1 Michael P. McCloskey, Esq. (SBN 106051) Marty B. Ready, Esq. (SBN 239135) 2 WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP 3 401 West A Street, Suite 1900 San Diego, CA 92101 Telephone: (619) 321-6200 4 Facsimile: (619) 321-6201 5 Email: michael.mccloskey@wilsonelser.com marty.ready@wilsonelser.com 6 Attorneys for Defendants, DAVID HUFFMAN; RICHARD TURNER; MANUEL 7 ALTAMIRANO; and DAVID KINNEY 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF SAN DIEGO - CENTRAL DIVISION 10 11 ANTHONY J. JOHNSON, Case No. 37-2019-00002457-CU-BT-CTL 12 **DEFENDANTS' OPPOSITION TO** Plaintiffs, JOHNSON'S MOTION TO STRIKE 13 OR TAX DEFENDANTS' VS. MEMORANDUM OF COSTS 14 DAVID HUFFMAN; RICHARD TURNER; IMAGED FILE MANUEL ALTAMIRANO; and DAVID 15 KINNEY. Judge: Hon. Katherine Bacal 16 Defendants. Dept.: C-69 Action Filed: January 14, 2019 17 Trial Date: Not Set Yet 18 19 Defendants David Huffman, Richard Turner, Manuel Altamirano, David Kinney, and 20 David Smiljkovich (collectively, "Defendants") hereby oppose Plaintiff Anthony Johnson's 21 ("Johnson") Motion to Strike or Tax Defendants' Memorandum of Costs. 22 INTRODUCTION I. 23 On July 16, 2019, Defendants filed a Memorandum of Costs Summary accompanied by a 24 six (6) page detailed Worksheet setting forth the allowable costs under Cal. Civ. Proc. Code § 25 1033.5. In response, Plaintiff Anthony Johnson ("Johnson") filed a motion to strike or tax cost 26 asserting the Defendants are not entitled to costs because, according to Johnson, they are not the 27 prevailing party and incurred no costs. In support of this position, Johnson cites to Cal. Corp. 28 DEFENDANTS' OPPOSITION TO JOHNSON'S MOTION TO STRIKE OR TAX STORIX'S AND **DEFENDANTS' MEMORANDUMS OF COSTS** 

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Code § 317 and claims Defendants incurred no costs because Storix indemnified and advanced all of their expenses. This claim is without merit as Defendants were parties in the above-captioned case and *incurred* costs in defense.

Johnson also fails to properly challenge the specific costs set forth in Defendants cost bill. Defendants are the prevailing party under Cal. Civ. Proc. Code § 1032 and as such are entitled to their costs. Because the costs were incurred by Defendants as parties to the above-captioned case, the burden is on the party challenging the cost to demonstrate the charges were unnecessary or unreasonable. Johnson has not satisfied his burden and his motion to strike or tax costs should be denied.

#### II. DISCUSSION

# A. Johnson Failed to Satisfy His Burden to Demonstrate Defendants' Costs Were Unnecessary or Unreasonable

A prevailing party's right to recover costs is governed by Cal. Civ. Proc. Code § 1032<sup>1</sup>, which provides, in subdivision (b), that "[e]xcept as otherwise expressly provided by statute, a prevailing party is entitled as a matter of right to recover costs in any action or proceeding." For the purpose of determining entitlement to recover costs, Section 1032 defines a prevailing party as including, among others, "a defendant in whose favor a dismissal is entered" or a "defendant against those plaintiffs who do not recover any relief against that defendant." Cal. Civ. Proc. Code § 1032(a)(4). Items that are allowable costs under Section 1032 are set forth in Section 1033.5. If the items appearing in a verified memorandum of cost appear to be proper charges, then the memorandum is prima facie evidence the costs "were necessarily incurred by the defendant and the burden of showing that an item is not properly chargeable or is unreasonable is upon the objecting party." *Nelson v. Anderson*, 72 Cal.App.4th 111, 131 (1999) (citations omitted).

Johnson, as the objecting party to Defendants' verified memorandum of costs, bears the burden of showing items of cost were unnecessary or unreasonable. To satisfy this burden, Johnson claims: 1) Defendants should not be deemed the prevailing party; 2) Defendants did not incur costs; and 3) Defendants already took 40% of all costs and fees from Johnson.

Johnson's motion to strike or tax Defendants' costs provides no detail sufficient to satisfy his burden to demonstrate any of Defendants' costs were unnecessary to the litigation or unreasonable. Johnson states, without support, that Defendants cost bill should be stricken because they incurred no costs. This argument is without merit because the verified memorandum of costs is prima facie evidence the costs were incurred by the Defendants.

