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WASHINGTON STATE SUPREME COURT

No. 85105-5-1

WASHINGTON STATE COURT OF APPEALS
DIVISION I

In the Receivership of:
CASTLE WALLS LLC.

JOHANSEN CONSTRUCTION COMPANY, LLC,

Petitioner,

v.

REVITALIZATION PARTNERS, L.L.C.,

Respondent/Receiver.

**RESPONDENT'S ANSWER TO PETITION FOR
REVIEW**

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I. INTRODUCTION

Petitioner Johansen Construction Company, LLC

(“Johansen”) does not raise any issues suitable for this Court’s review. Johansen seeks to make arguments that either (1) it did not raise before the Superior Court, which decided that Johansen must return \$228,863.83 that it caused to be taken out of the Receiver’s bank account in violation of the automatic stay, or (2) the Court of Appeals affirmed with comprehensive reasoning, consistent with this Court’s precedent and statute.

The Court of Appeals’ decision is not in conflict with any decisions of this Court. The ability of the Receiver to take possession of property and to administer creditor claims in accordance with statutory priority is part of this Court’s precedent, carries forward in statute, and is encapsulated in the Turnover Order and the Published Opinion.

The Court of Appeals decision does not involve an issue of substantial public interest that should be determined by this Court. It is about the application of the unambiguous receivership statute to and the Superior Court's equitable jurisdiction over Johansen's claim and its wrongful acts in exercising control over the Receiver's bank account and refusing to return the funds it took by causing an overdraft.

II. BACKGROUND

A. Johansen owed and paid Castle Walls \$228,863.83 before the appointment of the Receiver.

Castle Walls was a construction company specializing in the construction and installation of walls and pavers.

On November 19, 2020, Castle Walls and Johansen entered into a Subcontract Agreement (the "Agreement") pursuant to which Castle Walls was contracted to construct a retaining wall at a project commonly known as Proctor Willows. CP 48:24-49:2; CP 51-75.

Johansen made three payments to Castle Walls under the terms of the Agreement, on account of four invoices dated September 20, 2021, October 10, 2021, November 18, 2021, and December 16, 2021. CP 49:3-9; CP 77-83. On or about November 30, 2021, Johansen paid \$82,108.21. On or about February 10, 2022, it paid \$79,826.22, and on or about March 24, 2022, it paid \$66,929.40 (collectively, the “Payments”). CP 49:5-7. The Payments were made to Castle Walls by Johansen via check, and the funds were deposited in Castle Walls’ bank account. CP 49:8-9.

B. Johansen caused \$228,863.83 to be taken out of the Receiver’s bank account in violation of the automatic stay.

On July 28, 2022, Castle Walls filed a Petition for Appointment of General Receiver pursuant to Washington’s statutes governing assignments for the benefit of creditors, RCW Ch. 7.08. CP 1-18. Revitalization Partners, L.L.C. was

appointed as the general receiver of Castle Walls the next day, on July 29, 2022. CP 19-32 (the “Appointing Order”).

On August 3, 2022, after the entry of the Appointing Order, the Payments were reversed and \$228,863.88 (the “Seized Funds”) was returned to Johansen, ostensibly because the checks from Johansen to Castle Walls were joint checks not endorsed by sub-tier contractors, only by Castle Walls. CP 49: 10-12; CP 85. At the time that the Seized Funds were paid to Johansen, Castle Walls’ bank account had a balance of approximately -\$145,000. CP 85. The reversal of the Payments resulted in a further overdraft of the Castle Walls bank account, which was under the control of the Receiver and protected by the automatic stay, in a corresponding amount. CP 49: 12-13; CP 85. At the end of August 2022, the Castle Walls bank account had a balance of -\$379,088.21. CP 85.

