was not timely accepted, Nationstar increased the set payment amount to $70,000 in a January 9, 2019 offer. Canyon View did not accept this updated offer either.

H. *Trial, Statement of Decision, and Judgment*

The court conducted a five-day bench trial in January 2019. During the trial, the parties presented evidence and arguments regarding not just the four documents identified in the complaint, but the 13 other recorded documents identified in the factual background section above as well, and "litigated [the case] with respect to all of these recordings." The court granted Canyon View's motion to conform the complaint according to proof, such that, as conformed, it encompasses all the 17 recordings at issue during trial.

In its written statement of decision, the trial court found that several of these recorded documents, including some recorded by or at the direction of Nationstar and for Nationstar's benefit after Nationstar became aware that the first DOT had been

extinguished, "constitute[d] adverse claims or clouds in the public title records on Canyon View's fee title to the property" and "should be cleared from Canyon View's title." (Capitalization omitted.) The court found these documents asserted the continuing validity of the first DOT, even though, as Nationstar admitted at trial, the first DOT had been extinguished when Canyon View purchased the mobilehome free of any prior interest at the MRL abandonment sale.

The court further found that the reconveyance Nationstar recorded shortly after Canyon View filed suit was insufficient to remove the cloud on Canyon View's title resulting from documents Nationstar had caused to be recorded, because Nationstar "never recorded a quitclaim deed to Canyon View." The court further found that, the language in Nationstar's answer notwithstanding, Canyon View had not "unequivocally disclaim[ed] any adverse interest in the [the mobilehome]" during the litigation, because, inter alia, Nationstar sought judgment in its favor before and during trial.

Based on these and other factual findings, the court found "in Canyon View's favor and against [d]efendants," including Nationstar, on the causes of action for quiet title, declaratory relief, and cancellation of instruments. As relief under these three causes of action, the court (1) quieted title to the mobilehome in favor of Canyon View, (2) declared that Canyon View held title to the home free and clear of any adverse claims by defendants as of May 7, 2009, and that "defendants . . . have no right, title, estate, lien or any interest whatsoever in, to or concerning the home or the lease" (3) entitled Canyon View to file a certified copy of the judgment quieting title in the public records, thereby (4) "cancell[ing] and withdraw[ing]" the 17 recorded documents and removing any cloud on title. (Capitalization omitted.) As to the fourth cause of action

for unfair business practices, the court found Canyon View was "not entitled to the injunctive relief sought in light of the court's rulings on the first through third causes of action in Canyon View's favor . . . [because] the relief granted to [Canyon View] . . . on [those] . . . causes of action renders the additional requested injunctive relief unnecessary in this case." (Capitalization omitted.) The court denied Canyon View any consequential damages.

The court therefore entered judgment for Canyon View on the first three causes of action, and that Canyon View "had not established its entitlement to the injunctive relief sought by the fourth cause of action for unfair business practices." The judgment further provided that Canyon View "as prevailing party, [was] entitled to seek to recover its reasonable attorney's fees and costs by [properly filed] motion and cost memorandum."

I. *Nationstar's Appeal from the Judgment Is Dismissed*

Nationstar filed posttrial motions to set aside or vacate the judgment and for a new trial, which the court denied. On April 25, 2019, Nationstar filed a notice of appeal from the judgment, but this court dismissed the appeal following several procedural defaults and denied Nationstar's motion to vacate the dismissal.

J. *Parties' Respective Efforts To Recover Attorney Fees and Costs*

Both Nationstar and Canyon View sought to recover their costs and attorney fees based on the now final and nonappealable judgment in Canyon View's favor. Both filed memoranda of costs as well as motions to tax or strike the opposing party's costs.

1. Initial Orders Regarding Fees and Costs

The court denied costs to Nationstar on the basis that Nationstar was not the prevailing party, and that Nationstar had not established that the Code of Civil Procedure section 998 offers Nationstar made were more favorable than the judgment Canyon View ultimately obtained. The court further found "in its discretion, under the circumstances of this case," that Canyon View also should not recover costs.

