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Kenworth Sales Company v. Skinner Trucking, Inc. Respondent's Brief Dckt. 45764

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Idaho Supreme Court
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IN THE SUPREME COURT OF THE STATE OF IDAHO

KENWORTH SALES COMPANY, a Utah corporation, doing business in the state of Idaho,

Plaintiff/Appellant

vs.

SKINNER TRUCKING, INC., an Idaho corporation;
JAMES E. SKINNER, an individual; and
DAVID C. SKINNER, an individual;

Defendants/Respondents

Supreme Court Docket No: 45764

Twin Falls County No. CV42-16-2539

RESPONDENT'S BRIEF

Appeal from the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls.

Honorable Jon J. Shindurling, Presiding.

Bren E. Mollerup
Benoit, Alexander, Harwood, High & Mollerup, PLLC
126 2nd Ave. North
PO Box 366
Twin Falls, ID 83301
mollerup@benoitlaw.com
Attorney for Kenworth Sales Company

Joe Rockstahl
Rockstahl Law Office, Chtd.
510 Lincoln St.
Twin Falls, ID 83301
service@joerockstahl.com

Attorney for Skinner Trucking, Inc

TABLE OF CONTENTS

Page(s)

TABLE OF AUTHORITIES

CASES **Page(s)**

RULES

RECORD

Clerk's Record = Vol 1.

I. STATEMENT OF THE CASE

Please see the Statement of the Case section found in Petitioner's initial brief.

II. ARGUMENT

A. The Trial Court Did Not Err in its Analysis/Application of the Elements of a Prima Facie Unjust Enrichment Case.

Kenworth argues that the District Court, in the *Findings of Fact and Conclusions of Law* issued on December 19, 2018 by Judge Randy J. Stoker, failed to apply the whole test to determine if a claim for unjust enrichment had been established. Kenworth claims that the Court's failure to properly apply the first prong of the test lead to an improper result.

Even if the application of the law is in dispute here, the applicable law is not. A prima facie case for unjust enrichment exists where: "(1) there was a benefit conferred upon the defendant by the plaintiff; (2) appreciation by the defendant of such benefit; and (3) acceptance of the benefit under circumstances that would be inequitable for the defendant to retain the benefit without payment to the plaintiff for the value thereof." *Med. Recovery Servs., LLC v. Bonneville Billing & Collections, Inc.*, 157 Idaho 395, 398, 336 P.3d 802, 805 (2014). "A person confers a benefit upon another if he or she gives the other some interest in money, land, or possessions, performs services beneficial to or at the request of the other, satisfies the debt of the other, or in any other way adds to the other's advantage." *Id.*

Kenworth states that, "what is missing entirely from the court's analysis is any application of the language from *Med. Recovery Services* regarding one who 'performs services beneficial to or at the request of another' or who 'in any other way adds to the other's

advantage.'" Appellant Brief, p. 5. The Court did not err in its decision that Kenworth did not satisfy Skinner's debt under the definition, contrary to what Kenworth asserts.

The Court found that, "Since the vehicles sold for the residual amount there was no debt owed by defendants to GE TF Trust in regards to the residual value of the vehicles, Kenworth did not satisfy Skinner's debt. Without a debt to satisfy there is no benefit conferred upon Skinner by Kenworth, and its unjust enrichment claim fails." (Vol. 1. pp. 134). However, the Court continued on to state, "Kenworth also argues that they paid $7,073.17 to GE TF Trust for bank rent owed by Skinner. This amount is roughly three times the monthly rent owed for one vehicle. Testimony at trial established that Skinner was in fact, $7,073.17 behind in lease payments on one of the trucks…. Thus, the first prong of unjust enrichment is met on the past-due lease payments." (Vol. 1. pp. 134).

Based on the Court's finding here, Kenworth is incorrect in his assertion that the first prong's failure is what led the court to find that an unjust enrichment claim was not met. It is true that there was no debt to satisfy, which does cause the first prong to fail. Skinner agrees with the Court on this finding of fact. However, because Kenworth is an officious intermeddler, as the court properly asserted, there is no requirement that the Court do any further unjust enrichment analysis. The principle of unjust enrichment is applicable only if the person conferring the benefit is not an "officious intermeddler." *Curtis v. Becker,* 130 Idaho 378, 382, 941 P.2d 350, 354 (Ct. App. 1997). Since Kenworth is an officious intermeddler, any further unjust enrichment analysis is not needed.

