



Dated: January 27, 2026
The following is ORDERED:



Jennie D. Latta
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

In re
INDEPENDENCE REALTY & INVESTMENTS, LLC,
Debtor-In-Possession.

Case No. 24-24362-L
Chapter 11, Subchapter V

Independence Realty & Investments, LLC, and
Derrick Brown and Carla Brown,
Plaintiffs/Counter -Defendants,
v.
Nexcel Properties, LLC, and
Laksh Nandrajog,
Defendants/Counter-Plaintiffs.

Adv. Proc. No. 24-00121

ORDER GRANTING MOTION TO DISMISS LAKSH NANDRAJOG AS DEFENDANT

BEFORE THE COURT is the *Motion to Dismiss Laksh Nandrajog as Defendant* filed October 22, 2025, by Defendants/Counter-Plaintiffs Nexcel Properties, LLC (“Nexcel”) and Laksh Nandrajog (“Nandrajog”) [ECF No. 56]. The motion alleges that the complaint fails to state a claim for relief against Nandrajog and should be dismissed pursuant to Rule 12(b)(6) of the *Federal Rules of Civil Procedure* made applicable in bankruptcy by Rule 7012(b) of the *Federal Rules of*

Bankruptcy Procedure. A *Response* was filed on behalf of the “Plaintiff” (there are three plaintiffs) [ECF No. 71]. The signature on the response is that of Curtis D. Johnson, Jr., who identifies himself as “Attorney for the Debtor.” Therefore, the Court assumes that the response is filed on behalf of Independence Realty & Investments, LLC (“Independence Realty”). The response argues first that Nandrajog is identified in paragraph 4 of the Amended Complaint as the sole member of Nexcel and the person who acted on its behalf, and second that:

[T]he motion to dismiss is an *era* [sic] in regard to what constitutes an interest in any of the properties and that this limited concept is not what would classically be referred to as a property interest. The First Amendment [sic] complaint makes clear that the individual defendant is the one who has acted on behalf of the LLC and that he is individually liable if his conduct rises to such a level to make him a party.

Response to Motion to Dismiss Laksh Nandrajog, ECF No. 71, p. 2.

JURISDICTION, AUTHORITY, AND VENUE

Jurisdiction over an adversary proceeding related to a bankruptcy case lies with the district court. 28 U.S.C. § 1334(b). Pursuant to authority granted to the district courts at 28 U.S.C. § 157(a), the district court for the Western District of Tennessee has referred to the bankruptcy judges of this district all cases arising under title 11 and all proceedings arising under title 11 or arising in or related to a case under title 11. *In re Jurisdiction and Proceedings Under the Bankruptcy Amendments Act of 1984*, Misc. No. 81-30 (W.D. Tenn. July 10, 1984). Count 1 of the amended complaint seeks a declaration that certain real property is property of the bankruptcy estate notwithstanding quitclaim deeds that were recorded by Nexcel. Matters concerning the administration of the estate and determination of property of the estate are core proceedings. *See* 11 U.S.C. § 541(a) and 28 U.S.C. § 157(b)(2)(A). The bankruptcy court has authority to enter a final order determining whether real property is property of the bankruptcy estate subject only to appellate review. *See* 28 U.S.C. § 157(b)(1). Venue of this adversary proceeding is proper to the

Western District of Tennessee because this proceeding is related to a bankruptcy case pending in this district. *See* 28 U.S.C. § 1409(a).

BACKGROUND FACTS

Plaintiff Independence Realty is a Mississippi limited liability company that owns real property in the state of Tennessee.

Plaintiffs Derrick Brown and Carla Brown are members of Independence Realty and a related company, Performance Property Management.

Defendant Nexcel is a Mississippi limited liability company with its principal place of business in Olive Branch, Mississippi.

Defendant Nandrajog is a member of Nexcel and is a resident of Tennessee.

Nexcel made certain loans to Independence Realty in 2022 that were secured by real property owned by Independence Realty known as 4112 Summer Avenue, Memphis, Tennessee and 883 Hale Road, Memphis, Tennessee (together the “Relevant Properties”), and guaranteed by the Browns.

In addition to the deeds of trust held by Nexcel, as additional security, Independence Realty executed quitclaim deeds with respect to each of the Relevant Properties to be recorded only in the event of default.

The original complaint was filed in the Circuit Court of Shelby County, Tennessee for the Thirtieth Judicial District at Memphis on February 13, 2024. *See* Adv. Proc. ECF No. 1, Ex. 1.

The original complaint included a number of exhibits including warranty deeds, notes, deeds of trust, and quitclaim deeds with respect to the Relevant Properties. Each of the relevant documents indicates that the Relevant Properties were owned by Independence Realty subject to deeds of trust for the benefit of Nexcel as lender, and that Nexcel was the intended grantee of the

quitclaim deeds executed by Independence Realty. None of the documents is signed by Nandrajog. None of them purports to create an interest in the Relevant Properties in his favor.

An answer and counterclaim were filed on behalf of Nexcel Properties, LLC, but not by Nandrajog on March 25, 2024. *See* Adv. Proc. ECF No. 1, Ex. 2.

The Plaintiffs filed their *First Motion to Amend Complaint* on April 22, 2024. *See* Adv. Proc. ECF No. 1, Ex. 3.

Count I of the amended complaint differs from Count I of the original complaint only in substituting “Defendants” for “Nexcel” in the allegation that Nexcel or the Defendants “proceeded to cloud the title to both properties by improperly recording quitclaim deeds and proceeding to market the properties for sale” in the second sentence of paragraph 36 of the original complaint and 40 of the amended complaint.