As to attorney fees, the court granted Canyon View's motion to extend the time to move for attorney fees until after this court ruled "on a controlling legal issue in [*Canyon View Ltd v. Lakeview Loan Servicing, LLC* (2019) 42 Cal.App.5th 1096 (*Canyon View I*)]."

2. *Canyon View I* Decision

On December 4, 2019, we issued our opinion in *Canyon View I*, which held, in relevant part, because "[t]he MRL creates the right of a purchaser at an abandonment or warehouse lien sale to take title 'free of any prior interest, including any security interest or lien' " (*Canyon View I*, *supra*, 42 Cal.App.5th at p. 1114), when litigation is "necessary to perfect [a plaintiff's] right to free and clear title under the MRL, [that action] ar[ises] out of the MRL, and . . . the prevailing party [in such an action], is entitled to recover its reasonable attorney fees and costs." (*Id.* at p. 1100.) Applying this interpretation of "arising out of [the MRL]" to the cases at issue in *Canyon View I*, we concluded that "Canyon View was 'required' to sue to 'perfect' [such] right[s] on the facts of the [three actions consolidated in *Canyon View I*] [citation], because the defendants in those actions refused to sufficiently correct recorded documents asserting a security interest in the subject mobilehomes after Canyon View purchased the homes via MRL abandonment or warehouse lien sale proceedings." (*Id.* at p. 1114.)

3. Post-*Canyon View I* Attorney Fees and Costs Motions

Following the *Canyon View I* decision, the court heard both parties' respective motions for attorney fees. In its motion, Canyon View sought to recover both fees and costs. Canyon View did not file a memorandum of costs, but rather identified the costs it sought under the MRL in its fees motion.

In its motion for fees, Nationstar again argued it was entitled to attorney fees because Canyon View had rejected Nationstar's Code of Civil Procedure section 998 offer of compromise, which Nationstar argued was more favorable to Canyon View than was the judgment Canyon View ultimately obtained.

In Canyon View's motion for fees and costs, Canyon View sought attorney fees under the MRL on the basis that it had satisfied the two requirements of the MRL attorney fees and costs provision: The litigation arose out of the MRL, meaning it was necessary to perfect an MRL-based right, and Canyon View was the prevailing party therein. To support the specific amount of fees requested, Canyon View provided the declaration of Canyon View's trial counsel as well as fees and costs statements and supporting billing records. Nationstar opposed the motion on the basis that Canyon View's litigation against Nationstar was unnecessary to vindicate Canyon View's MRL-based interest in the mobilehome because Nationstar had executed a reconveyance and disclaimed interest in the home. In the alternative, Nationstar argued that the fees Canyon View was seeking were for work more extensive than necessary to vindicate Canyon View's MRL-based rights vis-a-vis Nationstar. On these bases, Nationstar argued that fees awarded, if any, should only be for work pre-dating Nationstar's reconveyance or disclaimers.

The court rejected these opposition arguments, concluding that, because the court had already found in its statement of decision that Nationstar "did not disclaim all interest" in its answer or sufficiently clear the cloud on title with its reconveyance, Nationstar had "failed to establish that the fees and costs . . . should be cut off" at the time Nationstar took those actions. The court ruled that the entire lawsuit against Nationwide was necessary to vindicate Canyon View's MRL-based rights and thus arose out of the MRL, entitling Canyon View to reasonable fees and costs incurred throughout the entire litigation. The court applied the lodestar method to calculate the specific amount of fees to award. It found the hourly fee rates for Canyon View's attorneys reasonable, and awarded fees for all hours reflected in the billing records and declarations Canyon View had provided, resulting in a total fees award of $470,338.23.

As to costs, the court noted that its prior order denying both parties costs did not preclude an award of costs under the MRL, given the clarification of the law since that order in *Canyon View I*. Based on the MRL fees and costs provision, the court awarded all costs reflected in the Canyon View's costs memorandum, totaling $24,209.86.

Nationstar timely noticed its appeal from the fees and costs order, challenging the award to Canyon View, but not the court's denial of Nationstar's request for fees.

