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6	Attorneys for Edward Detwiler	
7		
8	IN THE SUPREME COURT OF THE STATE OF NEVADA * * *	
9	,	
10	EDWARD N. DETWILER,	Supreme Court Case No.: 81594
11	Appellant, v.	District Court Case No.: A-17-760779-F
12		
13	BAKER BOYER NATIONAL BANK, a Washington corporation,	
14	Respondent.	
15		
16	RESPONSE TO ORDER TO SHOW CAUSE	
17		
18		ON & STEFFEN Wirthlin For
19	Brenoch Wirthlin, Esq. (Nevada Bar No. 10282)	
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24	Attorneys for Edward N. Detwiler	
25		
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27		

RESPONSE TO ORDER TO SHOW CAUSE

Edward N. Detwiler ("Mr. Detwiler" or "Appellant") hereby responds to this Court's Order to Show Cause entered August 20, 2021 ("OSC").

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

The trial court, Honorable Richard Scotti ("Trial Court"), issued an Order on January 9, 2019 ("January 2019 Order") regarding the twenty vehicles at issue (the "Vehicles"), which the Respondent sought to obtain in order to partially satisfy its Judgment against judgment debtor Mr. Foust ("Judgment Debtor" or "Foust"). The Vehicles were found to be in the possession and control of Foust. During later proceedings, Mr. Detwiler was subpoenaed and sanctioned by the Trial Court under EDCR 7.60, despite never being named as a party. *See* EDCR 7.60 ("The court may . . . impose upon an attorney or a party all [authorized and reasonable] sanctions.") (emphasis added). Specifically, on March 23, 2020, the Trial Court entered an Order and Judgment against Mr. Detwiler in the amount of \$318,855.52 (the "Contempt Order").

After a writ petition which was granted by this Court, this Court vacated the judgment upon which the Contempt Order was based, and directed the clerk of this Court to "issue a writ of mandamus instructing the district court to vacate its judgment and to recalculate the attorney fee award consistent with this opinion." *Detwiler v. Eighth Jud. Dist. Ct. in & for Cty. of Clark*, 137 Nev. Adv. Op. 18, 486 P.3d 710, 722

resigned as a manager of HH in September, after the contempt hearing but before

the court announced it was holding him in contempt. Detwiler v. Eighth Jud. Dist.

Ct. in & for Cty. of Clark, 137 Nev. Adv. Op. 18, 486 P.3d 710, 715 (2021)

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The total fees within that limited time frame were roughly \$100,000. Yet. unfortunately, the respondent Baker Boyer National Bank ("Bank") has improperly and deceptively sought attorney fees through the date of recalculation, for a total of \$250,546.89. See Exhibit 1 hereto. The Bank has disingenuously, in violation of this Court's directive in granting the prior petition, turned what should have been an award of no more than \$100,000 – and not even that as the Bank is clearly "doubledipping" by seeking the same fees against Detwiler that it has already been awarded against Foust, in violation of the Order Granting Writ – and nearly tripled it by dishonestly seeking fees incurred literally years after Detwiler resigned from HH, the point at which even the trial court found Detwiler could no longer comply with the Turnover Order, and which therefore could not be the source of attorney fees for contempt he could no longer commit. The attached Order is the subject of yet another forthcoming writ petition by Detwiler which the Bank's dishonest behavior has necessitated.³

Thus, Detwiler filed the instant appeal out of an abundance of caution, but will be filing a forthcoming writ petition to, yet again, address the Bank's disingenuous overreaching behavior, which this time was in direct violation of this Court's Order Granting Writ.

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³ Detwiler has appealed the amended charging order, and will dismiss that appeal if this appeal is dismissed as well.

II. LEGAL ARGUMENT

A. The Charging Order is Appealable under Nevada Law

A charging order is appealable as a "special order entered after final judgment." NRAP 3A(b)(8). To be appealable, such an order "must be an order affecting the rights of some party to the action, growing out of the judgment previously entered . . [and] must be an order affecting rights incorporated in the judgment." *Gumm v. Mainor*, 118 Nev. 912, 59 P.3d 1220, (2002) (relying on NRAP 3A(b)(2)); *see also Peck v. Crouser*, 129 Nev. 120, 125 n. 3 295 P.3d 586, 588 n. 3 (2013) (noting that, since *Gumm* was decided, NRAP 3A(b)(8) was enacted and "[n]o substantive alteration was made to NRAP 3A in the 2009 amendment").