By causing the Payments to be reversed and taking the Seized Funds from the bank account, Johansen violated the automatic stay and again owed the Receiver the \$228,863.83 that had been invoiced by Castle Walls but previously satisfied by the Payments. On August 31, 2022, the Receiver made a demand on Castle Walls to return the Seized Funds. CP 86:22-24; CP 89-90. Johansen did not agree to return the Seized Funds. CP 92-93. There is no dispute that Johansen took the money and still has it.

On September 9, 2022, Johansen submitted a proof of claim to the Receiver. CP 104, 116-145, 170-177.

C. The Superior Court ordered Johansen to return the \$228,863.83 to the Receiver and the Court of Appeals affirmed that decision; Johansen has not paid.

On November 16, 2022, the Receiver filed its Motion for Turnover Pursuant to RCW 7.60.005(9) and RCW 7.60.070 and for Attorneys' Fees (the "Turnover Motion"). CP 37-44.

Following a hearing, on December 14, 2022, Commissioner Moen granted the Turnover Motion, yet only required that Johansen pay \$101,298.08 into the court registry in satisfaction of the Receiver's claim. CP 186-187 (the "Initial Turnover Order"). On December 27, 2022, the Receiver filed its Motion for Revision of the Order Granting Receiver's Motion for Turnover Pursuant to RCW 7.60.005(9) and RCW 7.60.070 and for Attorneys Fee (the "Receiver's Motion for Revision"), seeking revision of the Original Turnover Order. CP 188-194. On February 6, 2023, the Honorable Suzanne Parisien entered an order granting the Receiver's Motion for Revision (the "Turnover Order"), requiring that Johansen pay the Receiver \$228,863.83. CP 221-222. Johansen appealed the Initial Turnover Order and the Turnover Order to the Court of Appeals, Division One. CP 223-228.

On April 1, 2024, the Court of Appeals filed its Published Opinion affirming the Turnover Order. (Petition for Review (the “Petition”) Appendix A.)

On May 1, 2024, Johansen filed its Petition, seeking the Court’s discretionary review of the Published Opinion.

III. ARGUMENT

This Court accepts discretionary review in few circumstances. *See* RAP 13.4(b). The Petition asserts four issues as grounds for review, which this Court should reject:

(1) under RAP 13.4(b)(1), prior precedent strictly limits the power of receiver to that of one “standing in the shoes” of the person over whose assets it has been appointed—despite prior precedent also providing for (a) summary turnover powers for receivers, who also have the powers of bona fide creditors and as officers of the court, over property involved in the receivership and (b) the statutory and equitable powers afforded

the Receiver and the Superior Court with respect to enforcing claim priorities;

(2) under RAP 13.4(b)(4), the Published Opinion is wrong in holding that a Receiver has rights other than those rights arising from standing in Castle Walls' shoes because the text and legislative history of RCW 7.60 does not suggest any rights beyond those—notwithstanding the plain language of the receivership statute broadly defining estate property, protecting it with an automatic stay, empowering the Receiver to recover estate property through the power of turnover, and setting the priority rules for distribution to creditors, and those powers being consistent with the legislative history;

(3) under RAP 13.4(b)(1) or (4), Johansen should get to keep the \$228,863.83 it took because either the funds should belong to Johansen as having been “stolen” by Castle Walls or were funds belonging to Castle Walls' bank—although it is

undisputed that no funds from Johansen were in the Receiver's bank account and the funds to be turned over ended up with and continue to be held by Johansen because of its vigilante manipulation of the banking system to cause an overdraft of the Receiver's bank account; and

(4) under RAP 13.4(b)(4), the Receiver would not be in compliance with state law by recovering funds that Castle Walls had "stolen"—even though state law requires the Receiver to distribute funds and Johansen to assert a claim for funds, regardless of the basis on which it might be entitled to them, only in accordance with the priorities of the receivership statute.

These issues do not justify this Court's review, and the Court should deny the Petition. Further delay will only add expense to a receivership estate that is already insolvent.

A. Review is not warranted under RAP 13.4(b)(1) because neither the Turnover Order nor the Published Opinion conflicts with this Court's precedent.