DISCUSSION

Nationstar argues on appeal that (1) Canyon View is not entitled to recover any attorney fees or costs under the MRL because the litigation below was not a dispute "between adverse claims arising under the MRL," meaning the litigation did not arise out of the MRL (boldface, capitalization & underscoring omitted),

and (2) even if some of the dispute litigated below did arise out of the MRL, the court abused its discretion in awarding attorney fees for work that was "more extensive than necessary to clear [any] adverse claims to title" purportedly resulting from the documents involving Nationstar. (Boldface, capitalization & underscoring omitted.)

Nationstar also raises challenges to the fees and costs order unrelated to the MRL, namely that the court's unappealed order initially denying all costs prevents Canyon View from again seeking costs, that Code of Civil Procedure section 761.030 prohibits the court from awarding costs, and that Code of Civil Procedure section 998 requires Canyon View to pay all costs.

We find none of these arguments persuasive, for reasons we discuss below.[4]

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[4] In an unpublished opinion filed today deciding an appeal from another case involving Canyon View and MRL attorney fees, *Canyon View Limited v. Bank of America, N.A., et al.* (Oct. 26, 2023, B312259), the appellants raise some arguments similar to those Nationstar raises here regarding the necessity of the work for which a party seeks MRL fees and costs as a factor in assessing the reasonable amount of fees and costs recoverable. The initial order regarding attorney fees and costs in the proceedings underlying case No. B312259 was one of the four decisions consolidated for review in *Canyon View I,* and case No. B312259 is an appeal from the trial court's order regarding fees and costs on remand from *Canyon View I.* We reach a different result in case No. B312259 than we do here based in part on the unique approach the trial court took to calculating fees on remand from *Canyon View I.* The trial court in the instant appeal took no such approach.

A. *Arguments Involving the MRL Attorney Fees and Costs Provision*

1. The Judgment Precludes Many of Nationstar's Arguments Regarding MRL-Based Attorney Fees

Nationstar first argues that the litigation did not "aris[e] out of [the MRL]," and thus that Canyon View should not be awarded any attorney fees or costs under the MRL fees and costs provision. (§ 798.85.) As noted above, litigation " 'aris[es] out of' the MRL" when it is "necessary to perfect [a plaintiff's] right to free and clear title under the MRL." (*Canyon View I, supra*, 42 Cal.App.5th at p. 1100.) Nationstar argues the instant action does not satisfy this definition because (1) the action did not involve any adverse claims to the mobilehome, given Nationstar was not attempting to assert an interest therein, but rather disclaimed any such interest; (2) the recorded documents at issue do not actually encumber Canyon View's title to the home; and (3) the reconveyance Nationstar filed, even without a warranty or an accompanying quitclaim deed, sufficiently cleared any cloud on title caused by Nationstar's documents.

Under the doctrine of collateral estoppel, also known as issue preclusion, the court's final, unappealed judgment precludes Nationstar's arguments. The doctrine of issue preclusion "prevents relitigation of previously decided issues." (*DKN Holdings LLC v. Faerber* (2015) 61 Cal.4th 813, 824.) The doctrine "applies (1) after final adjudication (2) of an identical issue (3) actually litigated and necessarily decided in the first suit and (4) asserted against one who was a party in the first suit or one in privity with that party." (*Id.* at p. 825.) These elements are all present here with respect to issues identified above.

First, the judgment in Canyon View's favor is now final, as Nationstar's appeal therefrom was dismissed and the time to appeal has long since elapsed. (See *Roberson v. City of Rialto* (2014) 226 Cal.App.4th 1499, 1505 ["appealable judgment becomes final for all purposes once all avenues for appellate review are exhausted or time frame for appeal has otherwise lapsed"]; *Perez v. Roe 1* (2006) 146 Cal.App.4th 171, 175 [judgment became final when plaintiff's appeal was dismissed].) Second, in order for the court to enter judgment in Canyon View's favor on the quiet title and removal of cloud on title causes of action (as it did), the court must necessarily have accepted that Nationstar made an adverse claim to the home. (See *South Shore Land Co. v. Petersen* (1964) 226 Cal.App.2d 725, 741 [elements of an action to quiet title include that "the defendant claims an interest [in the property] adverse to [the plaintiff]"].) The court must have also necessarily found that the documents at issue created clouds on title that Nationwide had not removed (via the reconveyance it recorded or any other means). (See § 3412 ["[a] written instrument, in respect to which there is a reasonable apprehension that if left outstanding it may cause serious injury to a person against whom it is void or voidable, may, upon his application, be so adjudged, and ordered to be delivered up or canceled"].) The judgment thus necessarily included findings on the exact issues Nationstar now disputes in arguing the action did not arise out of the MRL.

