FILED
SUPREME COURT
STATE OF WASHINGTON
2/19/2019 11:19 AM
BY SUSAN L. CARLSON
CLERK

No. 96725-3

### SUPREME COURT OF THE STATE OF WASHINGTON

### BENJAMIN C. ARP,

Petitioner,

v.

JAMES H. RILEY and "JANE DOE" RILEY, husband and wife and the marital community composed thereof; and SIERRA CONSTRUCTION CO., INC. a Washington State Corporation,

Respondents.

# SIERRA CONSTRUCTION CO., INC.'S ANSWER TO PETITION FOR REVIEW AND RESPONSE TO MOTION FOR EXTENSION OF TIME

Philip A. Talmadge, WSBA #6973 Talmadge/Fitzpatrick/Tribe 2775 Harbor Avenue SW Third Floor, Suite C Seattle, WA 98126 (206) 574-6661 Gregory Wallace, WSBA #29029 Law Office of Vitale & Wallace Bank of America Building 800 Fifth Avenue, Suite 3810 Seattle, WA 98104 (206) 515-4800

Clayton G. Kuhn (*pro hac vice*) Sandberg Phoenix & von Gontard P.C. 600 Washington Avenue, 15th Floor St. Louis, MO 63101 (314) 332-3332

Attorneys for Respondent Sierra Construction Co., Inc.

### TABLE OF CONTENTS

		<u>P</u>	<u>age</u>
Table	of Auth	noritiesi	ii-iii
A.	INTRO	ODUCTION	1
B.	STAT	EMENT OF THE CASE	2
C.	ARGU	JMENT WHY REVIEW SHOULD BE DENIED	6
	(1)	Arp Fails to Disclose How Division I's Factually-Driven Opinion Merits Review under RAP 13.4(b)	6
	(2)	Arp's Petition Is Untimely and the Motion for  Extension of Time Does Not Satisfy RAP 18.8(b)	12
		(a) <u>No Extraordinary Circumstances Exist</u>	13
		(b) Arp Failed to Demonstrate a "Gross Miscarriage of Justice" Would Result	16
D.	CONC	CLUSION	17

### TABLE OF AUTHORITIES

<u>Page</u>
Table of Cases
Washington Cases
<del> </del>
Adamson v. Traylor, 66 Wn.2d 338, 402 P.2d 499 (1965)7
Arkison v. Ethan Allen, Inc., 160 Wn.2d 535, 160 P.3d 13 (2007)7
Arp v. Riley, 192 Wn. App. 85, 366 P.3d 946 (2015),
review denied, 185 Wn.2d 1013 (2016)passim
Bartley-Williams v. Kendall, 134 Wn. App. 95,
138 P.3d 1103 (2006)7
Beckman ex rel. Beckman v. State, Dep't of Soc. & Health Servs.,
102 Wn. App. 687, 11 P.3d 313 (2000)13, 14
Bostwick v. Ballard Marine, Inc., 127 Wn. App. 762,
112 P.3d 571 (2005)14
Cunningham v. Reliable Concrete Pumping, 126 Wn. App. 222,
108 P.3d 147 (2005)7
Folsom v. City of Spokane, 111 Wn.2d 256,
Folsom v. City of Spokane, 111 Wn.2d 256, 759 P.2d 1196 (1988)6
Hash v. Children's Orthopedic Hosp. & Medical Ctr.,
49 Wn. App. 130 (1987), aff'd, 110 Wn.2d 912,
757 P.2d 507 (1988)9
Hiskey v. City of Seattle, 44 Wn. App. 110, 720 P.2d 867,
review denied, 107 Wn.2d 1001 (1986)9
<i>In re Disciplinary Proceeding Against Burtch</i> , 162 Wn.2d 873,
175 P.3d 1070 (2008)9
Reichelt v. Raymark Indus., Inc., 52 Wn. App. 763,
764 P.2d 653 (1988)13, 14
Scannell v. State, 128 Wn.2d 829, 912 P.2d 489 (1996)14
Schaefco, Inc. v. Columbia River Gorge Comm'n, 121 Wn.2d 366,
849 P.2d 1225 (1993)16, 17
Shumway v. Payne, 136 Wn.2d 383, 964 P.2d 349 (1998)13
State v. Ashbaugh, 90 Wn.2d 432, 583 P.2d 1206 (1978)14
State v. Worl, 129 Wn.2d 416, 918 P.2d 905 (1996),
review denied, 136 Wn.2d 1024 (1998)7
State, Dep't of Soc. & Health Servs. v. Fox, 192 Wn. App. 512,
371 P.3d 537 (2016)16

