

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Sara Burgess, et al. v. Alternative Sierra Investments, LLC, et al.

Burgess · No. 1:23-cv-01641-JLT-BAM · Decided November 13, 2025

SUMMARY

The United States District Court for the Eastern District of California directs Alternative Sierra Investments, LLC to submit supplemental briefing concerning service of its motion to substitute parties and notices of suggestion of death under Federal Rules of Civil Procedure 25(a)(3) and 4. The court also requires briefing on whether substitution is proper for James E. Laeng, who allegedly died before the action and crossclaim were commenced, or whether he should instead be dismissed.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Barbara A. McAuliffe
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	November 13, 2025
DOCKET	1:23-cv-01641-JLT-BAM
DISPOSITION	other
PROCEDURAL POSTURE	Defendant and cross-claimant Alternative Sierra Investments, LLC moved under Federal Rule of Civil Procedure 25 to substitute parties for deceased cross-defendants and filed suggestions of death. The magistrate judge directed supplemental briefing rather than deciding the motion.
PRECEDENTIAL VALUE	Unpublished district court order; nonprecedential

TOPICS

- service of process
- civil procedure
- estate litigation
- probate procedure

PRACTICE AREAS

- Civil procedure
- Probate and estate litigation

QUESTIONS PRESENTED

1. Whether the motion for substitution and the notices of suggestion of death were properly served on the affected parties and nonparties under Federal Rules of Civil Procedure 25(a)(3) and 4.
2. Whether substitution under Rule 25(a) is available for a party who died before commencement of the action.
3. Whether James E. Laeng should instead be dismissed from the action.

HOLDINGS

1. Supplemental briefing was warranted because the record did not establish that the motion for substitution and the notices of suggestion of death were properly served under Rules 25(a)(3) and 4, and because the propriety of substituting for James E. Laeng required further analysis.
2. The court identified a substantial legal question whether Rule 25(a) permits substitution for James E. Laeng because the information before the court indicated that he died before this action commenced, but the court did not finally resolve that question in this order.

KEY QUOTATIONS

“Because it is not evident from the proofs of service that ASI has complied with the Federal Rules of Civil Procedure and state law regarding proper service, ASI is directed to provide supplemental briefing demonstrating whether service of the motion to substitute and the notices of suggestion of death were properly served pursuant to Rule 25(a)(3).” (at 2)

“Accordingly, within twenty-one (21) days from the date of this order, ASI shall file supplemental briefing addressing (1) whether service of the motion to substitute and service of the notices of suggestion of death complied with Rule 25(a)(3) and Rule 4 of the Federal Rules of Civil Procedure; and (2) whether substitution under Rule 25(a) or dismissal is proper as to cross-defendant James E. Laeng.” (at 3)

FACTUAL BACKGROUND

Alternative Sierra Investments, LLC filed a crossclaim against several individuals and estates. Its newly retained counsel later learned that cross-defendants James E. Laeng and Mary E. Kessel had died, and that Greg L. Hoenes had been appointed executor of the Estate of Sally Hoenes. ASI served the motion and suggestions of death by mail, but the record did not show service on representatives of the Laeng and Kessel estates or on Hoenes in his capacity as executor.

PROCEDURAL HISTORY

Alternative Sierra Investments, LLC filed a crossclaim in January 2024. In August 2025, it moved to substitute parties for James E. Laeng, Mary E. Kessel, and the Estate of Sally Hoenes, asserting that Laeng and Kessel were deceased and that an executor had been appointed for the Hoenes estate. After preliminary review, the court found that the record did not establish proper service under Rules 25(a)(3) and 4 and raised a separate question whether Rule 25 could apply to Laeng because he died before the action commenced. The court ordered supplemental briefing within twenty-one days.

DISPOSITION

CASES CITED

- Jacques v. Tillery, No. 2:23-cv-0079 TLN KJN P, 2023 WL 5207668, at *2-3 (E.D. Cal. Aug. 14, 2023)
- Lacy v. Tyson, No. 1:07-cv-00381-LJO-GSA-PC, 2012 WL 4343837, at *2 (E.D. Cal. Sept. 20, 2012)

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 FOR THE EASTERN DISTRICT OF
CALIFORNIA 10 11 SARA BURGESS, et al., No. 1:23-cv-01641-JLT-BAM 12 Plaintiffs,
ORDER DIRECTING ALTERNATIVE SIERRA INVESTMENTS, LLC TO 13 v. SUBMIT
SUPPLEMENTAL BRIEFING RE MOTION FOR SUBSTITUTION OF 14 ALTERNATIVE
SIERRA PARTIES IN AMENDED CROSSCLAIM INVESTMENTS, LLC, et al., 15 (Doc.

92) Defendants. 16 17 TWENTY-ONE (21) DAY DEADLINE AND RELATED CROSSCLAIMS
18 19 On January 24, 2024, Alternative Sierra Investments, LLC (“ASI”) filed a crossclaim in 20
this action against cross-defendants Frederick Wentworth, Judy Wentworth, Ronald L. Polhemus,
21 Clyta L. Polhemus, Mary E. Kessel, Estate of Kenneth B. Kessel, Arlene Laeng, James E.
Laeng, 22 Estate of Julie Ogg, and Estate of Sally Hoenes.

(Doc. 25.) Cross-Defendants Frederick and 23 Judy Wentworth answered the crossclaim on
February 23, 2024. (Doc. 41.) 24 On August 5, 2025, ASI filed a motion to substitute the proper
parties for deceased cross- 25 defendants James E. Laeng, Mary E. Kessel, and Estate of Sally
Hoenes. (Doc. 95.) Concurrent 26 with the motion, ASI filed a suggestion of death upon the record
as to James E. Laeng and a 27 suggestion of death upon the record as to Mary E. Kessel.