Neither the Turnover Order nor the Published Opinion conflicts with this Court's precedent. The Court of Appeals correctly observed:

While our Supreme Court has previously noted that "the receiver stands in the shoes of the insolvent," this does not end the inquiry. *Morse Electro Prods. Corp. v. Beneficial Indus. Loan Co.*, 90 Wn.2d 195, 198, 579 P.2d 1341 (1978). Not only has the legislature amended the receivership statute in the decades since *Morse* was published, but the blind application of such a rule would require the court to ignore the specific circumstances of the case, the equitable powers of the court, and the relevant provisions of the current receivership statute.

(Published Opinion at 11.)

Morse and the other decisions¹ of this Court cited in the Petition do not stand for Johansen's overly simplistic interpretation of a receiver's and Superior Court's powers. While *Morse* does generally state that "the receiver stands in the shoes of the insolvent," 90 Wn.2d at 198, 579 P.2d at 1342, this Court also further held: "The receiver takes property as he finds it and holds it in custodia legis for the benefit of whomever may finally establish a right to it." *Id.* at 201, 579 P.2d at 1344 (citing *Gloyd v. Rutherford*, 62 Wn.2d 59, 380 P.2d 867 (1963)).

¹ *Walton v. Severson*, 100 Wn.2d 446, 455, 670 P.2d 639 (1983) has nothing to do with the scope of powers of a receiver obtained upon appointment by a Superior Court pursuant to an assignment for the benefit of creditors. The decision involved whether the sale of real property could be set aside, when the court had court approved an earnest money agreement, to which a receiver was the seller party, but the court did not subsequently confirm the sale after the original buyer entity to the earnest money agreement assigned it to another buyer entity. Johansen's citation is also to the dissenting opinion in that case, so it is not precedent.

1. The Receiver is not only entitled to the rights of Castle Walls, but also the rights of bona fide creditors, and acts as an agent of the Superior Court, with the power to obtain possession of property in order to determine how it should be distributed.

Gloyd, on which *Morse* is based, is precedent of this Court as well, and the Published Opinion is entirely consistent with it. In that case, the Court stated the rule: “the receiver stands not only in the shoes of the corporation but also in the shoes of bona fide creditors of the corporation.” 62 Wn.2d at 60, 380 P.2d at 868 (citing *Buckner-Weatherby Co. v. Wuest*, 167 Wn. 647, 9 P.2d 1104 (1932)). Moreover, a receiver:

is not the agent or representative of either party to the action, but is uniformly regarded as an officer of the court, exercising his functions in the interest of neither plaintiff nor defendant, but for the common benefit of all parties in interest. * * * Being an officer of the court, the fund or property intrusted to his care is regarded as being *in custodia legis* for the benefit of whoever may finally establish title thereto, the court itself having the care of the property by its receiver, who is merely its creature or officer, having no powers other than those

conferred upon him by the order of his appointment, or such as are derived from the established practice of courts of equity.

Id. at 60-61, 380 P.2d at 868 (quoting *High on Receivers*, 4th ed., § 1). As defined in the current receivership statute, the Receiver is “a person appointed by the court as the court’s agent, and subject to the court’s direction, to take possession of, manage, or dispose of property of a person.” RCW 7.60.005(10).

The Receiver can obtain possession of property from third persons, whether or not they are parties to an action. “[A] court, in a proper case, may make a third person a party for the purpose of obtaining possession of property of the receivership.” 62 Wn.2d at 61, 380 P.2d at 868. And where the person holding the property is already a participant in the receivership, this Court has further held that the authority to order possession restored to the receiver is plenary:

[I]t is the court's function to adjudicate title to the property claimed by the receivership where the parties claiming an interest are before it.