Indeed, in the statement of decision accompanying the judgment, the court expressly stated these findings. Namely, it found that documents recorded by or at the direction of Nationstar "constitute[d] adverse claims or clouds in the public title records on Canyon View's fee title to the property" and "should be cleared from Canyon View's title." (Capitalization omitted.) The court further found that Nationstar had not taken sufficient action to clear the

cloud on title created by these documents, and more specifically that Nationstar's reconveyance and purported disclaimers were insufficient to accomplish this.

Third, these findings were also actually litigated below, because Nationstar raised with the trial court the same arguments it now raises on appeal regarding these issues.

Fourth and finally, Nationstar was a party to the litigation in which the judgment was entered.

Thus, the judgment—and the specific factual findings in the statement of decision underlying the judgment—preclude Nationstar from arguing that the action lacked adverse claims, did not involve a cloud on title, or that Nationstar had sufficiently removed the cloud on title. Nationstar could have challenged the trial court's findings to the contrary on these issues via an appeal from the judgment, but Nationstar failed successfully to do so. Nationstar is thus "foreclosed from raising [these issues] in any form"—that is, either "by direct attack, i.e., appeal, or by collateral attack, i.e., by raising it in a challenge to their attorneys' fee requests." (*Estate of Redfield* (2011) 193 Cal.App.4th 1526, 1536 [unappealed dismissal following final order approving settlement was res judicata precluding challenge to finding necessarily underlying the settlement that certain funds were not an asset of the estate]; see *Ponce v. Tractor Supply Co.* (1972) 29 Cal.App.3d 500, 509–510 [applying preclusion based on earlier-entered and unappealed judgment in the same action]; see also *Morrissey v. City & County of San Francisco* (1977) 75 Cal.App.3d 903, 908 [an appealable but unappealed order was "final and binding upon plaintiff . . . and upon [the Court of Appeal]" in the same action].)

The collateral estoppel effect of the judgment likewise precludes several of Nationstar's alternative arguments as to why, even if the MRL fees and costs provision applies, the amount of

attorney fees the court awarded was more extensive than necessary to vindicate Canyon View's MRL-based right to clear title, and thus that the fees award was excessive. Specifically, Nationstar argues the litigation ceased to be necessary to protect Canyon View's MRL-based right to free and clear title when Nationstar recorded a reconveyance and/or disclaimed an interest in the mobilehome, because these actions sufficiently cleared any cloud on title, and "Canyon View does not identify adverse claims asserted by Nationstar" regarding the home. (Boldface, capitalization & underscoring omitted.) But, as discussed above, Nationstar is estopped from challenging the court's express findings that Nationstar was asserting an adverse claim and that the disclaimers and reconveyance did not sufficiently clear title.[5]

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[5] Nationstar notes that, in the unpublished portion of *Canyon View I*, we observed that the proceedings in one of the four separate actions at issue (the Lakeview action) may have been more extensive than necessary because those proceedings continued for several months after Lakeview recorded a reconveyance *and* a quitclaim deed. Specifically, we noted that "[w]e share[d] the trial court's concerns that the proceedings [in the Lakeview action] may have been more extensive than necessary, given that, for example, proceedings in the Lakeview action continued for several months after Lakeview filed a post-litigation reconveyance *and quitclaim deed*." (Italics added.) We further instructed the trial court that, on remand in the Lakeview action, the trial court could consider Lakeview recording both of these documents as a factor in calculating the amount of fees recoverable under the MRL fees and costs provision, but only in connection with reviewing the specific circumstances and billing records presented in the Lakeview action. As discussed above, the unchallenged finding in the instant action that the reconveyance Nationstar recorded was *not* sufficient to remove the cloud on title precludes Nationstar from succeeding on a similar argument in the instant appeal. But in any event,