To the point, Johnson has failed to identify any particular cost that was either unreasonable or unnecessary and has cited to no authority or fact to satisfy his burden. *See Jones v. Dumrichob*, 63 Cal.App.4<sup>th</sup> 1258, 1266 (1998) ("mere statements in the points and authorities accompanying its notice of motion to strike cost bill and the declaration of counsel are insufficient to rebut the prima facie showing that the costs were necessarily incurred.") (citations omitted). As such, Johnson's motion to strike or tax the Defendants memorandum of cost should be denied.

### B. Defendants Incurred Costs Reasonably Necessary for the Litigation

Voluntary dismissal by Johnson, within the meaning of Section 1032, is in favor Defendants entitling them to their costs. Cal. Civ. Proc. Code § 1032; see Santisas v. Goodin, 17 Cal.4<sup>th</sup> 599, 606 (1998). Defendants submitted a cost bill detailing the first appearance fees and filing fees necessary in defense of the lawsuit filed by Johnson. Johnson has not placed any particular cost item at issue but merely argues Defendants are not the prevailing party and incurred no costs. This argument is without merit and his motion, on its face, does not satisfy his burden.

Johnson's motion to tax should be dismissed.

# C. Defendants Are Entitled to Their Costs as a Matter of Right

Unless another statute otherwise provides, the trial court is without discretion to deny Defendants costs allowable under Section 1032 and enumerated under Section 1033.5. See Crib Retaining Walls, Inc. v. NBS/Lowry, 47 Cal.App.4<sup>th</sup> 886, 890 (1996). As set forth above, Johnson has the burden to dispute the reasonableness or necessity of a particular cost. Unsubstantiated argument is insufficient to satisfy this burden as are claims that "Defendants took millions of dollars from Johnson by directing all of his income for the last 4 years to litigation against him." Johnson's failure to adhere to Cal. Rules of Court 3.1700(b)(2) is fatal to his motion to strike or tax costs of Defendants.

DEFENDANTS' OPPOSITION TO JOHNSON'S MOTION TO STRIKE OR TAX STORIX'S AND

## D. Defendants Memorandum of Costs Should Be Considered Timely

Cal. Rule of Ct. 3.1700(b) allows the court to extend the time to file a cost memorandum for a period not to exceed 30 days. Cal. R. 3.1700(b)(3). "Under this rule, a trial court may grant the extension on its own motion." *Cardinal Health 301, Inc. v. Tyco Electronics Corp*, 169 Cal.App.4<sup>th</sup> 116, 155 (2008). citing *Adam v. DeCharon*, 31 Cal.App.4th 708, 713 (1995). "The rule does not require that the party expressly request the extension, or that the court specifically state that it granted the extension. A trial court is presumed to know and understand the applicable law." *People v. Coddington*. 23 Cal.4th 529, 644 (2000).

Here, on May 30, 2019, Johnson filed his request for dismissal and a notice of entry of dismissal (unconformed). (ROA Nos. 71, 72.) Defendants were never served the notice of entry of dismissal identified at ROA No. 72. (Declaration of Marty B. Ready ("Ready Decl."), ¶ 2.) On the contrary, Defendants' counsel only became aware of the dismissal on June 17, 2019, when informed by his client, Rich Turner, who had reviewed the ROA that day to see the status of this matter. (Ready Decl., ¶ 3.) Defendants then waited to receive service of the notice of entry of dismissal to trigger the fifteen day time limit to file a cost memorandum. Unfortunately, as a result of inadvertence, the June 22, 2019 Notice of Entry of Dismissal, mail-served by Johnson, was mistakenly misfiled in the firm's mailroom resulting in Defendant's counsel not becoming aware of the Notice until July 16, 2019. (Ready Decl., ¶ 4.) Defendants immediately prepared and filed its cost memorandum that same day. (*Ibid.*) Defendants respectfully request the Court consider the two-day late cost memorandum timely pursuant to its ability to extend the time within which to file a cost memorandum under Rule 3.1700(b)(3).

DEFENDANTS' MEMORANDUMS OF COSTS

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III.	CONCL	USION

Johnson has failed to satisfy his burden to demonstrate any of Defendants costs were unreasonable or unnecessary. Absent such a showing, Defendants respectfully request the Court deny Johnson's Motion to Strike or Tax Costs in its entirety.

Dated: October 15, 2019

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