As stated in 75 C.J.S. Receivers § 117a:

“Generally speaking, a court of equity has power, on appointing a receiver, to make such orders with respect to assets of the insolvent within the jurisdiction as will protect them against loss or damage. Accordingly, the court has power to order the receiver to take possession of the property which is involved in the controversy, and the exercise of such power is not a deprivation of due process of law, since the surrender to the receiver does not affect the right of property or the ultimate decision of the case. When possession is withheld by persons who are parties to the suit, or, * * * by their agents or employees, or by others who are claiming under such parties, with notice of the appointment of the receiver, the court may interfere in a summary way and order the delivery of the property, and may enforce its order by writ of assistance or possession, or by execution or attachment.”

Id. at 62, 380 P.2d at 869. The Court also observed that it had previously held that the rights of a creditor of an insolvent corporation in property involved in the receivership can be determined in the receivership action on notice and hearing.

Accordingly, the Court affirmed the Superior Court's decision in *Gloyd* to require turnover of assets to a receiver in a summary proceeding. *See* 62 Wn. 2d at 63, 380 P.2d at 869-70 (citing *State ex rel. Krisch v. Superior Court*, 36 Wn. 91, 78 P. 461 (1904)).

The modern receivership statute is consistent with this precedent and expressly states that:

the court in all cases has . . . the exclusive possession and right of control with respect to all . . . property with respect to which the receiver is appointed, wherever located, and the exclusive jurisdiction to determine all controversies relating to the collection, preservation, application, and distribution of all the property

RCW 7.60.055(1). The Superior Court also has flexibility to expand the Receiver's powers: "The various powers and duties of a receiver provided for by this chapter may be expanded, modified, or limited by order of the court for good cause shown." RCW 7.60.060(3).

The receivership statute further expressly provides that the Superior Court has jurisdiction over creditors, including Johansen, who file proofs of claim:

Creditors . . . or other persons submitting written claims in the receivership and otherwise appearing and participating in the receivership, are bound by the acts of the receiver with regard to management and disposition of estate property whether or not they are formally joined as parties.

RCW 7.60.190(1).

2. Under *Morse*, entitlement to property is subject to legal priorities.

In *Morse*, a receiver was appointed over National's assets. One of the assets was a claim against Beneficial as to a reserve fund that Beneficial retained under an agreement with National. The receiver assigned the claim to Morse, who then sought to recover the reserve fund from Beneficial. There was nothing left in the reserve fund, because under its agreement with National, Beneficial had the right to keep it under certain

circumstances. The Court held that “the reserve fund is exhausted and there is no longer any amount in which National would have had an interest. Since Morse, as assignee of National’s receiver, has no greater interest than National would have had, its claim . . . must fail.” *Morse*, 90 Wn.2d at 199, 579 P.2d at 1343. The Court also held that, while Beneficial and Morse both had security interests in National’s assets, Morse could not recover on the basis of its security interest because Beneficial had priority due to perfection of its security interest, while Morse’s had lapsed. The priorities under Washington law controlled how rights in an asset involved in a receivership were to be determined. *See* 90 Wn.2d at 201, 579 P.2d at 1344. Accordingly, the Court affirmed the trial court’s decision that Morse had no claim to the reserve fund.

The Published Opinion and the Turnover Order are consistent with *Morse*. The Receiver obtained the rights to

Castle Walls' bank account, and the automatic stay came into effect to protect it, and the statutory priority scheme governs how creditors are to be paid. Johansen had no rights to the bank account and no relief from the automatic stay, and its claim is unsecured. Furthermore, *Morse* did not involve an automatic stay or the exercise of turnover rights by the receiver, so it does not preclude the Turnover Order or undermine the Published Opinion.

3. This case is consistent with the precedent of *Western Electric* because it stands for the ability of the Superior Court to determine property ownership in receiverships.

In *Western Electric Co., Inc. v. Norway Pacific Constr. & Drydock Co.*, 124 Wn. 49, 60, 213 P. 686 (1923), in a dispute between a receiver and a seller of machinery to the company in receivership over ownership of the machinery, the Superior Court determined that the seller owned it under the terms of a conditional sales contracts and ordered the receiver to surrender

it to the seller. *See* 124 Wn. at 50-53, 213 P. at 687-88. This Court affirmed the Superior Court, holding: “The receiver, except as to fraudulent sales and transfers, is not vested with any higher or better right or title to the property than the insolvent had when the receiver’s title accrued” 124 Wn. at 60, 213 P. 686, 690.