In sum, Nationstar's arguments attack actually litigated findings necessary to the court's unappealed final judgment against Nationstar. The vehicle with which Nationstar could have challenged those findings was an appeal from the judgment. Nationstar did not successfully raise such a challenge, and we may not and do not consider it now. (See *In re Marriage of Gruen* (2011) 191 Cal.App.4th 627, 638 [" '[i]f an order is appealable, . . . and no timely appeal is taken therefrom, the issues determined by the order are res judicata' "].)

2. Canyon View's Prelitigation Conduct Does Not Prevent the Action From Arising Out of the MRL

Nationstar argues that the action did not arise out of the MRL for another reason, one not precluded by the judgment and underlying findings. Namely, in arguing that the action "did not resolve a dispute between adverse claims arising under the MRL" (boldface, capitalization & underscoring omitted) and thus that the MRL fees statute does not apply, Nationstar points to two types of prelitigation conduct in making this argument. First, Nationstar argues the grant deed Canyon View recorded following its purchase of the mobilehome was not in the chain of title, meaning Nationstar and its predecessors did not have constructive notice of the sale to Canyon View and cannot be faulted for initiating foreclosure proceedings prior to receiving Canyon View's demand letter informing them of the sale. But what Nationstar did *before*

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the situation in the instant appeal is distinguishable from that at issue in the Lakeview action portion of *Canyon View I* on which Nationstar relies, because Nationstar did not record a full reconveyance and quitclaim deed, but rather a reconveyance without warranty.

Canyon View demanded Nationstar take action to clear Canyon View's title was not the focus of the instant action. Rather, the complaint alleges, and the court ultimately found, that once Canyon View brought to Nationstar's attention that documents Nationstar recorded or caused to be recorded created a cloud on Canyon View's title, Nationstar did not act to sufficiently remove that cloud. This failure was the basis for the court ruling in Canyon View's favor on the quiet title cause of action. Thus, whether Nationstar or Nationstar's predecessors should have known about Canyon View's title at the time the offending documents were recorded has no bearing on whether this action arises out of the MRL.[6]

Second, Nationstar argues that Canyon View failed to utilize statutorily prescribed means of obtaining information about the loan that privacy laws prevented Nationstar from sharing with Canyon View in response to Canyon View's demand letters. Nationstar appears to be arguing that the instant action was not necessary to perfect Canyon View's MRL-based right to clear title because, had Canyon View utilized the proper procedures for gaining information about the first DOT before filing suit, Canyon View would have known it already had clear title, and could have avoided litigation. But in order for a quiet title action to " 'arise out of' the MRL," it need not seek to extinguish actual, legally viable interests or encumbrances. An MRL-based abandonment sale necessarily extinguishes any pre-existing lien on a mobilehome, but recordings regarding such a lien can still affect the marketability of—and thus cloud title to—that home. The MRL fees and costs

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[6] To the extent Nationstar is arguing that the grant deed being outside the chain of title prevented the instant action from involving adverse claims to the home, the judgment, as explained above, collaterally estops that argument.

provision implicitly acknowledges this in that it funds litigation efforts of an MRL-sale purchaser to obtain a quiet title judgment even after the statute has, by operation of law, already quieted title in the purchaser's favor. Thus, even if Canyon View knew the first DOT was no longer a valid encumbrance on the home, the instant action would still have been one arising out of the MRL for the same reason three of the four actions in *Canyon View I* were: because public records continued to leave some doubt as to who has an interest in the home, even though an MRL sale has extinguished all such interests, and the defendant refused to sufficiently clarify that confusion in public records.[7] (See *Canyon View I, supra*, 42 Cal.App.5th at p. 1114.)