Structurals Nw., Ltd. v. Fifth & Park Place, Inc.,	
33 Wn. App. 710, 658 P.2d 679 (1983)	14
Washington State Physicians Ins. Exchange & Ass'n v. Fisons Corp.,	
122 Wn.2d 299, 858 P.2d 1054 (1993)	9
Weeks v. Chief of State Patrol, 96 Wn.2d 893, 639 P.2d 732 (1982)	14
<u>Federal Cases</u>	
In re Sirfiani Carlson, 650 Fed. Appx. 307 (2016)	9
Codes Dules and Deculations	
Codes, Rules and Regulations	
RAP 13.4(a)	12
RAP 13.4(b)	12 ssim
RAP 18.8(b)	16
13, 1	, 10

### A. INTRODUCTION

This Court should deny review, affirming the trial court's summary judgment ruling that Benjamin C. Arp's ("Arp") action is barred by principles of judicial estoppel. Arp's petition is untimely, RAP 13.4(a), and fails to meet the criteria of RAP 13.4(b).

In *Arp v. Riley*, 192 Wn. App. 85, 366 P.3d 946 (2015), *review denied*, 185 Wn.2d 1013 (2016) ("*Arp I*"), Division I ruled that Arp was required to disclose the personal injury claim he asserted against James H. Riley and "Jane Doe" Riley (collectively "Riley") and Sierra Construction Co., Inc. ("Sierra") in his Chapter 13 bankruptcy case. The court also found that Arp failed to fulfill that obligation. Division I correctly addressed any pertinent legal issues, and this Court seemingly agreed in denying review.

The only issues on remand was the sufficiency of the facts pertaining to Arp's benefit from his inconsistent positions in bankruptcy and state court and whether the court exercised its discretion in applying judicial estoppel based on the facts. Sierra heeded the court's ruling, and it developed facts below as to how Arp was benefitted by his decision to hide the existence of his personal injuries claim from the bankruptcy court, the trustee, and his creditors. Based on that new evidence, Sierra moved again for summary judgment on judicial estoppel, which the trial court granted in

a thorough opinion. Division I affirmed that decision in its unpublished decision in this case. ("Arp II").

Review of *Arp II* is not merited under RAP 13.4(b). Ultimately, Arp merely presents an untimely petition relating to an unpublished Division I opinion that is factually-driven and makes no new law. The criteria of RAP 13.4(b) are not met.

### B. STATEMENT OF THE CASE

Division I's opinion here more than adequately addresses the facts (op. at 2-5), and Sierra will not repeat all the facts set forth there. It does bear emphasis, however, that in its December 17, 2009 Confirmation Order, the bankruptcy court imposed *explicit* disclosure and reporting requirements on Arp:

4. That the *debtor* shall *inform the Trustee of any change in circumstances*, or receipt of additional income, and shall further comply with any requests of the Trustee with respect to additional financial information the Trustee may require;

. . .

6. That during the pendency of the plan hereby confirmed, all property of the estate, as defined by 11 U.S.C. § 1306 (a), shall remain vested in the debtor, *under the exclusive jurisdiction of the Court*, and further, that the debtor shall not, without specific approval of the Court, lease, sell, transfer, encumber or otherwise dispose of such property;

CP 353, 449 (emphasis added).

It is noteworthy that Arp settled a state court judgment as part of the bankruptcy court proceedings, a settlement that forced him to liquidate certain gold coins, non-income assets, he possessed. CP 66-67, 179, 426. He also liquidated his Toyota Highlander, another non-income asset, *after* his plan was confirmed. CP 67. The \$20,075.20 in proceeds from the sale of the Toyota were paid to the bankruptcy trustee. *Id.* The Toyota was liquidated to satisfy the "best interest of creditors test," which requires that creditors in Arp's Chapter 13 case would do at least as well if Arp had filed for Chapter 7 instead. *Id.* Thus, Arp was fully cognizant of the fact that if he disclosed assets to the trustee, the bankruptcy court might allow his creditors to access such disclosed assets to more fully satisfy their claims.

