IN THE COURT OF APPEALS OF THE STATE OF NEVADA

RESOURCES GROUP, LLC, AS TRUSTEE OF THE EAST SUNSET ROAD TRUST,
Appellant,
vs.
HYDR-O-DYNAMIC CORPORATION, A REVOKED NEVADA CORPORATION; AND JUAN P. GUZMAN, AN INDIVIDUAL,
Respondents.

No. 80752-COA

FILED

JUN 16 2021

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY S. Young
DEPUTY CLERK

ORDER OF AFFIRMANCE

Resources Group, LLC, appeals from a district court order dismissing a complaint. Eighth Judicial District Court, Clark County; Stefany Miley, Judge.

In 2015, Nevada Association Services (NAS) foreclosed on a commercial property owned by Hydr-O-Dynamic Corporation (HODC) due to delinquent association assessments.[1] At the foreclosure sale, Resources Group, LLC, (RGL) had the winning bid and obtained exclusive ownership of the property. HODC refused to vacate the premises, arguing that it had timely cured its delinquency prior to the foreclosure sale. NAS reviewed its records, agreed with HODC, and attempted to return RGL's purchase money, which RGL refused to accept. As a result, RGL sued, NAS and HODC, among others, requesting specific performance, quiet title, and a writ of restitution. Ultimately, the case was resolved in RGL's favor by the Nevada Supreme Court. *See Res. Grp., v. Nev. Ass'n Servs., Inc.*, 135 Nev. 48, 437 P.3d 154 (2019).

[1]We do not recount the facts except as necessary to our disposition.

In 2019, after the first action was fully adjudicated, RGL filed a second complaint against HODC and HODC corporate officer Juan Guzman, alleging unjust enrichment and alter ego. The complaint averred, specifically, that HODC and Guzman were unjustly enriched by their continued use and possession of the subject property until they vacated it after the resolution of the first action. HODC and Guzman moved to dismiss the complaint, arguing that RGL failed to state a viable claim for unjust enrichment and that the doctrine of claim preclusion barred the action. After a hearing on the motion, the district court issued a written order and concluded that RGL's "claim for unjust enrichment could have been brought in the First Action and is therefore barred by the doctrine of claim[ ] preclusion." RGL now appeals.

On appeal, RGL argues that the district court erred in dismissing its compliant pursuant to the doctrine of claim preclusion because (1) Guzman was not a party to the first action; (2) the claims in the second action had not accrued when the first action commenced; and (3) the first action sought only declaratory relief, thus excepting its subsequent claims from the doctrine of claim preclusion.[2] We disagree and therefore affirm.

Whether claim preclusion operates to bar an action is a question of law that we review de novo. *Boca Park Martketplace Syndications Grp.,*

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[2]HODC contends on appeal, as it did below, that RGL failed to state a valid claim for unjust enrichment. Because the district court did not reach that issue, and because it is unnecessary to our disposition, we need not address it. *Douglas Disposal, Inc. v. Wee Haul, LLC*, 123 Nev. 552, 557 n.6, 170 P.3d 508, 512 n.6 (2007) ("The district court did not address this issue. Therefore, we need not reach the issue."); *see also Miller v. Burk*, 124 Nev. 579, 588-89 & n.26, 188 P.3d 1112, 1118-19 & n.26 (2008) (explaining that this court need not address issues that are unnecessary to resolve the case at bar).