3. The Court Did Not Err In Concluding the Action Arose Out of the MRL and the MRL Fees and Costs Statute Thus Applies

Thus, the findings of the trial court necessarily underlying the judgment and expressly included in the statement of decision satisfy the definition of "aris[ing] out of the MRL" set forth in *Canyon View I*, and Nationstar has not raised a valid argument to the contrary. Specifically, Nationstar admitted at trial that, following the May 2009 public sale, Canyon View had a right under the MRL to hold title to the mobilehome free and clear of any prior liens or security interests. Because Canyon View had this MRL-based right, the preclusive findings that Nationstar was asserting an adverse claim to the home after the public sale, that the

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[7] Nationstar also points to this prelitigation conduct and argues that it "caused" "the extensive scope of the litigation" and provides a basis for reducing the fees amount awarded. We address this argument in Discussion *post*, part A.4.

documents at issue in litigation reflected a cloud on title, and that Nationstar's efforts in response to Canyon View's requests that Nationstar remove that cloud were insufficient, conclusively establish that it was necessary for Canyon View to file the action in order to perfect an MRL-based right. The MRL fees and costs provision applies.

4. The Court Did Not Abuse Its Discretion by Declining to Reduce the Fees Award Amount Based on the Involvement of Non-Nationstar Documents or Canyon View's Prelitigation Efforts

Nationstar contends in the alternative that, even if the MRL fees and costs provision applies, the court awarded an amount of fees greater than what was reasonable and recoverable under the MRL. Nationstar offers multiple bases for this argument, some of which are precluded by the judgment in the manner discussed above. (See Discussion *ante*, part A.1.) Two bases for this argument are not so precluded, and we address these here.

First, Nationstar argues that the MRL only authorizes a fees award in a suit against Nationstar for work necessary to clear clouds created by the four documents Nationstar caused to be recorded (the Nationstar documents), not the 13 documents over which Nationstar did not have control (the non-Nationstar documents). According to Nationstar, "[t]he [13] documents either did not cloud Canyon View's title, or did not relate to Nationstar. While Canyon View may be entitled to remove these documents from the public record, Nationstar should not have to pay for that privilege." Second, Nationstar argues that "the extensive scope of the litigation was caused by Canyon View's actions" before filing suit, and that the court should have reduced the amount of the fees awarded on this basis as well. Nationstar specifically points

to Canyon View not having "serve[d] a beneficiary demand or payoff demand under . . . section 2943," not having discussed the case with title experts before filing suit, and that Canyon View recorded the grant deed outside the chain of title, causing "[l]enders and their trustees [to] pursue[ ] a foreclosure action," thereby creating clouds on title that needed to be cleared in litigation. Nationstar also points to Canyon View's "substandard" demand letters. According to Nationstar, based on either the involvement of the non-Nationstar documents and/or Canyon View's prelitigation conduct, any award of MRL-based "fees should [have] end[ed] with the reconveyance and disclaimer"—put differently, fees awarded for work performed after that were excessive and/or not authorized by the MRL.

We review arguments that a fees award is excessive for an abuse of discretion. (See *PLCM Group v. Drexler* (2000) 22 Cal.4th 1084, 1095 [" '[t]he experienced trial judge is the best judge of the value of professional services rendered in his court, and while his judgment is of course subject to review, it will not be disturbed unless the appellate court is convinced that it is clearly wrong'—meaning that it abused its discretion"].) Once Canyon View presented lodestar evidence of the fees it was seeking below, "the burden shifted to [Nationstar] to present specific objections, supported by rebuttal evidence." (*Roos v. Honeywell Internat., Inc.* (2015) 241 Cal.App.4th 1472, 1494 (*Roos*), disapproved of on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.) This burden required Nationstar to "point to the specific items challenged, with a sufficient argument and citations to the evidence. General arguments that fees claimed are excessive, duplicative, or unrelated do not suffice." (*Premier Medical Management Systems, Inc. v. California Ins. Guarantee Assn.* (2008) 163 Cal.App.4th 550, 564.) On appeal, it is Nationstar's

burden as the appellant to show an abuse of discretion in the court's fees award amount. (*Laffitte v. Robert Half Internat. Inc.* (2016) 1 Cal.5th 480, 488 [" '[f]ees approved by the trial court are presumed to be reasonable, and the objectors must show error in the award' "].)