Arp failed to disclose to the trustee, bankruptcy court, or his creditors that he had any cause of action against any party based on an automobile accident in which he was involved. CP 356-401. Arp did, however, send a demand and settlement letter regarding this case to defendant James Riley on March 25, 2011. CP 143. The letter said Arp

<sup>1</sup> Arp tries to argue, pet. at 4-5, that he could not disclose the particulars of the accident. But he neglects to advise this Court that at all times pertinent he was represented by experienced bankruptcy counsel and personal injuries counsel who could have disclosed

the accident claim information to the trustee or bankruptcy court. Similarly, at 9-11, he tries to claim that he disclosed the existence of a claim to the trustee when he mentioned an automobile accident in passing in response to the trustee's motion to dismiss his Chapter 13 proceeding for failure to make payments. CP 91-92. *Nowhere* in that disclosure did Arp purport to reveal his intent to file an insurance claim or a lawsuit regarding that accident. Arp never amended his property schedule in the bankruptcy court. CP 418-20. Nor has he done so to this day, despite Division I's ruling in *Arp I*.

was seeking compensation for his insurance deductible, loss of use payment, and would be seeking compensation for medical damages. *Id*.

After receiving a discharge of his debts, benefitting him to the tune of \$113,347, CP 411, 442, Arp filed the underlying cause of action against Sierra and other defendants in the Superior Court. CP 1-4. Among other damages alleged, his complaint sought compensation for "past, present and future lost wages." CP 3.<sup>2</sup> Sierra filed a motion for summary judgment based on Arp's failure to disclose his insurance claim or case during his bankruptcy. Specifically, Sierra asserted Arp lacked standing because this claim is an undisclosed asset of his bankruptcy estate, and Arp was judicially estopped from bringing any cause of action he failed to disclose during the pendency of his bankruptcy. The trial court granted summary judgment on both grounds. CP 145-48. But Division I reversed in *Arp I* because the court concluded that Sierra had adduced insufficient evidence of any benefit Arp received from his inconsistent positions for purposes of judicial estoppel.

After remand in *Arp I*, the parties undertook additional discovery concerning judicial estoppel and the factual issues. On summary judgment,

<sup>&</sup>lt;sup>2</sup> Arp argued to Division I that the bankruptcy court Confirmation Order was applicable only to a change in his wage or income-earning status based on the erroneous legal opinion of a single bankruptcy trustee. As will be noted, *infra*, Division I correctly rejected that view.

Sierra presented the affidavit of Henry Hildebrand ("Hildebrand"), a Chapter 13 trustee for 34 years and former president of the National Association of Chapter 13 Trustees. CP 312-17. Hildebrand attested that he relies on debtors to honestly and fully disclose any significant assets acquired after a plan is confirmed. CP 315. Debtors' disclosures are used to determine whether a trustee will seek to modify a plan to distribute additional funds to creditors. *Id.* Further, the bankruptcy court relies on the debtor's disclosures and the trustee's recommendation when deciding whether to enter a discharge. CP 315. As a result, the bankruptcy court accepted Arp's nondisclosure when it entered a discharge of his debts. CP 316.

Sierra also introduced the deposition of testimony Ryan Ko ("Ko"), the bankruptcy foreclosure manager at BECU, regarding the harm to BECU caused by Arp's nondisclosure. BECU was only repaid a fraction of the debt it was owed through Arp's repayment plan. CP 456. Ko testified BECU seeks to recover as much of a debt as possible, that the credit union bases the amount it seeks to collect in bankruptcy on the debtor's asset disclosures, and that BECU would have taken some additional action in Arp's bankruptcy to obtain additional payments if it was aware that Arp had additional assets. CP 456. Ko further testified that BECU was harmed because Arp concealed his claim. CP 457.

After reviewing all of these facts, the trial court properly exercised its discretion in applying this Court's well-established principles of judicial estoppel to bar Arp's claim. The trial court set out its analysis in a very detailed order. CP 528-39. Division I's unpublished opinion is similarly clear and precise.