(Docs. 96, 97.) The motion for 28 substitution was referred to the undersigned for the preparation
of findings and recommendations. 1 (Doc. 99.) The Court found the motion suitable for decision
without oral argument pursuant to 2 Local Rule 230(g). (Doc. 101.) No opposition has been filed,
and the time in which to do so has 3 expired. Following a preliminary review of the motion, the
Court finds that supplemental 4 briefing is warranted.

5 In its motion, ASI explains that after the Court granted its substitution of counsel in July 6 2025,
its newly retained counsel initiated a preliminary investigation, including a review of the 7
pleadings. (Doc. 95-1.) During this review, counsel discovered that cross-defendants James E. 8
Laeng and Mary E. Kessel are deceased. (Doc. 95-1, Declaration of Michael N. Mills (“Mills 9
Decl.”) ¶ 4.)

Ms. Kessel passed away on April 16, 2024, and Mr. Laeng on January 28, 2021. 10 (Id.) Counsel
also learned that an executor, Greg L. Hoenes, was appointed to the Estate of Sally 11 Hoenes on
September 16, 2024. (Id. ¶ 5.)

Accordingly, ASI brings this motion under Federal Rule of Civil Procedure 25 to substitute the proper parties in place of the deceased cross- 13 defendants. (Doc. 95-1 at 2.) 14 Federal Rule of Civil Procedure 25 provides: 15 If a party dies and the claim is not extinguished, the court may order substitution of the proper party. A motion for substitution may be made by any party or by the decedent's 16 successor or representative.

17 Fed. R. Civ. P. 25(a)(1). A motion to substitute under Rule 25 must be served "on the parties as 18 provided in Rule 5 and on nonparties as provided in Rule 4." Fed. R. Civ. P. 25(a)(3). A 19 statement noting the death must be served in the same manner. *Id.* With respect to nonparties, 20 Rule 4 requires service on an individual within a judicial district of the United States by (1) 21 "following state law for serving a summons in an action brought in courts of general jurisdiction 22 in the state where the district court is located or where service is made; or (2) doing any of the 23 following: (A) delivering a copy... to the individual personally; (2) leaving a copy... at the 24 individual's dwelling or usual place of abode with someone of suitable age and discretion who 25 resides there; or (3) delivering a copy... to an agent authorized by appointment or by law to 26 receive service of process." Fed.

R. Civ. P. 4(e). 27 Here, it is not evident that ASI served its motion to substitute on the Estate of James E. 28 Laeng, the Estate of Mary E. Kessel, or the representative of the Estate of Sally Hoenes, Greg L. 1 Hoenes, in compliance with Rule 4 and Rule 25(a)(3).

The record reflects service of the motion 2 by mail addressed to Mr. Laeng and to Ms. Kessel, but not service on a representative of their 3 estates. (See Doc. 95-1 at 7-8.) The record also reflects service by mail on the Estate of Sally 4 Hoenes, but not its executor, Greg L. Hoenes. (*Id.*)

The notices of suggestion of death appear to 5 have been served in the same manner. (Doc. 96 at 3-4; Doc. 97 at 3-4.) Because it is not evident 6 from the proofs of service that ASI has complied with the Federal Rules of Civil Procedure and 7 state law regarding proper service, ASI is directed to provide supplemental briefing 8 demonstrating whether service of the motion to substitute and the notices of suggestion of death 9 were properly served pursuant to Rule 25(a)(3).

10 Additionally, even if properly served, it is not evident that substitution under Rule 25 is 11 proper for cross-defendant James E. Laeng. Rule 25(a) authorizes the substitution of proper 12 parties when an existing party dies after the suit is commenced. *Jacques v. Tillery*, No. 2:23-cv- 13 0079 TLN KJN P, 2023 WL 5207668, at *2 (E.D. Cal. Aug. 14, 2023); *Lacy v. Tyson*, No. 1:07- 14 cv-00381-LJO-GSA-PC, 2012 WL 4343837, at *2 (E.D.

Cal. Sept. 20, 2012). Based on the 15 information provided, Mr. Laeng died prior to commencement of this action, and well before the 16 filing of ASI's crossclaim in January 2024. (See *Mills Decl.* ¶ 4.) District courts in California, 17 including in this district, have determined

that Rule 25 substitutions are unavailable when the 18 defendant for whom substitution is sought died before the commencement of the action.

See, e g., 19 Jacques 2023 WL 5207668, at *2-3 (citing cases and finding that because defendant died before 20 action was commenced, Rule 25(a) did not apply and defendant should be dismissed from action); 21 Lacy, 2012 WL 4343837, at *2 (“[T]he substitution of parties cannot be ordered in conformance 22 with Rule 25(a)(1) where the person for whom substitution is sought died prior to being named a 23 party.”).

Accordingly, ASI is directed to file supplemental briefing addressing whether 24 substitution under Rule 25(a) is proper as to cross-defendant James E. Laeng, and whether cross- 25 defendant James E. Laeng should be dismissed from this action. 26 Accordingly, within twenty-one (21) days from the date of this order, ASI shall file 27 supplemental briefing addressing (1) whether service of the motion to substitute and service of 28 the notices of suggestion of death complied with Rule 25(a)(3) and Rule 4 of the Federal Rules of 1 Civil Procedure; and (2) whether substitution under Rule 25(a) or dismissal is proper as to cross- 2 defendant James E. Laeng.

3 IT IS SO ORDERED. 4 5 Dated: November 13, 2025 /s/ Barbara A. McAuliffe _ UNITED STATES MAGISTRATE JUDGE 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28