Even if we accept, for the sake of argument, that any legal work or litigation related to the non-Nationstar documents was not necessary to perfecting Canyon View's MRL-based rights, and/or that the prelitigation conduct Nationstar identifies resulted in the litigation being more extensive than it could have otherwise been, Nationstar has not established that the trial court abused its discretion by declining to reduce fees based on these issues. Below, Nationstar did not challenge any specific entries in the supporting billing records based on their involving any of the non-Nationstar documents or tasks resulting in whole or in part from the manner in which Canyon View proceeded prior to filing suit. Nor has Nationstar identified, either below or on appeal, which fees, legal work, or aspects of the proceedings Nationstar proposed attributing to the non-Nationstar documents or legal work that would have been unnecessary, had Nationstar proceeded differently before filing suit. Rather, Nationstar has only ever proposed Canyon View should not recover any fees incurred after the reconveyance or disclaimer. But this proposed dividing line would not remove fees attributable to the non-Nationstar documents or Canyon View's prelitigation conduct, and Nationstar does not argue otherwise. It is thus not a "reasonable basis" on which to reduce the fee amount requested (*Gorman v. Tassajara Development Corp.* (2009) 178 Cal.App.4th 44, 101 ["[there must be] a reasonable basis for the trial court's reduction of the lodestar amount" because it bears no correlation to the reasons Nationstar argues the fees requested were excessive]; cf. *Mountjoy v. Bank of America, N.A.* (2016)

245 Cal.App.4th 266, 281 [a "reduction in hours claimed" based on flawed billing entries, "without any correlation shown to the number of hours claimed on the flawed entries, is arbitrary" and an abuse of discretion].) The court's refusal to employ such a dividing line as a means of addressing the involvement of non-Nationstar documents or the effects of Canyon View's prelitigation conduct cannot be deemed an abuse of discretion. (See *Thompson Pacific Construction, Inc. v. City of Sunnyvale* (2007) 155 Cal.App.4th 525, 556 ["[h]aving impliedly concluded that there was no precise methodology by which it could further apportion the fee request [citation], the trial court acted within its discretion in awarding fees [apportioned as proposed by party claiming fees"]; see also *Drouin v. Fleetwood Enterprises* (1985) 163 Cal.App.3d 486, 493 [a court may act within its broad discretion regarding fees awards when it chooses not to apportion fees because, for example, "plaintiff's various claims involve a common core of facts or are based on related legal theories"].)

B. *Non-MRL-Based Arguments*

Nationstar also challenges the fees and costs award on bases unrelated to the MRL fees and costs provision. We address each in turn below.

1. Purported Disclaimer under Code of Civil Procedure Section 761.030

Nationstar argues that the court abused its discretion in awarding any costs, citing Code of Civil Procedure section 761.030. That section modifies the general rules regarding costs set forth in Code of Civil Procedure sections 1032 and 1034 and accompanying rules. Generally speaking, Code of Civil Procedure sections 1032 and 1034 permit the trial court, in its discretion, to award costs under certain circumstances. But under Code of Civil Procedure

section 761.030, subdivision (b), "[i]f the defendant [in a quiet title action] disclaims in the answer any claim, or suffers judgment to be taken without answer, the plaintiff shall not recover costs." (Code Civ. Proc., § 761.030, subd. (b).)

This exception to the generally applicable rules regarding costs is inapplicable here, because the court awarded costs in the instant action under the MRL fees and costs provision, not the Code of Civil Procedure. In arguing we should nevertheless rely on Code of Civil Procedure section 761.030, Nationstar references the unpublished portion of *Canyon View I* affirming the trial court's denial of any costs in one of the consolidated actions, based in part on the "spirit and intent" of Code of Civil Procedure section 761.030. But any costs awarded in that action would have been awarded under Code of Civil Procedure section 1032, because, unlike here, the MRL fees and costs provision did not apply in that action. Nationstar's reference to this aspect of our opinion in *Canyon View I* thus does not assist their argument.