### C. ARGUMENT WHY REVIEW SHOULD BE DENIED

(1) <u>Arp Fails to Disclose How Division I's Factually-Driven</u> Opinion Merits Review under RAP 13.4(b)

Arp failed in his petition to document how Division I's well-reasoned opinion merits review under the criteria of RAP 13.4(b). Arp's petition is essentially a repetition of his merits arguments to Division I. It is devoid of any real attention to this Court's criteria governing acceptance of review set forth in RAP 13.4(b). He does not document how Division I misapplied the law of the case doctrine in applying the judicial estoppel principles articulated in *Arp I*, or, for that matter, how Division I somehow misapplied this Court's well-established principles of judicial estoppel.

First, the law of the case doctrine "ordinarily precludes re-deciding the same legal issues in a subsequent appeal." *Folsom v. City of Spokane*, 111 Wn.2d 256, 263, 759 P.2d 1196 (1988). Questions previously determined on appeal "will not again be considered on a subsequent appeal if there is no substantial change in the evidence at a second determination

of the cause. [A reviewing court] is bound by its decision on the first appeal until such time as it might be authoritatively overruled." *Id.* (quoting *Adamson v. Traylor*, 66 Wn.2d 338, 339, 402 P.2d 499 (1965)). *See also*, *State v. Worl*, 129 Wn.2d 416, 425, 918 P.2d 905 (1996), *review denied*, 136 Wn.2d 1024 (1998). Division I correctly determined that the legal principles it set forth in *Arp I* controlled. Op. at 6-7.<sup>3</sup>

Moreover, Division I properly concluded that the trial court did not abuse its discretion in applying principles of judicial estoppel. Op. at 7-16. Judicial estoppel "precludes a party from asserting one position in a court proceeding and later seeking an advantage by taking a clearly inconsistent position." *Arp I*, 192 Wn. App. at 91 (quoting *Arkison v. Ethan Allen, Inc.*, 160 Wn.2d 535, 538, 160 P.3d 13 (2007)). "The purposes of the doctrine are to preserve respect for judicial proceedings without the necessity of resort to the perjury statutes; to bar as evidence statements by a party which would be contrary to sworn testimony the party has given in prior judicial proceedings; and to avoid inconsistency, duplicity, and ...waste of time." *Bartley–Williams v. Kendall*, 134 Wn. App. 95, 98, 138 P.3d 1103 (2006) (quoting *Cunningham v. Reliable Concrete Pumping*, 126 Wn. App. 222, 225, 108 P.3d 147 (2005)).

 $<sup>^3</sup>$  Arp did not argue that  $Arp\ I$ 's analysis of the elements of judicial estoppel was clearly erroneous. Arp did not argue there had been a substantial change in the law since  $Arp\ I$ .

Although the *Arp II* court determined that the question of whether Arp took inconsistent positions in bankruptcy and state court was not conclusively resolved by the law of the case doctrine, op. at 9-11, it then correctly decided that Arp, in fact, took inconsistent positions.

Arp's principal contention for not applying the law of the case doctrine is his contention that he did not take inconsistent positions in the bankruptcy and state courts, based on the testimony of Kathleen Shoemaker. Pet. at 8-19. Division I properly rejected this argument. Op. at 9-11. It was entirely justified in so doing.

First, of course, he ignores the plain language of the bankruptcy court order, which is unmistakably clear that Arp was ordered to advise the bankruptcy court of any changes in his financial status. Further, Shoemaker's legal opinions that Arp's personal injury "was not in and of itself a 'change of circumstances' under the 2009 confirmation order" (CP 104) and that "Arp's notice was acceptable" (CP 108) merely rehash arguments tacitly rejected in *Arp I*. In any event, Shoemaker's opinions that Arp had no duty to disclose and his notice was adequate disclosure are merely legal conclusions based on Shoemaker's interpretation of the Bankruptcy Code and case law. Division I seemingly disregarded

Shoemaker's opinion in *Arp II*, as it should, because it invaded the province of the trial court.<sup>4</sup>

But what is perhaps the most compelling reason for disregarding Shoemaker's opinion, a point not directly addressed by Division I, is that Shoemaker cited a bankruptcy trial court decision in *Sirfiani Carlson* as the basis for her opinion. CP 105-06. But that opinion was actually *overruled* by the Ninth Circuit adopting Division I's position on the law *before* Arp filed his action here. In *In re Sirfiani Carlson*, 650 Fed. Appx. 307, 309-10 (2016), the Ninth Circuit stated:

The bankruptcy court's order confirming the client's Chapter 13 plan required that the debtor inform the Trustee 'of any changes in circumstances or receipt of additional income.' MaGee assets that the portion of the tort claim allocated to lost income, \$850, should not be included as income to his client and, in essence, that the award of a judgment totaling \$48,150.92 did not amount to a change in her circumstances. Those arguments are not persuasive. '[T]he viability of the system of voluntary bankruptcy depends upon full, candid, and complete disclosure by debtors of their financial affairs.' *Searles v. Riley (In re Searles)*, 317 B.R. 368, 378 (9th Cir. BAP 2004). A debtor

<sup>&</sup>lt;sup>4</sup> "Legal opinions on the ultimate legal issue before the court are not properly considered under the guise of expert testimony. It is the responsibility of the court . . . to interpret and apply the law." Washington State Physicians Ins. Exchange & Ass'n v. Fisons Corp., 122 Wn.2d 299, 344, 858 P.2d 1054 (1993); see also, In re Disciplinary Proceeding Against Burtch, 162 Wn.2d 873, 891, 175 P.3d 1070 (2008) ("The trial court may properly disregard expert testimony containing conclusions of law."); Hiskey v. City of Seattle, 44 Wn. App. 110, 114, 720 P.2d 867, review denied, 107 Wn.2d 1001 (1986) ("An affidavit is to be disregarded to the extent that it contains legal conclusions."); Hash v. Children's Orthopedic Hosp. & Medical Ctr., 49 Wn. App. 130 (1987), aff'd, 110 Wn.2d 912, 757 P.2d 507 (1988) (holding conclusions of law stated in an affidavit filed in a summary judgment proceeding are improper and should be disregarded). Shoemaker's legal opinions should be disregarded.

has a statutory duty to disclose all assets, income, and financial affairs. 11 U.S.C. § 521. The tort judgment here was substantial; it exceeded the unsecured claims in the bankruptcy. A portion of the award was designated as income. The bankruptcy court did not abuse its discretion in holding that the client's receipt of this judgment amounted to a change in circumstance.

Thus, in applying identical language in a Chapter 13 confirmation order, federal courts reject Arp's view, based on Shoemaker's declaration, that a debtor's disclosure obligation is limited to wage-related matters. All assets, including a valuable claim, must be disclosed.

Finally, on the one specific point that was the basis for a remand in *Arp I*, the sufficiency of the evidence of prejudice from his inconsistent positions, Arp only briefly disagrees in his petition at 17-18 with Division I's determination (op. at 11-15), that he benefitted from his taking of inconsistent positions. But the benefit he received was *amply* documented below.

Arp's confirmed plan provided for repayment of only a percentage of his unsecured debt. The trustee, the bankruptcy court, and the creditors, therefore, had cause to modify the plan to increase payment based on Arp's personal injury claim. Arp's failure to properly disclose his claim deprived the trustee and his creditors from moving to increase his plan payments. Based on his initial asset disclosures, Arp ultimately received a discharge of \$113,347.04 of unsecured debts in bankruptcy. CP 442.

BECU was a creditor in Arp's bankruptcy. BECU filed claims for unpaid debts in the amount of \$22,028.00 for a personal line of credit and \$5,031.65 for VISA credit card charges. Under Arp's confirmed plan, BECU was repaid only \$3,195.70 of the \$22,028.00 in credit line debt and \$708.81 of the \$5,031.65 in credit card debt. CP 456.

BECU understandably hoped to recover as much of a debt as possible. CP 456. Ko testified BECU was harmed because Arp concealed his claim. CP 457. Ko stated unequivocally, that BECU would have taken additional action if it had been made aware of Arp's personal injury claim. CP 457. This is *direct evidence* that one or more of Arp's creditors would have taken action to request an amendment to his Chapter 13 plan if Arp had disclosed his claim in an amended schedule.