Again, here, the Receiver took control of Castle Walls’ assets, including its bank account and the proceeds thereof, upon appointment. The Superior Court had the power to determine (and the Court of Appeals correctly affirmed) that the bank account was estate property and that the proceeds of the overdraft that that Johnson caused should be returned by Johansen to the Receiver. Unlike the seller in *Western Electric*, Johansen did not establish any ownership interest in the account or the overdraft funds.

4. The Published Opinion and Turnover Order are consistent with *Roebblings* because distribution out of receiverships is governed by statutory priorities.

In *John A. Roebblings Sons Co. v. Frederickson Logging & Timber Co.*, 153 Wn. 580, 280 P. 93 (1929), a receiver was appointed over a logging company, whose assets were subject to a chattel mortgage. The receiver sold the property, and a dispute arose over how much of the proceeds should go to the chattel mortgagee or the state, which had a statutory lien as well as a payment priority. *See id.* at 581, 280 P. at 93.

This Court determined that the applicable statute gave priority to claims of the state, as it provided:

‘[I]n all cases of insolvency, assignment for the benefit of creditors, or bankruptcy, the claim of the state for payments due herein shall be a claim prior to all other claims, except taxes. . . . These statutes must be read into the contract of lien or lien created by law. They are part of such contract or lien and when such contracts or liens are created they must necessarily be subject to the statutes allowing prior claims in case of insolvency.’

Id. at 583-84, 280 P. at 94. In reversing the Superior Court’s limitation of the claim to the state’s lien rights, this Court held: “[W]e are satisfied that the insolvency provisions apply. The property involved was that of the insolvent, even though it was impressed with a mortgage lien. That the receiver took over the same title which the insolvent had is clear, for, as stated, in 34 Cyc. p. 191: ‘A receiver can acquire no other, greater, or better interest than the debtor had in the property, and to this extent the receiver has been held to stand in the shoes of the debtor.’” 153 Wn. at 585, 280 P. at 95. The point of “standing in the shoes” was that the receiver took the property of the insolvent company, and the insolvency priorities applied to that property.

The Published Opinion and the Turnover Order are consistent with *Roebings* because they too follow the priorities that the legislature established for claims in receiverships of the insolvent Castle Walls. The Superior Court and the Court of

Appeals properly determined that any claim of Johansen relating to check endorsements is an unsecured claim, and that any distribution on that claim would have to be made under RCW 7.60.230(1)—not by Johansen taking matters into its own hands.

B. Review is not warranted under RAP 13.4(b)(4) because the Petition does not raise any issue of substantial public importance.

The Petition does not raise any issue of substantial public importance. For example, this Court noted that the “prime example of an issue of substantial public interest” was an appellate decision that had “the potential to affect *every* sentencing proceeding in Pierce County” *State v. Watson*, 155 Wn.2d 574, 577, 122 P.3d 903, 904 (2005) (emphasis added). This Court has also accepted review of decisions involving a substantial public issue, such as whether the Court of Appeals should follow a “horizontal stare decisis” rule

whereby a court in one division would be bound to follow the appellate decision in another, or whether a prior Supreme Court decision that affected all escalation clauses in the child support part of dissolution decrees should be applied retroactively. *See Matter of Arnold*, 189 Wn.2d 1023, 408 P.3d 1091, 1093 (2017) (granting review where decision following that rule was contrary to tradition and risked perpetuating incorrect law); *In re Marriage of Ortiz*, 108 Wn.2d 643, 646, 740 P.2d 843, 845 (1987). This Court’s decisions in all of those cases necessarily have wide-reaching effects and are important to more than just the parties, contract, and claim involved in this equitable proceeding.