This Court has previously considered appeals from charging orders. Most notably, in *Tupper v. Kroc*, this Court found that, because the debtor failed to "either limit the charging order or prevent the sale of [the debtor's] interest" and because the debtor "did not appeal from [the charging] order [within 30 days]," the debtor was "estopped to question the propriety of the charging order." 88 Nev. 146, 151–52, 494 P.2d 1275, 1278 (1972); *see also Weddell v. H2O, Inc.*, 128 Nev. 94, 97, 271 P.3d 743, 745 (2012) (reversing the "district court's judgment relating to the scope of the charging order against [the debtor's] membership interests"); *Topol v. First Indep. Bank of Nev.*, 130 Nev. 1255, at *2 (Nev. May 30, 2014) (unpublished disposition) (considering whether the "district court improperly entered a charging order against [the debtor's] interest in an LLC"); *Becker v. Becker*, 131 Nev. 857, 858, 362 P.3d

641, 642 (2015) (responding to a certified question and considering whether a debtor's "economic interest can still be subject to the charging order remedy" when the debtor "exempt[s] his stock in [certain listed] corporations").

Here, the subject Charging Order is appealable as a special order. First, the order affects the rights of a party to the action. While not a named party, the Trial Court has clothed Mr. Detwiler with the status of a party by issuing the Charging Order. *See, supra*, subsection A. Alternatively, Mr. Detwiler's due process rights were violated by not naming him as a party, which grants him party status for purposes of this appeal. *Id.* Further, this Court has previously considered appeals brought regarding charging-order issues. *Id.* The Bank and Trial Court should not be permitted to avoid appeal of the Charging Order merely by refusing to name Mr. Detwiler as a party.

Alternatively, the Charging Order is a final judgment pursuant to NRAP 3A(b)(1). The Charging Order "disposes of all the issues presented in the case, and leaves nothing for the future consideration of the court, except for post-judgment issues such as attorney's fees and costs." *See Lee v. GNLV Corp.*, 116 Nev. 424, 426 996 P.2d 416, 417 (2000).

Here, the Charging Order is the Bank's exclusive remedy against Mr. Detwiler's interest in limited-liability companies. *See* NRS 86.401(2)(a) (stating that a charging order "[p]rovides the exclusive remedy by which a judgment creditor . . . may satisfy a judgment out of the member's interest of the judgment debtor . . . and

no other remedy may be ordered by a court"). By definition, then, once a charging order is issued, there are no issues left to resolve, as the court can issue no remedy against a member's interest in an LLC other than through the charging order. Further, because there should have been an independent action for the collection of this judgment against Mr. Detwiler, *see Callie v. Bowling*, 123 Nev. 181, 186 n. 10, 160 P.3d 878, 881 n. 10 (2007), the Charging Order represents the final judgment against Mr. Detwiler's interests, similar to the procedure in a garnishment proceeding. *See Rawson v. Ninth Judicial Dist. Court*, 133 Nev. 309, 396 P.3d 842 (2017) (finding that "garnishment proceedings are independent from the underlying action and that the resulting judgment in favor or against the garnishee defendant constitutes a final judgment in the garnishment proceeding").

B. Mr. Detwiler Should be Determined to Have Standing to Appeal

The purpose of a charging order is to charge an underlying judgment against the defendant/judgment debtor's interest in a limited-liability company. *See* NRS 86.401(1) ("On application . . . by any judgment creditor of a member, the court may charge the member's interest with payment of the unsatisfied amount of the judgment with interest.") (emphasis added). This Court has found that judgments cannot be collected against nonparties absent an independent action: "[W]henever a judgment creditor seeks to collect on a judgment from a nonparty, the judgment creditor must file an independent action." *Callie v. Bowling*, 123 Nev. 181, 186 n. 10, 160 P.3d 878, 881 n. 10 (2007); *see also DeMaranville v. Emp'rs Ins. Co. of Nev.*, 135 Nev.

259, 268 448 P.3d 526, 534 (2019) (rejecting a nonparty's proposition that it was deprived of due process because the nonparty had standing as a respondent); NRCP 71 ("When an order . . . may be enforced against a nonparty, the procedure for enforcing the order is the same as for a party."). If an independent action is not filed against the nonparty for collection purposes, the nonparty's due process rights are violated. *Callie*, 123 Nev. at 182, 160 P.3d at 879.

If this Court finds that Mr. Detwiler is not a party, he still has standing because his due process rights were violated. Just as in *Callie*, *supra*, where this Court considered the appeal of a nonparty against whom a domesticated judgment was rendered, the facts here demonstrate that the Bank and Trial Court are employing the mechanisms of judgment collection against Mr. Detwiler without affording him party status.