B. The Trial Court Did Not Err in its Application of the Officious Intermeddler Defense in Regards to the Timing of the Assertion or the Conferral of the Benefit on Skinner.

i. Timing of Assertion

Kenworth argues that the district court erred when it based its decision in favor of Skinner on an 'affirmative defense that was never pled or argued, either before or during trial.' Appellant Brief, p. 11. Kenworth claims that the district court's decision is contrary to Idaho case law and the Idaho Rules of Civil Procedure. Appellant Brief, p. 11. This argument is incorrect as there is no case law nor is there a rule that states the officious intermeddler doctrine must be raised as an affirmative defense.

Kenworth, in an attempt to mislead the Court, supports his assertion that the officious intermeddler doctrine is an affirmative defense with case law. None of the cases discussed actually claim that the officious intermeddler doctrine is an affirmative defense.

First, Kenworth discusses *Curtis v. Becker*, which discusses the elements of unjust enrichment and the officious intermeddler doctrine, but does not state that it is solely an affirmative defense. *Curtis v. Becker*, 130 Idaho 378, 381, 941 P.2d 350, 353 (Ct. App. 1997). Curtis, a subdivision developer, made improvements to lots in a subdivision, including two lots whose owners, the Beckers, did not want improvements on. Curtis brought an action for unjust enrichment against the Beckers, alleging that as a result of the improvements, the Beckers were unjustly enriched. *Id*. The Becks defended, stating that the purchase price that they paid included the costs for improvements. *Id.* The district court held that the Beckers were unjustly enriched, and the Beckers appealed to the Idaho Court of Appeals. *Id.* The Idaho Court of Appeals reversed the district court's holding, stating that the actions that Curtis took on the Beckers' property were those of an officious intermeddler that were taken for Curtis's own financial advantage, leaving any benefit received by the Beckers therefore not unjust. *Id.* at 385, 357. The Idaho Court of Appeals made no mention of the timing of asserting the officious intermeddler defense.

Secondly, Kenworth cites to *Chinchurreta v. Evergreen Mgmt., Inc*., 117 Idaho 591, 790 P.2d 372 (Ct. App. 1989). *Chinchurreta* involved creditors of a health facility that brought a debt collection suit and sought to attach Medicaid funds owed to the facility. *Id.* at 592, 373. The District Court ordered the funds be released to the lessors of the facility, and the Creditor appealed. *Id.* The Court of Appeals held that the officious intermeddler rule could not be applied for the benefit of the creditor. *Id*. The Supreme Court affirmed, finding that the case fell outside of the purpose of the officious intermeddler rule. *Id.* at 593, 374. The Supreme Court of Idaho made no mention of the timing of the assertion of the rule.

Kenworth also discusses *Teton Peaks Inv. Co., LLC v. Ohme*, which discussed a boundary dispute between two parties who owned adjacent parcels of real property. *Teton Peaks Inv. Co., LLC v. Ohme,* 146 Idaho 394, 195 P.3d 1207 (2008). Teton Peaks, an investment corporation, filed suit against the Ohme family to quiet title to the real property in dispute, alleging trespass, damages, and unjust enrichment. *Id.* The Ohmes answered with a counterclaim and an affirmative defense alleging boundary by agreement. *Id.* The District Court granted summary judgment in favor of the Ohmes, finding that the encroaching fence between the properties established a boundary by agreement and that no unjust enrichment had occurred. Teton Peaks appealed, and the Idaho Supreme Court affirmed the District Court's decision. *Id* at 399, 1212. The Supreme Court found that, "any alleged increase in value to the parcel as a result of Teton Peaks' rezone falls squarely within the officious intermeddler rule. The Ohmes did not solicit any benefit and Teton Peaks voluntarily rezoned the property. The district court did not err by denying Teton Peaks' claim for unjust enrichment." *Id.* at 399, 1212. Once again, the court did not discuss the timing of asserting the officious intermeddler defense.

While there are not many reported cases within Idaho that discuss the officious intermeddler doctrine, Kenworth's attempt to make up law on the issue is inappropriate. No cases discuss the requirement that the doctrine be pled as an affirmative defense.

In addition, it is important to also mention the Idaho Rules of Civil Procedure here as well. Skinner does not disagree with Kenworth regarding I.R.C.P. 8. Affirmative defenses must be either asserted or waived in a timely fashion under Idaho law. However, this rule is not relevant here. The officious intermeddler doctrine is not solely an affirmative defense. I.R.C.P. 8(c)(1) lists the defenses that must be pled affirmatively, and the list does not include the officious intermeddler doctrine. Idaho Rules of Civil Procedure 8.