1. The legislative history of the receivership statute is improper and unnecessary to consider, but does support the Published Opinion and Turnover Order.

Johansen seeks to cast its “stands in the shoes” argument as “justifying review per RAP 13.4(b)(4) to clarify and explain

the law of receiverships” in view of the text and legislative history of the receivership statute. (Petition at 19.)

The Court should disregard Johansen’s argument that a conflict with this Court’s precedent exists based on the legislative history of the receivership statute. As a preliminary matter, Johansen is making its argument about legislative history for the first time on appeal. “[A]n issue raised for the first time on appeal [should not be considered unless] the claimed error is a manifest error affecting a constitutional right.” *Hiesterman v. Dep’t of Health*, 24 Wn. App. 2d 907, 913, 524 P.3d 693, 696 (2022) (citing RAP 2.5(a)(3)); *see also City of Seattle v. Long*, 198 Wn.2d 136, 155-56, 493 P.3d 94 (2021) (“[A]n appellant must show (1) the error is manifest and (2) the error is truly of constitutional dimension.”). The Petition neither mentions RAP 2.5 nor sets forth any basis for a manifest error or relationship to the constitution. The filings and record

in Superior Court show that Johansen’s argument was limited to the text of the receivership statute. CP 107-108, 214-215.

Moreover, there is no need to resort to legislative history because the plain language of the receivership statute is clear. Johansen did not raise any objections before the Superior Court on the basis that the text of the receivership statute was ambiguous; it only objected to the Receiver being entitled to statutory relief under the applicable facts. “We need not utilize interpretive tools such as legislative history when statutory language is unambiguous.” *Spokane County v. Dep’t of Fish & Wildlife*, 192 Wn.2d 453, 458, 430 P.3d 655, 658 (2018) (citing *State v. Velazquez*, 176 Wn.2d 333, 336, 292 P.3d 92 (2013)) (affirming trial court’s order under plain language of statute). The Published Opinion notes that the text of the receivership statute is plain. There is no ambiguity to resolve.

Even if the Court were to consider the legislative history, and accept that it “codifies, consolidates, and clarifies” prior law, the Turnover Order and the Published Opinion are still consistent with it. The legislative history specifically calls out the automatic stay and the priorities for creditor claims: “A temporary stay of certain creditor actions, in cases in which all of a person’s property is placed in the hands of a receiver, is imposed to provide the receiver with an opportunity to address emergent situations, while giving anyone stayed the opportunity to seek relief from the stay for good cause. A comprehensive claims procedure and system of priorities in general liquidating receiverships is established.” Final Bill Report, SSB 6189, at 1-2; *see also* Washington State House of Representatives Bill Analysis, SSB 6189, at 2.

Furthermore, the existing case law, as exemplified by *Gloyd* and *Roebings*, demonstrates that the Receiver *at a*

minimum had what Castle Walls had as of the appointment of the Receiver. The Receiver also has the rights of bona fide creditors and the powers associated with its role as an officer of the Superior Court. Those powers have long included the ability to compel turnover of property from third parties, especially parties who have chosen to participate in the receivership action, so that the property can be properly administered in the receivership under the supervision of the court. The estate property definition of RCW 7.60.005(9), the automatic stay of RCW 7.60.110, the jurisdiction granted under RCW 7.60.055, and the turnover provisions RCW 7.60.070 put into statutory form the tools the receiver has at its disposal to carry out its duties. There is no precedent for Johansen's vigilante justice.