III. CONCLUSION

Out of an abundance of caution, Mr. Detwiler filed the instant appeal regarding the Charging Order. If this Court is inclined to dismiss this appeal, Mr. Detwiler would respectfully request that this Court: (1) give him 60 days to prepare and file a Writ Petition and also file a new Motion to Stay; and (2) issue a stay until a

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1	determination is made on said Motion to Stay.
2	DATED this 4 th day of October, 2021.
3	HUTCHISON & STEFFEN
4	By /s/ Brenoch Wirthlin, Esq.
5	BRENOCH WIRTHLIN, ESQ. (NV SBN 10282)
6 7	SCOT SHIRLEY, ESQ. (NV SBN 15326)
8	Las Vegas, Nevada 89145 Attorneys for Edward Detwiler
9	Anomeys for Edward Delwner
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1	PROOF OF SERVICE		
2	I, the undersigned, hereby certify that, pursuant to NRAP Rule 25(d), I served		
3			
4	the foregoing RESPONSE TO ORDER TO SHOW CAUSE on the following		
5	parties, via the manner of service indicated below, on October 4, 2021:		
6	Via Electronic Service through E-		
7	Flex System:		
8	Daniel F. Polsenberg		
9	John E. Bragonje		
10	Abraham G. Smith Lewis Roca Rothgerber Christie		
11	3993 Howard Hughes Pkwy., Suite 600		
12	Las Vegas, Nevada 89169 Attorneys for Respondent		
13	Thiorneys jor Respondent		
14	Dated: <u>October 4, 2021</u> .		
15	By: /s/ Jon Linder		
16	An Employee of Hutchison & Steffen		
17	Trutemson & Sterien		
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EXHIBIT 1



ELECTRONICALLY SERVED 8/30/2021 2:43 PM

Electronically Filed 08/30/2021 2:43 PM CLERK OF THE COURT

		Henry Anni	
1	DDENOGU WIDEW DV EGO	CLERK OF THE COURT	
1	BRENOCH WIRTHLIN, ESQ. NV SBN 10282		
2	HUTCHISON & STEFFEN		
3	10080 W. Alta Dr., Suite 200 Las Vegas, Nevada 89145		
4	Telephone: (702) 385-2500 Facsimile: (702) 385-2086		
5	Email: bwirthlin@hutchlegal.com		
6	Attorneys for Non-party Edward Detwiler		
7		GAL DISTRICT COURT	
8	EIGHTH JUDICIAL DISTRICT COURT		
9	CLARK C	OUNTY, NEVADA	
10		*** CASE NO.: A-17-760779-F	
11	BAKER BOYER NATIONAL BANK,	DEPT NO.: 4	
12	Plaintiff, v.	Order Granting Plaintiff's Request for a	
13		New Judgment Amount and Amended Charging Order Amount	
	JAMES PATTERSON FOUST, JR., individually,	and	
14	Defendants.		
15	Dorondantsi	Granting in Part and Denying In Part Edward N. Detwiler's Countermotion	
16			
17		Hearing Date: August 5, 2021	
18			
19	After resolving a writ natition in fa	vor of Edward N. Datwiler ("Datwiler) and against	
20	After resolving a writ petition in favor of Edward N. Detwiler ("Detwiler) and against judgment creditor Baker Boyer National Bank (the "Bank"), the Nevada Supreme Court remanded this matter for the purposes of recalculating the amount of a contempt judgment. <i>See</i>		
21			
22			
23	generally Detwiler v. Dist. Ct., 137 Nev. Adv. Op. 18, p. 11, 486 P.3d 710 (2021). Specifically, the Nevada Supreme Court vacated the \$100,000 compensatory award portion of the original		
24			
	contempt judgment against Detwiler and remanded the matter to this Court to issue an updated judgment with a recalculation of the attorney fees and court costs award.		
25			
26	To this end, the Bank filed its Motion	on to Calculate New Judgment Amount on June 25,	
27			

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2021 (the "Motion"). Detwiler filed his Opposition to Motion to Calculate New Judgment

Amount and Countermotion to Stay Execution of Award Pending Outcome of Baker Boyer National Bank's Collection Efforts Against Defendant Foust's Estate on July 16, 2021, and a supplement thereto on July 23, 2021. The matter came on for a hearing on August 5, 2021, before the Honorable Nadia Krall, Department 4, Eighth Judicial District Court, with John E. Bragonje of the Lewis Roca Rothgerber Christie LLP law firm appearing on behalf of the Bank and Scot L. Shirley of the Hutchinson & Steffen PLLC law firm appearing on behalf of Detwiler. The Court, having reviewed the moving papers and pleadings on file herein, hearing oral argument, being fully advised in the premises, and for good cause appearing, the Court calculates the new judgment amount as \$250,546.89, consisting of \$237,714.25 in attorney fees and \$12,832.64 in costs, and authorizes a new judgment to issue in this amount and grants in part, and denies in part, Detwiler's countermotion the for the following reasons:

FINDINGS

1. The Nevada Supreme Court directed this Court to "recalculate the attorney fee award consistent with this opinion." *Detwiler*, Nev. Adv. Op. 18, p. 23. Specifically,

Here, the district court ordered Detwiler to pay all of the Bank's attorney fees from "the time that HH [i.e., the Fraudulent Transferee] intervened as a party in this action pursuant to NRS Chapter 31," which was on March 2, 2018. The Bank calculated its fees based on this date. However, the district court found Detwiler and HH in contempt for violating a specific court order—the January turnover order. *See* NRS 22.010(3). We hold that the fees incurred prior to January 9, 2019, were improperly awarded.

