



**ARIZONA SUPREME COURT
ORAL ARGUMENT CASE SUMMARY**



**LATTIN v. SHAMROCK MATERIALS, LLC et al.
CV-21-0031-PR**

PARTIES:

Petitioner: Shamrock Materials, LLC, Diana Gignac, and Daniel Gignac

Respondent: Kristi Lattin

FACTS:

In 2017, Lattin sued Shamrock for breach of contract, unjust enrichment, and conversion. Lattin had previously entered into a profit participation agreement (“PPA”) with Shamrock’s members “as a married woman, dealing with her sole and separate property.” Shamrock asserted no cross or counter claims against Lattin during the suit, but it did request attorney fees based on a provision in the PPA that entitled the prevailing party in a lawsuit to a fee award. In requesting the attorney fees in its answers, Shamrock indicated that it anticipated joining Lattin’s husband, but it ultimately never did.

The trial court granted two motions for summary judgment filed by Shamrock, and the trial court entered a judgment in Shamrock’s favor for \$129,094.18 in attorney fees pursuant to the PPA. Shamrock then attempted to enforce the judgment by garnishing Lattin’s bank account, but Lattin filed a motion to show cause why Shamrock should not be enjoined from attaching her community property. The trial court quashed the garnishment, ruling that Shamrock could not access Lattin’s community property because it failed to join Lattin’s husband pursuant to A.R.S. § 25-215(D).

After the ruling, Shamrock filed a motion to join Lattin’s husband pursuant to Rules 19, 20 and 21 of the Arizona Rules of Civil Procedure, as well as A.R.S. § 25-215(D). Days later, it also appealed the trial court’s ruling quashing the garnishment. The trial court ruled that it would not address Shamrock’s joinder motion, which dealt with the same subject matter as the appeal, unless the court of appeals revested it with jurisdiction or issued an order directing it to address it.

The court of appeals ultimately affirmed the trial court’s ruling quashing the garnishment. It reasoned that even if the attorney fee judgment was a community debt, as Shamrock asserted but the trial court never addressed, “[t]he plain language of A.R.S. § 25-215(D) requires a party seeking recourse from community assets to join both spouses.” The court also noted that Shamrock had plenty of opportunity to join Lattin’s spouse, and that it had even recognized that it had an obligation to do so in its answers. Accordingly, “Shamrock’s failure to join [Lattin’s] Husband before the superior court entered judgment against Lattin forecloses its ability to garnish Lattin’s community property.”

Shamrock petitioned the Court for review of the court of appeals’ decision.

ISSUE:

Under A.R.S. § 25-215(D), is a defendant required to join the plaintiff's spouse in order to obtain a judgment for attorney fees that's enforceable against the plaintiff's community property?

STATUTES:

A.R.S. § 25-215(D) provides:

Except as prohibited in § 25-214, either spouse may contract debts and otherwise act for the benefit of the community. In an action on such a debt or obligation the spouses shall be sued jointly and the debt or obligation shall be satisfied: first, from the community property, and second, from the separate property of the spouse contracting the debt or obligation.

A.R.S. § 25-214 provides:

- A. Each spouse has the sole management, control and disposition rights of each spouse's separate property.
- B. The spouses have equal management, control and disposition rights over their community property and have equal power to bind the community.
- C. Either spouse separately may acquire, manage, control or dispose of community property or bind the community, except that joinder of both spouses is required in any of the following cases:
 - 1. Any transaction for the acquisition, disposition or encumbrance of an interest in real property other than an unpatented mining claim or a lease of less than one year.
 - 2. Any transaction of guaranty, indemnity or suretyship.
 - 3. To bind the community, irrespective of any person's intent with respect to that binder, after service of a petition for dissolution of marriage, legal separation or annulment if the petition results in a decree of dissolution of marriage, legal separation or annulment.

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