

12-21-2012

Farmers Nat. Bank v. Green River Dairy, LLC Respondent's Brief 4 Dckt. 40101

Follow this and additional works at: https://digitalcommons.law.uidaho.edu/idaho_supreme_court_record_briefs

Recommended Citation

"Farmers Nat. Bank v. Green River Dairy, LLC Respondent's Brief 4 Dckt. 40101" (2012). *Idaho Supreme Court Records & Briefs*. 787. https://digitalcommons.law.uidaho.edu/idaho_supreme_court_record_briefs/787

This Court Document is brought to you for free and open access by Digital Commons @ UIdaho Law. It has been accepted for inclusion in Idaho Supreme Court Records & Briefs by an authorized administrator of Digital Commons @ UIdaho Law.

IN THE SUPREME COURT OF THE STATE OF IDAHO

FARMERS NATIONAL BANK,
Plaintiff-Counterdefendant-Appellant,

vs.

GREEN RIVER DAIRY, LLC;
HERCULANO J. ALVES and FRANCES M.
ALVES, husband and wife, dba GREEN
RIVER DAIRY,

Defendants-Cross Defendants-
Respondents,

and

ERNEST DANIEL CARTER dba CARTER
HAY AND LIVESTOCK; LEWIS BECKER;
JACK MCCALL,

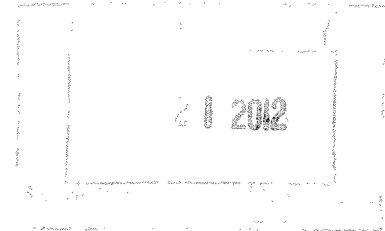
Defendants-Counterclaimants-
Cross Claimants-Respondents,

and

HULL FARMS, INC.; TIM THORNTON,
Defendants-Respondents.

)
)
) Supreme Court Docket No. 40101-2012
) Twin Falls County Docket No.2011-5226

)
) **RESPONDENT TIM THORNTON'S**
) **BRIEF**



Appeal from the District Court of the Fifth Judicial District
Of the State of Idaho for the County of Twin Falls

Honorable G. Richard Bevan, District Judge, presiding.

John S. Ritchie
COLEMAN, RITCHIE & CLUFF
P.O. Box 525
Twin Falls, Idaho 83303-0525
Attorney for Plaintiff-CounterDefendant-Appellant

William R. Hollifield
Attorney at Law
P.O. Box 66
Twin Falls, Idaho 83303-0066
*Attorney for Defendant-Respondent
Tim Thornton*

Brent T. Robinson
ROBINSON, ANTHON & TRIBE
P.O. Box 396
Rupert, Idaho 83350
*Attorney for Defendants-Cross Defendants-Respondents Green River Dairy, LLC;
Herculano J. Alves and Frances M. Alves,
Husband and wife, dba Green River Dairy*

Gary W. Edson
Attorney At Law
P.O. Box 448
Boise, Idaho 83701-0448
*Attorney for Defendant-Respondent
Hull Farms, Inc.*

Andrew B. Wright
WRIGHT BROTHERS LAW
OFFICE, PLLC
P.O. Box 226
Twin Falls, Idaho 83303-0226
*Attorney for Defendants-Counterclaimants-
Cross Claimants-Respondents Ernest
Daniel Carter dba Carter Hay and
Livestock; Jack McCall*

William F. Nichols
WHITE, PETERSON, GIGRAY,
ROSSMAN, NYE & NICHOLS, P.A.
5700 E. Franklin Rd., Ste. 200
Nampa, Idaho 83687-7901
*Attorney for Defendant-Counterclaimant-
Cross Claimant-Respondent Lewis Becker
William F. Nichols*

Scott A. Tschirgi
SCOTT A. TSCHIRGI, CHTD.
209 W. Main St.
Boise, Idaho 83702
*Attorney for Idaho Dairyman's Association
Amicus Curiae*

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF CASES AND AUTHORITIES.....	iv
STATEMENT OF THE CASE.....	1
A. NATURE OF THE CASE.....	1
B. COURSE OF THE PROCEEDINGS.....	1
C. STATEMENT OF THE FACTS.....	1
ISSUES ON APPEAL.....	2
ATTORNEY FEES ON APPEAL.....	3
ARGUMENT.....	3
CONCLUSION.....	5

TABLE OF CASES AND AUTHORITIES

Page Citation

CASES

Lockheed Martin Corp. v. Idaho State Tax Comm’n 142 Idaho 790, 793, 134 P.3d 641, 644(2006).....3

VFP VC v. Dakota Co., 141 Idaho 326, 331, 109 P.3d 714, 719 (2005).....3

Stonebrook Construction, LLC v. Chase House Finance, LLC., 152 Idaho 927, 929 (2012).....3

Moses v. Idaho State Tax Comm’n, 118 Idaho 676, 680 (1990).....5

Treasure Valley Concrete, Inc. v. State of Idaho, 132 Idaho 673, 676 (1999).....5

STATUTES

Idaho Code §45-1802.....1, 2, 3, 4, 5

Idaho Code §10-1210.....3

Idaho Code §45-1809.....3

Idaho Code §12-120.....3

IRCP 54(e)(1).....3

STATEMENT OF THE CASE

NATURE OF THE CASE

This is a dispute between Farmers National Bank and five (5) Agricultural Commodity Dealers over the proceeds from the sale of cattle Farmers National Bank repossessed and sold pursuant to its security documents. The Trial Court ruled in favor of the Agricultural Commodity Dealers holding their lien attached to the cattle and to the proceeds from the sale of the cattle.