Arp failed to provide material information on an asset and in so doing deprived the bankruptcy court, trustee, and his creditors of the opportunity to move to modify his plan to assert an interest in any settlement or recovery from this case. Ko's testimony demonstrates BECU would have contacted the trustee and analyzed the pros and cons of filing a motion to modify if Arp's claim was disclosed. Arp, however, denied BECU (and all of his other creditors and the bankruptcy trustee) the opportunity to perform this analysis and determine whether to move to modify his plan to increase payments. BECU was repaid only 21% of the debt owed by Arp. CP 456.

BECU, like any creditor, would have preferred to recover as much of the debt as possible. CP 456. BECU was therefore negatively impacted when it was deprived of the opportunity to analyze Arp's personal injury claims and the advantages and disadvantages of filing a motion to modify. CP 457.

Division I correctly affirmed the trial court's careful, detailed factual finding that Arp benefitted from hiding his personal injuries claim from the bankruptcy court, the trustee, and his creditors. Judicial estoppel applied. Review is not merited. RAP 13.4(b).

## (2) Arp's Petition Is Untimely and the Motion for Extension of Time Does Not Satisfy RAP 18.8(b)

The Clerk's January 29, 2019 letter to the parties indicated that this answer should address the timeliness of Arp's petition and his subsequent motion for extension. There is little question Arp's petition was untimely. But his justifications for that failure to timely file the petition are baseless. The Court should deny the motion for extension.

Arp was required by RAP 13.4(a) to file his petition within 30 days of Division I's order denying his motion for reconsideration.5 That order was filed on December 7, 2018. Arp filed his present petition on January 8, 2019, 31 days after the Division I ruling. His petition is untimely. This

<sup>&</sup>lt;sup>5</sup> Arp and his counsel were expressly advised by Division I in letters dated November 5, 2018 (enclosing the court's opinion) and December 7, 2018 (enclosing the order denying Arp's motion for reconsideration) that a 30-day deadline applied to a petition for review. Arp was on notice of the deadline that applied for a timely filing of any petition.

Court does not readily waive the 30-day mandate as it may be waived only "in extraordinary circumstances and to prevent a gross miscarriage of justice." RAP 18.8(b). Further, RAP 18.8(b) states that "the appellate court will ordinarily hold that the desirability of finality of decisions outweighs the privilege of a litigant to obtain an extension of time under this section."

### (a) No Extraordinary Circumstances Exist

The reasons Arp gives for the late filing of his petition do not rise to the level of "extraordinary circumstances." This rigorous standard "has rarely been satisfied." *Reichelt v. Raymark Indus., Inc.*, 52 Wn. App. 763, 765, 764 P.2d 653 (1988). RAP 18.8(b) "clearly favors the policy of finality of judicial decisions over the competing policy of reaching the merits in every case." *Id*.

The phrase "extraordinary circumstances" contemplates "instances where the filing, despite reasonable diligence, was defective due to excusable error or circumstances beyond the party's control." *Shumway v. Payne*, 136 Wn.2d 383, 395, 964 P.2d 349 (1998). "Negligence, or the lack of 'reasonable diligence,' does not amount to 'extraordinary circumstances." *Beckman ex rel. Beckman v. State, Dep't of Soc. & Health Servs.*, 102 Wn. App. 687, 695, 11 P.3d 313 (2000).6

<sup>&</sup>lt;sup>6</sup> Courts have found extraordinary circumstances do not exist where:

In those rare cases where "extraordinary circumstances" are present, the party seeking to appeal complied with RAP 18.8(b) by timely filing a notice, but failed to comply with some other procedural requirement.<sup>7</sup> In contrast, Arp's petition was not timely filed at all. He does not claim to have complied with the deadline, but is asking the Court to consider his petition anyway.

Arp's case is also distinguishable from another case involving a *pro se* litigant who believed he was timely filing a notice of appeal. In *Scannell v. State*, 128 Wn.2d 829, 830, 912 P.2d 489 (1996), this Court found that "extraordinary circumstances" applied where a recently amended court rule's "misleading language" caused a *pro se* litigant to believe his notice of appeal was not due while his motion for indigency was pending: "[T]he

<sup>•</sup> a party's filing was late because two attorneys left the firm during the 30 days following entry of the judgment and the firm's appellate attorney had an unusually heavy workload at that time (*Reichelt*, 52 Wn. App. at 764);

<sup>•</sup> plaintiffs' counsel failed to give an opposing party notice that the judgments had been entered (*Beckman*, 102 Wn. App. at 695); or

<sup>•</sup> the late party failed to receive notice of entry of the order in the manner required by local rule (*Bostwick v. Ballard Marine, Inc.*, 127 Wn. App. 762, 112 P.3d 571 (2005)).