LLC v. Higco, Inc., 133 Nev. 923, 925, 407 P.3d 761, 763 (2017). This court applies "a three-part test to determine the availability of claim preclusion: (1) the parties or their privies are the same, (2) the final judgment is valid, and (3) the subsequent action is based on the same claims or any part of them that were or could have been brought in the first case." *G.C. Wallace, Inc. v. Eighth Judicial Dist. Court*, 127 Nev. 701, 705-06, 262 P.3d 1135, 1138 (2011) (internal quotations omitted). In short, "claim preclusion applies to prevent a second suit based on all grounds of recovery that were or *could have been brought in the first suit*." *Five Star Capital Corp. v. Ruby*, 124 Nev. 1048, 1058, 194 P.3d 709, 715 (2008) (emphasis added).[3]

First, RGL argues that the parties in the instant action are not the same as the parties from the first action. Specifically, RGL contends that "the parties to the First Action included the Appellant [RGL], NAS, Association, and HODC, [whereas] the Second Action included Appellant [RGL], HODC, and Guzman." Although the rule demands that the parties involved in a subsequent action were also involved in the prior action, it does not require that *all* parties be identical. Instead, the rule dictates only that the parties (or their privies) in the second action were also parties in the previous action, making the prior judgment binding on them. *See, e.g., Univ. of Nevada v. Tarkanian*, 110 Nev. 581, 598, 879 P.2d 1180, 1191 (1994), *holding modified on other grounds by Exec. Mgmt., Ltd. v. Ticor Title Ins. Co.*, 114 Nev. 823, 963 P.2d 465 (1998) (providing that "the doctrine of res judicata precludes parties or those in privity with them from relitigating a cause of action or an issue which has been finally determined by a court of competent jurisdiction"); *see also* Restatement (Second) of Judgments § 34 (Am. Law Inst. 1982) ("A party is bound by and entitled to the benefits of the

[3]Neither party challenges the validity of the judgment; therefore, the second prong of the claim preclusion test is not discussed herein.

rules of res judicata with respect to determinations made while he was a party . . . .").

Here, HODC and RGL were both involved in the first and second action, and Guzman, who was named in the second action only, was in privity with HODC, as he was a corporate officer of HODC and sued in that capacity. *See Mendenhall v. Tassinari*, 133 Nev. 614, 619, 403 P.3d 364, 369 (2017) (recognizing a corporate officer as a privy). Thus, for purposes of claim preclusion, the parties are the same. Accordingly, we conclude that RGL's contention is unpersuasive and that the parties are the same for purposes of claim preclusion.

Next, RGL posits that its unjust enrichment claim had not accrued when the first action was filed and was therefore not barred by claim preclusion in the subsequent action. "Unjust enrichment occurs whenever a person has and retains a benefit which in equity and good conscience belongs to another." *In re Amerco Derivative Litig.*, 127 Nev. 196, 227, 252 P.3d 681, 703 (2011) (quoting *Nev. Indus. Dev. v. Benedetti*, 103 Nev. 360, 363 n.2, 741 P.2d 802, 804 n.2 (1987)). This includes "the retention of money or property of another . . . ." *Benedetti*, 103 Nev. at 363 n.2, 741 P.2d at 804 n.2.

The allegations in RGL's second complaint contend that HODC and Guzman "refused to vacate the Property subsequent to the Association Foreclosure Sale" and that *"[s]ince the Association Foreclosure Sale* to the date of filing *this* Complaint, Guzman and HODC . . . have retained exclusive use and possession of the Property." (Emphases added.) Thus, according its own words, RGL's unjust enrichment claim had accrued at the time it filed its initial complaint, which was shortly after the foreclosure sale. This is so because HODC retained possession and control of the subject property even after RGL obtained ownership. Therefore, RGL's unjust

enrichment claim had accrued, even though the damages were ongoing, and the district court correctly determined that claim preclusion was applicable.

Nevertheless, RGL contends that because its first complaint was filed only seven days after the foreclosure sale, "HODC and Guzman had not yet been unjustly enriched in any significant amount." But a claim for unjust enrichment does not require that the defendant be significantly enriched. Rather, unjust enrichment occurs whenever a person retains "money or property of another against the fundamental principles of justice or equity and good conscience." *Id.* And RGL does not cite any authority suggesting that "significant" enrichment is necessary. *Emperor's Garden Rest.*, 122 Nev. at 330 n.38, 130 P.3d at 1288 n.38. Accordingly, the district court did not err in concluding that RGL's claims were barred under the doctrine of claim preclusion.