COURSE OF PROCEEDINGS

Farmers National Bank filed a complaint seeking declaratory judgment against five (5) Agricultural Commodity Dealers who had filed Agricultural Commodity liens with the Secretary of State claiming a lien in milk cows Farmers National Bank had repossessed after Green River Dairy had defaulted on its loans with Farmers National Bank. The Trial Court entered declaratory judgment in favor of the five (5) Agricultural Commodity Dealers holding that Idaho Code §45-1802 extended the commodity dealers' lien to livestock which consumed the agricultural product.

STATEMENT OF FACTS

The facts are not disputed. Farmers National Bank made ten (10) loans to Green River Dairy, which were personally guaranteed by Herculano J. Alves and Frances M. Alves, husband and wife, and The Mary Rose Haagsma Revocable Living Trust.

Farmers National Bank was granted a security interest in all cattle owned by the Alves. UCC-1F financing statements were filed.

After the UCC-1F filings, the Agricultural Commodity Dealers provided hay to Green River Dairy and then filed Commodity Dealer liens with the Idaho Secretary of State's office, when they did not receive payment in full.

The Green River Dairy defaulted on its loans with Farmers National Bank. Farmers National Bank took possession of the cattle. Farmers National Bank then filed suit against the Agricultural Commodity Dealers seeking declaratory judgment that it held lien priority to the proceeds of sale of the cattle as against the Agricultural Commodity Dealers. All of the proceeds from the sale of the cattle were paid into the Court by stipulation of the parties.

During the hearing on summary judgment, the parties agreed that pursuant to Rule 56 summary judgment may be rendered for any party, not just for the moving party, on any and all causes of action involved in the lawsuit.

Subsequently, the Trial Court ruled against Farmers National Bank and in favor of the Agricultural Commodity Dealers granting a declaratory judgment in their favor, concluding that the Agricultural Commodity Dealers' liens, specifically Idaho Code §45-1802, was unambiguous, the lien attached to the livestock, and entitled the lien claimants to priority status over funds held by Farmers National Bank from the sale of the dairy cows.

Farmers National Bank filed a timely appeal.

ISSUES PRESENTED ON APPEAL

Whether an Agricultural Commodity Producer's lien created by Chapter 18 of Title 45 of the Idaho Code continues to exist and attaches to the livestock that consumes the agricultural product?

ATTORNEY FEES ON APPEAL

Agricultural Commodity Dealer, Tim Thornton, requests an award of attorney fees on appeal pursuant to Idaho Code §10-1210, §45-1809, §12-120, and IRCP 54(e)(1).

ARGUMENT

STANDARD OF REVIEW

In this matter before the Court, there are no disputed issues of material fact. The Trial Court granted declaratory judgment to the Claimants. As this Court has stated....Where “the evidence reveals no disputed issues of material fact, then only a question of law remains, over which the Court exercises free review.” Lockheed Martin Corp. v. Idaho State Tax Comm’n 142 Idaho 790, 793, 134 P.3d 641, 644 (2006). This Court exercises “free review over interpreting a statute’s meaning and applying the facts to the law.” VFP VC v. Dakota Co., 141 Idaho 326, 331, 109 P.3d 714, 719 (2005); Stonebrook Construction, LLC v. Chase House Finance, LLC., 152 Idaho 927, 929 (2012).

THE 1989 AMENDMENT EXTENDED THE LIEN TO CATTLE

The second sentence of Idaho Code §45-1802, which was added in 1989, reads as follows:

The lien created in this chapter may attach regardless of whether the purchaser uses the agricultural product purchased to increase the value of his livestock or whether he uses the agricultural product purchased to maintain the value, health or status of his livestock without actually increasing the value of his agricultural product.

Farmers National Bank argues that the second sentence of Idaho Code §45-1802 does not expand the lien to livestock. This position is not reasonable.

If the purchase of the agricultural product uses the product to increase the value or maintain the value, to what is the lien attaching to within the meaning of this sentence? It has no other purpose than to extend the lien to livestock which consume the agricultural product.

THE INTERPRETATION OF FARMERS NATIONAL BANK RENDERS THE 1989 AMENDMENT SUPERFLUOUS

If the purchaser uses the agricultural product as feed, the product disappears and thus no lien for the agricultural product producer. The second sentence of Idaho Code §45-1802 does not add anything to the first sentence as interpreted by Farmers National Bank. It is meaningless and useless. As the Trial Court noted the interpretation advocated by Farmers National Bank “renders the statute superfluous when it stands alone.”