Detwiler, Nev. Adv. Op. 18, p. 21. In other words, the relevant period for calculating attorney fees begins on January 9, 2019. The Court did not provide a specific cut-off time for the fees and has allowed fees beyond the April 2020 contempt order, despite the Nevada Supreme Court mandating recalculation, not addition of any fees.

The Court's New Judgment Amount Takes Into Account the Brunzell Factors, But Does Not Take into Account the Heightened Standard Under NRS 22.100(3)

1. This Court normally has great discretion regarding its decision to award fees and regarding the amount of fees granted, but this discretion is limited when awarding contempt

sanctions. "The fees must not only be 'reasonable,' . . . but must also be incurred as a result of the contempt." *Detwiler v. Dist. Ct.*, 137 Nev. Adv. Op. 18, 19 (2021) (quoting NRS 22.100(3)).

- 2. Thus, there are two questions that the Court must answer: (1) whether the fees were reasonable under the *Brunzell* factors, and (2) whether they were incurred as a result of the contempt under NRS 22.100(3).
- 3. This Court cannot follow the traditional method of calculation when awarding contempt sanctions the party seeking fees bears a heightened burden to show that the causation element is met under NRS 22.100(3). The Court reviewed the billing statements demonstrating the Bank's attorneys' fees and costs, but declined to allow Detwiler to examine the same.
- 4. On June 25, 2021, the Bank's counsel submitted an affidavit of fees and costs, along with supporting documentation, as part of its Motion, but did not submit any billing statements or any breakdown of attorneys' fees. (*See* 6/25/21 Affidavit of John E. Bragonje in Support of Lewis Roca Updated Attorney Fees and Costs Figures (the "Affidavit") included in the body of the Motion, on file herein.)
- 5. The Affidavit did not describe how the work performed was incurred because of, or as a result of, Detwiler's contempt. Rather, the Court accepted the Bank's general oral assertion at the hearing on this matter that the Court should just find that all fees were incurred as a result of the contempt without any further briefing on the matter.
- 6. Exhibit 3 to the affidavit was submitted for *in camera* review, despite the option of providing redacted records to Detwiler, which the Bank could have done. Again, the Court determined that Detwiler was not entitled to see any evidence of whether the fees and costs were incurred because of Detwiler's contempt.
- 7. The Court orders a new judgment amount of \$250,546.89, which exceeds the original fee and cost award of \$218,855.52. The Court did not explicitly state the reasons why the fees incurred after the original contempt order were awarded, but merely used the January 9, 2019 date as a starting date.
- **8.** Since this Court entered its Turn-Over Order on January 9, 2019, Lewis Roca proved that it has advanced costs for the total amount of \$12,832.64, which are itemized with

back-up for these costs and included as Exhibit 2 to the Motion. The Court finds that these costs were reasonable and necessary. The Fees Relate Exclusively to the Enforcement of the Turn-Over Order 9. The Court reviewed Exhibit 3 in chambers and did not provide Detwiler's counsel with the opportunity to review these records. Because Detwiler cannot review these records, he cannot adequately determine whether these fees were incurred as a result of the contempt. **Evidence that the Bank has not** 10. Parties may not collect on a judgment twice. Pursuant to Detwiler's countermotion, the Court directs the Bank's counsel to submit evidence of what fees and costs it has already collected from Foust's estate. **A New Charging Order Should Issue** 11. This Court grants the request that a new charging order issue to reflect the updated judgment amount of \$250,546.89. ///

1 **CSERV** 2 DISTRICT COURT 3 CLARK COUNTY, NEVADA 4 5 Baker Boyer National Bank, CASE NO: A-17-760779-F 6 Plaintiff(s) DEPT. NO. Department 4 7 vs. James Foust, Jr., Defendant(s) 8 9 **AUTOMATED CERTIFICATE OF SERVICE** 10 This automated certificate of service was generated by the Eighth Judicial District 11 Court. The foregoing Order was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below: 12 13 Service Date: 8/30/2021 14 Michael Mazur Esq. complaint@mazurbrooks.com 15 Danielle Kelley dkelley@hutchlegal.com 16 John Bragonje JBragonje@lewisroca.com 17 Luz Horvath LHorvath@lewisroca.com 18 Brenoch Wirthlin bwirthlin@hutchlegal.com 19 20 Jon Linder jlinder@hutchlegal.com 21 22 23 24 25 26

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