2. Failure to Challenge Initial Costs Order

The parties originally filed costs memoranda before the *Canyon View I* decision and the trial court denied costs to both parties. Nationstar argues that because Canyon View did not appeal the order initially denying Canyon View its costs and did not file another memorandum, Canyon View was barred from seeking costs in its post-*Canyon View I* fees motion. This argument ignores that *Canyon View I* clarified the law regarding when fees and costs are recoverable under the MRL fees and costs provision, the basis for the fees and costs awarded in the challenged order. Indeed, the disposition in *Canyon View I* expressly instructed the trial court in the three cases to which we concluded the MRL fees and costs provisions applied to calculate a reasonable amount of

both costs and fees. (See *Canyon View I, supra*, 42 Cal.App.5th at pp. 1118–1119 ["The court's orders denying Canyon View's motions for attorney fees and costs under the MRL in the Lakeview action, BONY action, and Household action are reversed. The court's order granting the BONY respondents' motion to strike costs in the BONY action is also reversed. Upon remand, the trial court shall determine, in a manner consistent with this opinion, the amount of reasonable attorney fees and costs to award Canyon View *in each of these three actions*," italics added].) Thus, the court had the power to grant Canyon View's request for costs, contained in its attorney fees and costs motion, under the MRL fees and costs provision, notwithstanding the court's denial of a separate request for fees made at a time when it was not yet clear the MRL fees and costs provision would apply.

3. Code of Civil Procedure Section 998

Code of Civil Procedure section 998 provides that, "[n]ot less than 10 days prior to commencement of trial . . . any party may serve an offer in writing upon any other party to the action to allow judgment to be taken or an award to be entered in accordance with the terms and conditions stated at that time" (a section 998 offer). (Code Civ. Proc., § 998, subd. (b).) "If an offer [so] made by a defendant is not accepted and the plaintiff fails to obtain a more favorable judgment or award, the plaintiff shall not recover his or her postoffer costs and shall pay the defendant's costs from the time of the offer." (*Id.*, subd. (c)(1).) Nationstar argues that it should have recovered costs under Code of Civil Procedure section 998, because Canyon View rejected settlement offers Nationstar made that were more favorable to Canyon View than was the outcome Canyon View obtained.

In this case, Nationstar made such an offer, the terms of which included cancelling the four documents referenced in the complaint, and payment of $50,000 for attorney fees and costs, an amount Nationstar later increased to $70,000 in a subsequent offer. Via the judgment and the postjudgment fees and costs order, the court cancelled these same documents (as well as 13 other documents unrelated to Nationstar), and awarded Canyon View $470,338.23 in fees and $24,209.86 in costs. Based on the documentation supporting the fees and costs motion, the portion of that award attributable to work Canyon View's counsel had done prior to Nationstar making any of its first Code of Civil Procedure section 998 offers was $112,409.38 in fees alone. (See Code Civ. Proc., § 998, subd. (c)(2)(A) [postoffer costs are excluded from the calculation in determining whether a judgment is more or less favorable than a settlement offer].) Above, we reject all other bases on which Nationstar seeks reversal or modification of the fees and costs order. Thus, the amount of fees that Canyon View received for work pre-dating Nationstar's offers far exceeds the amount contained in any of Canyon View's offers. Thus, the trial court did not abuse its discretion in concluding the terms of compromise Nationstar offered under Code of Civil Procedure section 998 were not more favorable than the result Canyon View ultimately obtained, and that the cost-shifting provision of this statute thus does not apply. (*Arno v. Helinet Corp.* (2005) 130 Cal.App.4th 1019, 1025 ["[a]n appellate court reviewing a section 998 offer may not substitute its opinion for that of the trial court unless there has been a clear abuse of discretion"].)

DISPOSITION

The attorney fees and costs order is affirmed. Canyon View is awarded its costs on appeal.

NOT TO BE PUBLISHED.

ROTHSCHILD, P. J.

We concur:

CHANEY, J.

BENDIX, J.