THE EXTENSION OF THE LIEN TO CATTLE PROTECTS AGRICULTURAL COMMODITY DEALERS

If the lien does not attach to the livestock, which consumes the agricultural product, it does not make any difference whether it is used to increase the value or to maintain its value. The lien created by Idaho Code §45-1802 would not provide any protection to the Agricultural Commodity Dealer. It would not protect the class of individuals it was intended to protect. The lien would have no value when the livestock consumes the agricultural product.

The lien created in Chapter 45 would not protect the Agricultural Producer if it does not attach to the livestock, which consumes the agricultural product. It is inconceivable that as soon as the product is consumed the lien disappears. There is no protection to the Agricultural Producer.

THE 1989 AMENDMENT ADDS TO §45-1802

It is a well-established rule of this Court that “where an amendment is made it carries with it the presumption that the legislature intended the statute thus amended to have a meaning different than theretofore accorded it.” Moses v. Idaho State Tax Comm’n, 118 Idaho 676, 680 (1990); Treasure Valley Concrete, Inc. v. State of Idaho, 132 Idaho 673, 676 (1999).

Farmers National Bank maintains the 1989 Amendment did not extend the lien to the livestock which consumes the agricultural product. This interpretation renders the 1989 Amendment meaningless. This is an incorrect reading of the sentence. The word “uses” in the sentence extends the scope of the lien after the product is used to increase or maintain the value of the livestock. This interpretation of the 1989 Amendment extending to the livestock provides meaning to the statute which was not there prior to 1989. If the legislature did not intend the 1989 Amendment to extend to livestock, i.e., whose value was increased or maintained by the use of the agricultural product, the existing statute would not change.

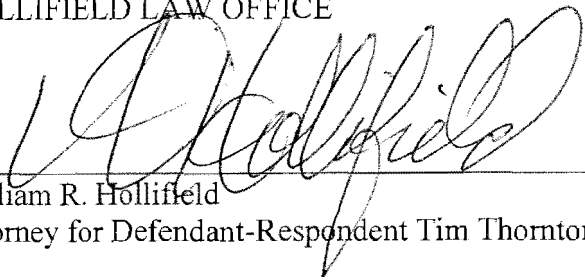
CONCLUSION

The Trial Court in a thoughtful and analytical opinion examined both Farmers National Bank’s and the Agricultural Commodity Dealers’ interpretation with the rules of statute construction and case law. The Trial Court found that Farmers National Bank’s interpretation was meaningless and not reasonable. The Trial Court held that Idaho Code §45-1802 extends

to the livestock which consumes the agricultural product and that the lien is a first priority line in the proceeds from the sale of the cattle. The Trial Court's decision should be affirmed.

RESPECTFULLY SUBMITTED This 20th day of December, 2012.

HOLLIFIELD LAW OFFICE

By: 
William R. Hollifield
Attorney for Defendant-Respondent Tim Thornton

CERTIFICATE OF MAILING

WILLIAM R. HOLLIFIELD hereby certifies that on the 20th day of

December, 2012, he served true and correct copies of the foregoing document by the following method(s) and addressed as follows:

John Ritchie
Coleman, Ritchie & Robertson
PO Box 525
Twin Falls, ID 83303-0525

U.S. Mail
 Hand-delivery
 Fax
 Courthouse Box

Brent T. Robinson
ROBINSON, ANTHON & TRIBE
PO Box 396
Rupert, ID 83350

U.S. Mail
 Hand-delivery
 Fax
 Courthouse Box

Gery W. Edson
PO Box 448
Boise, ID 83701

U.S. Mail
 Hand-delivery
 Fax
 Courthouse Box

Andrew B. Wright
WRIGHT BROTHERS LAW OFFICE
PO Box 226
Twin Falls, ID 83303-0226

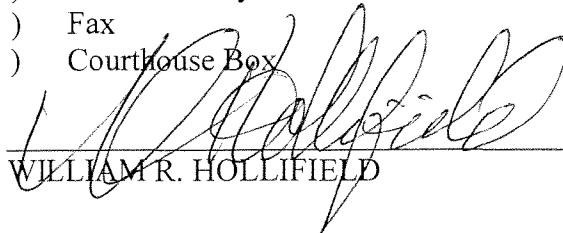
U.S. Mail
 Hand-delivery
 Fax
 Courthouse Box

William F. Nichols
WHITE, PETERSON, GIGRAY, et al.
5700 E Franklin Rd, Ste. 200
Nampa, ID 83687-7901

U.S. Mail
 Hand-delivery
 Fax
 Courthouse Box

Scott A. Tschirgi
Scott A. Tschirgi, Chartered
209 West Main Street
Boise, Idaho 83702

U.S. Mail
 Hand-delivery
 Fax
 Courthouse Box


WILLIAM R. HOLLIFIELD