<sup>&</sup>lt;sup>7</sup> Generally, "the moving party actually filed the notice of appeal within the 30–day period but some aspect of the filing was challenged." *Bostwick*, 127 Wn. App. at 776 (citing *Reichelt*, 52 Wn. App. at 765; *Weeks v. Chief of State Patrol*, 96 Wn.2d 893, 895–96, 639 P.2d 732 (1982) (notice was timely filed but filed in wrong court); *State v. Ashbaugh*, 90 Wn.2d 432, 438, 583 P.2d 1206 (1978) (notice was timely filed but rejected by court for lack of filing fee); *Structurals Nw., Ltd. v. Fifth & Park Place, Inc.*, 33 Wn. App. 710, 714, 658 P.2d 679 (1983) (notice was timely when filed within 30 days of entry of stipulated "amended" judgment)).

continuing reference in RAP 5.2(a) to RAP 15.2(a) presents a trap for the unwary. This cross-reference leads the unsophisticated pro se litigant to believe that RAP 15.2(a) has some kind of delaying effect on the 30-day notice of appeal deadline, even though no such language actually exists in the current version of RAP 15.2(a). The misleading cross-reference caused Scannell's confusion. Had the old rule been in effect, Scannell's acts would have been in full compliance." *Id.* at 833. No such confusing circumstances are present here.

Arp's claimed "extraordinary circumstances" are not. Although his motion says his counsel withdrew two weeks before the January 7, 2019 deadline to file the petition, Arp failed to mention that while his counsel's withdrawal was *effective* as of December 24, 2018, his counsel *filed* the withdrawal and sent him notice on December 10, 2018. Arp had far longer to prepare his petition than the 14 days he would have this Court believe. Further, Arp's other claimed "extraordinary circumstance" - his alleged impaired cognitive function - was known to Arp from the beginning of the 30-day period, and yet he did nothing during that period to seek an extension. He did not contact opposing counsel to see if they would agree to an extension. Neither did he ask the Court during the 30-day period to extend the time for filing his petition. Only *after* he missed the deadline did he ask the Court to extend the time for filing. Arp failed to demonstrate the

extraordinary circumstances that are required by RAP 18.8(b). Arp's filing was simply not timely. He did not fall into a "trap for the unwary" – he simply blew the deadline, and is asking the Court to excuse his tardiness.

### (b) Arp Failed to Demonstrate a "Gross Miscarriage of Justice" Would Result

RAP 18.8(b) requires a party demonstrate both extraordinary circumstances and that a "gross miscarriage of justice" would result. Arp has not demonstrated a miscarriage of justice would occur were this Court to reject his untimely petition. The arguments in his petition are the same as those that were already rejected by Division I in its opinion, and again in its denial of Arp's motion for reconsideration. Arp did not demonstrate that he can meet any of this Court's criteria governing acceptance of review set forth in RAP 13.4(b). He raises no questions of law in his petition. Even if he had, this would not be sufficient to demonstrate a miscarriage of justice will take place if his tardy pleading is not accepted: "And even if the appeal raises important issues, it would be improper to consider those issues absent sufficient grounds for granting an extension of time." State, Dep't of Soc. & Health Servs. v. Fox, 192 Wn. App. 512, 525, 371 P.3d 537 (2016) (citing Schaefco, Inc. v. Columbia River Gorge Comm'n, 121 Wn.2d 366, 368, 849 P.2d 1225 (1993)).

Arp has failed to demonstrate "excusable error or circumstances beyond the party's control" rising to the level of extraordinary circumstances. He has further failed to demonstrate that a miscarriage of justice will occur if he is not allowed to file his untimely petition. Nor has he "demonstrated sound reasons to abandon the preference for finality." *Schaefco*, at 368. This Court should deny Arp's motion for extension.