Finally, RGL argues that even if claim preclusion applies, the declaratory judgment exception to the rule would render it inapplicable in this case. Specifically, RGL claims that because its original complaint sought declaratory relief, its second suit for money damages is not barred by claim preclusion.

In *Boca Park, Inc.*, the supreme court held that "claim preclusion does not apply where the original action sought *only* declaratory relief." 133 Nev. at 926, 407 P.3d at 764 (emphasis added). The court noted that "[w]hile a party may join claims for declaratory relief and damages in a single suit, the law does not require it." *Id.* at 923, 407 P.3d at 762. Thus, "[s]o long as the first suit only sought declaratory relief, a second suit for . . . damages may follow." *Id.* Declaratory relief is not coercive in nature and instead "determines [the parties'] legal rights without undertaking to compel either party to pay money or to take some other action . . . ." *Aronoff v. Katleman*, 75 Nev. 424, 432, 345 P.2d 221, 225 (1959); *see also Relief,*

Black's Law Dictionary (11th ed. 2019) (defining declaratory relief as "[a] unilateral request to a court to determine the legal status or ownership of a thing").

Here, RGL's complaint in the first suit contained causes of action for specific performance, quiet title, and a writ of restitution. Although RGL contends that the claims in the first action "were all declaratory in nature," we disagree. While a quiet-title action may arguably contain a component of declaratory relief, it "is a remedy that originated in the courts of equity." 65 Am. Jur. 2d *Quieting Title* § 1 (2021). In fact, declaratory relief is a creature of statute that was "unknown to the common law, either at law or in equity." 26 C.J.S. *Declaratory Judgments* § 2 (2021) (footnote omitted); *see also* NRS Chapter 30 (establishing declaratory judgments). Thus, a quiet-title action is not a declaratory remedy. *Argus Real Estate Inc. v. E-470 Pub. Highway Auth.*, 97 P.3d 215, 218 (Colo. App. 2003) (recognizing that a quiet-title action is not a declaratory judgment because it "adjudicates title to property as between the parties to the action" rather than declaring the parties' rights). Moreover, even assuming that RGL's quiet-title action was declaratory, that was not the *only* claim presented in RGL's original action, which also sought specific performance and a writ of restitution. Neither claim can be categorized as declaratory, as each is inherently coercive. Therefore, the district court correctly determined that claim preclusion was applicable, as the declaratory relief exception was unavailable.

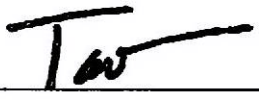
Relying on *G.C. Wallace*, RGL nonetheless suggests that the original action was similar to summary eviction and should therefore not prevent RGL from bringing a subsequent action for damages. In *G.C. Wallace*, the supreme court concluded that "a landlord who seeks summary eviction in justice court is not prevented from subsequently bringing a claim

for damages in district court." 127 Nev. at 711, 262 P.3d at 1141. This conclusion, however, was based on the court's reading of NRS 40.253, which it determined authorized separate actions. But, the court noted that absent such a statute "claim preclusion would ordinarily prevent a landlord from bringing a damages claim in district court after previously seeking summary eviction in justice court . . . ." *Id.* at 711, 262 P.3d at 1142. In the instant matter, no statute similar to NRS 40.253 exits and RGL has not cited any authority suggesting that the facts of this case warrant dispensation from the ordinary rule of preclusion.

Therefore, we conclude that the district court correctly determined that RGL's claims were barred by the doctrine of claim preclusion because (1) the parties and/or their privies were the same; (2) the claims in the second action had accrued when the first action was filed, and thus could have been brought; and (3) no exception to the doctrine of claim preclusion applies. Accordingly, we

ORDER the judgment of the district court AFFIRMED.

_____, C.J.
Gibbons



_____, J.
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cc: Hon. Linda Marie Bell, Chief Judge, Eighth Judicial District Court
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