The record does not reflect whether the motion to amend was granted.

Independence Realty filed a voluntary petition under Subchapter V of Chapter 11 of the Bankruptcy Code on September 6, 2024.

The original complaint, answer and counterclaim of Nexcel, and motion to amend complaint were removed to the United States District Court and referred to the United States Bankruptcy Court for the Western District of Tennessee on October 31, 2024 [Adv. Proc. ECF No. 1].

The Plaintiffs filed a second motion to amend the complaint in this adversary proceeding, which was denied [Adv. Proc. ECF Nos. 10, 34].

The Court remanded all but Count I of the complaint to the Circuit Court because Counts II through VI raise questions purely of state law. The Court retained the question of whether the Summer Avenue property and Hale Road property are properties of the bankruptcy estate, subject

to whatever liens or encumbrances that existed prior to the filing of the bankruptcy petition [Adv. Proc. ECF No. 44].

As things now stand, Count I of the original complaint is before the Court. Nexcel has filed an answer to Count I denying that it has improperly clouded the title to the Relevant Properties and denying that the Plaintiffs are entitled to any relief. Nandrajog has filed the instant motion to dismiss asking that he be dismissed as a party defendant [Adv. Proc. ECF No. 56].

DISCUSSION

The purpose of Rule 12(b)(6) is to determine, as a matter of law, whether the plaintiff would be entitled to relief against the moving defendant if all factual allegations in the complaint were assumed to be true. *Rippy v. Hattaway*, 270 F.3d 416, 419 (6th Cir. 2001), quoting *Mayer v. Mylod*, 988 F.2d 635, 638 (6th Cir. 1993). Factual allegations in the complaint are taken as true and read in the light most favorable to the non-movant, with reasonable inferences drawn in their favor. *Top Flight Ent., Ltd. v. Schuette*, 729 F.3d 623, 630 (6th Cir. 2013); *Bassett v. NCAA*, 528 F.3d 426, 430 (6th Cir. 2008). This deference does not extend to legal conclusions or mere assertions, however. *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S.Ct. 1937, 1949, 173 L.Ed. 2d 868 (2009). Statements that recite legal elements or assert wrongdoing without factual support are not enough. *Tackett v. M & G Polymers*, 561 F.3d 478, 488 (6th Cir. 2009); *Columbia Natural Res., Inc. v. Tatum*, 58 F.3d 1101, 1109 (6th Cir. 1995).

A motion to dismiss under Rule 12(b)(6) is generally confined to the pleadings, but “documents attached to the pleadings become part of the pleadings and may be considered on a motion to dismiss.” *Commercial Money Ctr., Inc. v. Illinois Union Ins. Co.*, 508 F.3d 327, 335 (6th Cir. 2007) (citing Fed. R. Civ. P. 10(c)). Although the complaint does not include copies of the relevant documents, it refers to them, and they are incorporated in the answer filed by Nexcel.

Count I of the original complaint sought relief from Nexcel only. It is only in the amended complaint, which does not appear to have been approved for filing, that Nandrajog is included as one of the “Defendants” who has proceeded to cloud the title to the plaintiffs’ properties by improperly recording the quit claim deeds.

The property of a bankruptcy estate includes all legal and equitable interests of a debtor in property as of the commencement of the case. 11 U.S.C. § 541(a). To determine the extent of the estate's interest in property, the Court must look to property rights as defined by state law. *Butner v. United States*, 440 U.S. 48, 99 S.Ct. 914, 59 L.Ed.2d 136 (1979). Under Tennessee law, the proper parties to an action to quiet title are “[a]ll parties with any claims to the property, or material interests that might be affected.” *Scott v. Ditto*, 2018 WL 6431766, at *4 (Tenn. Ct. App. Dec. 6, 2018) (quoting 65 Am Jur 2d Quieting Title § 66); see also *Tyler v. Judges of Ct. of Registration*, 179 U.S. 405, 407, 21 S. Ct. 206, 206, 45 L. Ed. 252 (1900) (“A plaintiff cannot properly sue for wrongs that do not affect him, and, on the other hand, a person is not properly made a defendant to a suit upon a cause of action in which he has no interest, and as to which no relief is sought against him.”) (no reference given for quotation in original). To be a proper defendant in a quiet title action, the defendant must claim ownership, claim a lien, claim a right of possession, or assert a legal or equitable interest in the land itself.

The complaint alleges no facts tending to show that Nandrajog claims an interest in the Summer Avenue and Hale Road Properties. Some allegation that the defendant claims or holds an interest in the subject property is necessary to maintain an action to quiet title. The portion of the complaint retained by this bankruptcy court, with the intent that this Court determine whether the Relevant Properties are property of the bankruptcy estate, fails to include any allegation tending to show that Nandrajog holds or claims an interest in the properties.

CONCLUSION

For the foregoing reasons, the *Motion to Dismiss Laksh Nandrajog as Defendant* is GRANTED because it fails to state a claim against the defendant for which relief may be granted. The only count retained by this Court concerns title to the Relevant Properties. The complaint fails to show that Nandrajog holds or claims any interest in those properties.

The remaining counts of the complaint have been remanded to the state court. This bankruptcy court expresses no opinion as to the adequacy of the remaining counts.

cc: Debtor
Attorneys for Debtor
Plaintiffs
Attorneys for Plaintiffs
Defendants
Attorneys for Defendants
Chapter 11, Subchapter V Trustee
United States Trustee