Finally, in order to ensure that the officious intermeddler doctrine applied, Skinner's counsel had to confirm at trial with each of Kenworth's witnesses that there was no agreement made with Skinner. Once it was confirmed that there was no agreement, then Skinner's counsel was able to conclusively find that the officious intermeddler doctrine did apply. Once Kenworth rested his case, and both parties were preparing for their closing briefs, Skinner's counsel was able to apply the doctrine in full. Based on these facts, raising the doctrine earlier in the case would have been impossible for Skinner.

No further discussion need be had in regards to the timing of the assertion of the defense.

ii. Conferral of the Benefit

Kenworth also argues that the District Court erred in its application of the officious intermeddler 'affirmative defense'. Appellants Brief p. 11. The officious intermeddler rule essentially provides that a mere volunteer who, without request therefor, confers a benefit upon another is not entitled to restitution. *Chinchurreta v. Evergreen Management, Inc.,* 117 Idaho 591, 593, 790 P.2d 372, 374 (Ct.App.1989). This rule exists to protect persons who have had

unsolicited "benefits" thrust upon them. *Id.* A person is not an intermeddler if such person has a valid reason for conferring the benefit, such as protecting an interest. *Id.* Kenworth argues that such a 'valid reason' exists in the present situation. Appellant Brief p. 11.

The District Court, in their decision, addressed this issue as follows:

> "Testimony at trial has indicated (and the court has determined in its findings of fact) that Skinner did not request assistance from Kenworth in paying either the residual value or the past due lease amounts on the vehicle in question. Thus, Kenworth volunteered to make the payments. The only question left is whether Kenworth had a valid reason to do so. Testimony at trial established that the only reason Kenworth had for purchasing the vehicles from GE is that they wanted to help keep Skinner in business. There was no testimony indicating that Kenworth had an interest in the trucks, and while they had a past relationship with Skinner, there is no indication that Kenworth had an expectation that Skinner would continue to do business with them. Thus, Kenworth voluntarily purchased the vehicles, voluntarily paid the past due lease amounts, both without request from Skinner, and is an officious intermeddler in this case.

(Vol. 1. pp. 134-135). Kenworth states that the Court here recognized their reason for satisfying Skinner's debt to GE but still chose to ignore it. Appellant Brief p. 12. This is incorrect. The Court recognized that Kenworth made a conscious decision to help keep Skinner in business without being asked to do so. This does not amount to a 'valid reason' under the officious intermeddler definition.

In *Curtis v. Becker*, the court found that the officious intermeddler doctrine did apply with regard to the actions taken by Curtis. *Curtis v. Becker* at 385, 357. There are multiple similarities between the facts of *Curtis* and the facts here. Curtis did not obtain the Beckers' consent before beginning work on their land, and in our present case, Kenworth did not obtain the Skinner's consent before paying for the trucks. In addition, Curtis was acting for his own benefit (he would be able to comply with the City's requirements for the subdivision of his own adjacent property and would therefore be able to realize profits from the sale of his lots), just as Kenworth was acting for his own benefit (help keep Skinner in business for a potential future relationship). The

similarities between the cases support the District Court's decision to find that Kenworth had no valid reason to confer the benefit. Based on the foregoing, the District Court's application of the officious intermeddler doctrine should be approved.

III. CONCLUSION

The Respondents respectfully request that the District Court's decision to deny Kenworth's unjust enrichment claim and apply the officious intermeddler doctrine be affirmed.

DATED this 18th day of July, 2018.

ROCKSTAHL LAW OFFICE, CHTD.

Digitally signed by Joe Rockstahl
Date: 2018.07.18 10:32:51 -06'00'

By: _____
JOE ROCKSTAHL
Attorney for Defendants

CERTIFICATE OF SERVICE

I HEREBY CERTIFY That on the 18th day of July, 2018, I caused a true and correct copy of the foregoing Respondent's Brief to be served upon the following attorney in the following manner:

Michael Danielson and
Bren E. Mollerup
Benoit, Alexander, Harwood, High & Mollerup, PLLC
126 2nd Ave. North
PO Box 366
Twin Falls, ID 83301

Attorneys for Kenworth Sales Company

[ ] First Class Mail
[X] iCourt eFile
[ ] Hand Delivery
[ ] Facsimile
[X] electronic
mollerup@benoitlaw.com
danielson@benoitlaw.com

Digitally signed by Joe Rockstahl
Date: 2018.07.18 10:33:14 -06'00'

_____
JOE ROCKSTAHL