2. The Receiver is complying with state law, and bankruptcy law supports the Published Opinion and Turnover Order.

Johansen also wants review in order to “clarify the authority of receivers under Washington law and whether Washington law or bankruptcy law applies to determine what constitutes estate property.” (Petition at 26.) It is appropriate for Washington courts to use bankruptcy case law as authority for interpretation of the receivership statute given the similarity of their provisions, applicability in insolvency situations, and novelty. *See, e.g., Charter Private Bank v. Sacotte*, 181 Wn. App. 1032, 2014 WL 2796554, at *2 (June 16, 2014) (unpublished opinion); *see also Union Bank, N.A. v. Blanchard*, 194 Wn. App. 340, 361-62 & n.15, 378 P.3d 191, 202 (2016) (comparing similar provisions of bankruptcy code to support interpretation of receivership statute, including that receiver is officer of the court and creditors are bound by acts of the

receiver when filing proofs of claim); *Brunetti v. Reed*, 70 Wn. App. 180, 184, 852 P.2d 1099, 1102 (1993) (citing *In re Schwartz*, 954 F.2d 569, 571 (9th Cir. 1992)) (“A violation of this ‘stay’ provision is considered a void action.”)

Johansen apparently believes there is some state law applicable to claims relating to stolen property in receiverships. As with Johansen’s effort to bring in legislative history for the first time at the appellate stage, Johansen raises here for the first time the issue of whether the Turnover Order reflects a failure of the Receiver in its “duty to comply with state law.” RCW 7.60.060(2). None of the opinions cited by Johansen in the Petition regarding this issue involves a receivership or a right to cause an overdraft on a bank account and keep the money. (*See* Petition at 21 n.11, 25 n. 16.) The Court of Appeals addresses this perfectly in the Published Opinion by assuming that even if the bank had been required to return funds to Johansen and the

checks were invalid without two endorsements, the Superior Court still had the power to exercise broad equitable powers in response to the circumstances of the case. Johansen's acts in causing the funds to be taken out of the Receiver's bank account and keeping them were in the context of the receivership and in violation of the automatic stay, justifying the entry of the Turnover Order. (*See Published Opinion at 17-19.*)

The Receiver is complying with state law in recovering the funds from Johansen—in order to administer property in accordance with the priority scheme established by the receivership statute. Johansen points to no authority that gives priority to claims allegedly arising from theft or allows vigilante action by creditors. If there is public importance, it is to deny review and allow the mandate to issue on the Published Opinion under RAP 12.5(a)(3). “Allowing Johansen to sidestep

the distribution scheme and receive full payment of the funds at issue here is contrary to public policy and the clear intent of our legislature as expressed in the plain language of the receivership statute: to fairly distribute estate property to all of Castle Walls' creditors." (Published Opinion at 19.)

Otherwise, the Petition is all about Johansen's personal violation of receivership law, not the public interest. Johansen does nothing to show that the fact pattern involving the Turnover Order is likely to recur. The problem is of Johansen's making by violating the automatic stay and only affects Johansen and its claim—not everyone who might ever come into contact with a receivership.

The answers here are necessarily case and fact specific. They do not merit review under RAP 13.4(b)(4), which is proper only for issues with "ramifications beyond the particular parties and the particular facts of an individual case." Wash.

App. Prac. Deskbook § 18.2(3). Johansen cites no authority for of its unique claim issues being ones that would justify review as affecting the public interest. The public interest is served by letting the Published Opinion and Turnover Order stand, and there is no need to review them.

IV. CONCLUSION

The Court should deny the Petition. The Court of Appeals thoroughly analyzed the unambiguous receivership statute and applied this equitable proceeding's abuse of discretion standard to affirm the Turnover Order. The Published Opinion is consistent with this Court's precedent and the public interest.

I certify that the foregoing document contains 4,990 words, in compliance with RAP 18.17.

DATED this 30th day of May, 2024.

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CERTIFICATE OF SERVICE

I, Edgar Y. Rosales, certify under penalty of perjury under the laws of the State of Washington that I am a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On May 30, 2024, I caused delivery of a true copy of the foregoing *RESPONDENT'S ANSWER TO PETITION FOR REVIEW* to all parties listed, and in the manner(s) indicated below:

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DATED this 30th day of May, 2024, in Arlington,
Washington.

/s/ Edgar Y. Rosales

Edgar Y. Rosales, Paralegal

4866-6412-6656.6

MILLER NASH LLP

May 30, 2024 - 11:04 AM

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