

SUMMARY STATEMENT

Medical Recovery Services, LLC v. Mary Lou Merritt
Docket No. 45024

Medical Recovery Services, LLC (MRS) filed a complaint to collect on a debt owed by Mary Lou Merritt, alleging that Merritt owed \$680.22, which included attorney fees in the amount of \$350.00. Merritt failed to respond and the magistrate entered a default judgment, which specified that Merritt owed MRS \$651.22, plus interest and costs. Merritt's wages were garnished for \$131.57. Counsel for MRS met with Merritt and agreed upon a payment plan on September 2, 2014. Thereafter, Merritt satisfied the debt by making voluntary payments. MRS subsequently filed an application for an award of supplemental attorney fees and costs in the amount of \$1,323.74 on the basis that MRS continued to incur attorney fees while attempting to collect on the default judgment. The magistrate denied the request. MRS appealed. The district court, acting in its appellate capacity, affirmed in part and reversed in part.

On appeal, MRS asserted that the district court erred when it determined that MRS was not entitled to supplemental attorney fees for post-judgment collection efforts after September 2, 2014. MRS further asserted that, as the prevailing party, it was entitled to an award of costs and attorney fees on appeal under Idaho Code § 12-120(1), (3), and (5) and Idaho Appellate Rules 40 and 41.

The Court of Appeals affirmed the district court's order affirming in part and reversing in part the magistrate court's decision denying MRS's request for post-judgment attorney fees and costs. The Court determined that MRS had not shown that the district court abused its discretion by violating governing legal standards or by failing to exercise reason in arriving at its decision. The Court held that the district court's decision to limit attorney fees through the date of the debtor's exam, on September 2, 2014, was not arbitrary. Moreover, the Court held that MRS failed to show that the district court abused its discretion by declining to award MRS attorney fees on appeal to the district court. Finally, the Court declined to award attorney fees on this appeal.