### D. CONCLUSION

This Court should deny Arp's untimely and baseless petition, and thereby let stand Division I's well-supported unpublished opinion affirming the trial court's grant of summary judgment in Sierra's favor. Judicial estoppel applies to prevent Arp from pursuing this cause of action. Division I correctly concluded that the trial court properly found Arp took inconsistent positions. The trial court did not abuse its discretion in reaffirming that judicial estoppel applied where, as the trial court found, Arp took inconsistent positions and gained a significant benefit by the discharge of his debts in bankruptcy. His creditors were harmed by lacking the opportunity to seek a modification of his plan in bankruptcy court. Division I was correct in agreeing.

Review under RAP 13.4(b) is not merited here.

### DATED this 1944 day of February, 2019.

Respectfully submitted,

Philip A. Talmadge, WSBA #6973 Talmadge/Fitzpatrick/Tribe 2775 Harbor Avenue SW Third Floor, Suite C Seattle, WA 98126 (206) 574-6661

Gregory Wallace, WSBA #29029 Law Office of Vitale & Wallace Bank of America Building 800 Fifth Avenue, Suite 3810 Seattle, WA 98104 (206) 515-4800

Clayton G. Kuhn (*pro hac vice*) Sandberg Phoenix & von Gontard P.C. 600 Washington Avenue, 15th Floor St. Louis, MO 63101 (314) 332-3332

Attorneys for Respondent Sierra Construction Co., Inc.

### **DECLARATION OF SERVICE**

On said day below, I electronically served a true and accurate copy of *Sierra Construction Co., Inc.'s Answer to Petition for Review and Response to Motion for Extension of Time* in Supreme Court Cause No. 96725-3 to the following parties:

Gregory Wallace Law Office of Vitale and Wallace 1299 Zurich Way, Suite 460 Schaumburg, IL 60196-5870 Martin J. Pujolar Forsberg & Umlauf PS 901 Fifth Ave. #1400 Seattle, WA 98164-2047

Max G. Nicolai Law Offices of Sweeney & Dietzler 1001 Fourth Avenue, Suite 3300 Seattle, WA 98154 Paul L. Crowley Lockner & Crowley, Inc., P.S. 524 Tacoma Ave. S Tacoma, WA 98402-5416

Clayton G. Kuhn (Pro Hac Vice) Sandberg Phoenix & Von Gontard P.C. 600 Washington Avenue 15th Floor St. Louis, MO 63101

On said day below, I deposited in the U.S. Mail for service a true and accurate copy of the *Sierra Construction Co., Inc.'s Answer to Petition for Review and Response to Motion for Extension of Time* in Supreme Court Cause No. 96725-3 to the following party:

Benjamin C. Arp 2315 N.E. 105th Street Seattle, WA 98125

Original e-filed with: Washington Supreme Court Clerk's Office I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

DATED: February 19, 2019, at Seattle, Washington.

Matt J. Albers, Paralegal Talmadge/Fitzpatrick/Tribe

### TALMADGE/FITZPATRICK/TRIBE

### February 19, 2019 - 11:19 AM

### **Transmittal Information**

Filed with Court: Supreme Court

**Appellate Court Case Number:** 96725-3

**Appellate Court Case Title:** Benjamin C. Arp v. James H. Riley et al.

**Superior Court Case Number:** 12-2-36991-7

### The following documents have been uploaded:

967253\_Answer\_Reply\_20190219111650SC506387\_8050.pdf

This File Contains:

Answer/Reply - Answer to Petition for Review The Original File Name was Answer to PFR.pdf

### A copy of the uploaded files will be sent to:

- Max.Nicolai@LibertyMutual.com
- assistant@tal-fitzlaw.com
- benarp@comcast.net
- beth@524law.com
- ckuhn@sandbergphoenix.com
- crowley@524law.com
- gregory.wallace@zurichna.com
- matt@tal-fitzlaw.com
- mpujolar@foum.law

#### **Comments:**

Sierra Construction Co., Inc.'s Answer to Petition for Review and Response to Motion for Extension of Time

Sender Name: Matt Albers - Email: matt@tal-fitzlaw.com

Filing on Behalf of: Philip Albert Talmadge - Email: phil@tal-fitzlaw.com (Alternate Email: matt@tal-fitzlaw.com)

Address:

2775 Harbor Avenue SW Third Floor Ste C Seattle, WA, 98126 Phone: (206) 574-6661

Note: The Filing Id is 20190219111650SC506387