



**ARIZONA SUPREME COURT  
ORAL ARGUMENT CASE SUMMARY**



**TFLTC, LLC v. BETH FORD  
CV-21-0133-PR**

**PARTIES:**

*Petitioner:* TFLTC, LLC

*Respondents:* Sonia Hodgin; Fred Yiu Fat Yu; Jesus M. Ramirez; David Lynch; Fred Merrill  
Wieser; and Beth Ford, Pima County Treasurer.

**FACTS:**

This case concerns five separate tax lien foreclosure actions, brought under A.R.S. § 42-18201, that were consolidated on appeal. In each of the cases, the superior court relied upon the holding in *Leveraged Land Co. v. Hodges*, 226 Ariz. 382 (2011) and declined to award TFLTC attorney fees incurred after the date the respective property owners redeemed their liens.

2 CA-CV 2020-00122 – TFLTC, LLC v. Sonia Hodgin, et al.

TFLTC purchased a tax lien on Hodgin’s property in February 2016. In 2019, TFLTC filed to foreclose the owner’s redemption rights. Hodgin failed to file an answer, and TFLTC sought entry of default. On March 4, 2020, Hodgin redeemed the tax lien. TFLTC then filed an application for attorney fees and costs pursuant to A.R.S. § 42-18206.

TFLTC incurred and sought \$2,875 in attorney fees before Hodgin redeemed and \$1,185 after. The post-redemption fees incurred were for drafting a fee and cost demand letter, reviewing a pleading, drafting a stipulation to dismiss non-redeeming defendants, drafting an application for fees and costs, and preparing for and attending the default judgment hearing. Because of Hodgin’s redemption, a default judgment hearing was held on the issue of fees and costs alone, and the superior court awarded TFLTC \$2,875 solely for its pre-redemption attorney fees.

2 CA-CV 2020-00123 – TFLTC, LLC v. Fred You Fat Yu, et al.

TFLTC purchased a tax lien on Yu’s property in February 2015. In 2019, TFLTC filed to foreclose the owner’s redemption rights. Yu failed to file an answer, and TFLTC sought entry of default. On May 2, 2019, Yu redeemed the tax lien. TFLTC then filed an application for attorney fees and costs pursuant to A.R.S. § 42-18206.

TFLTC incurred \$1,230 in attorney fees before Yu redeemed and \$1,136 after. TFLTC’s post-redemption fees incurred were for preparing a motion to schedule default judgment hearing, a motion and order to vacate a default hearing, a demand letter, the application for fees and costs, and another motion to schedule a default judgment hearing. Because of Yu’s redemption, a default judgment hearing was held on the issue of fees and costs alone, and the superior court awarded TFLTC \$1,125 solely for its pre-redemption attorney fees.

2 CA-CV 2020-00124 – TFLTC, LLC v. Jesus M. Ramirez, et al.

TFLTC purchased a tax lien on Ramirez’s property in February 2016. In 2019, TFLTC filed to foreclose the owner’s redemption rights. Ramirez failed to file an answer, and TFLTC sought entry of default. On January 17, 2020, Ramirez redeemed the tax lien. TFLTC then filed an application for attorney fees and costs pursuant to A.R.S. § 42-18206.

TFLTC incurred and sought \$1,121 in attorney fees before Ramirez redeemed and \$836 after. The post-redemption fees incurred were for drafting and sending a demand letter, preparing a motion to schedule a default judgment hearing, preparing the application for fees and costs, and preparing for and attending the default judgment hearing. Because of Ramirez’s redemption, a default judgment hearing was held on the issue of fees and costs alone, and the superior court awarded TFLTC \$1,121 solely for its pre-redemption attorney fees.

2 CA-CV 2020-00128 – TFLTC, LLC v. David Lynch, et al.

TFLTC purchased a tax lien on Lynch’s property in February 2016. In 2019, TFLTC filed to foreclose the owner’s redemption rights. Lynch responded to TFLTC’s foreclosure action and redeemed his property tax lien on January 21, 2020.

In April 2020, TFLTC filed a motion for judgment on the pleadings against Lynch, requesting attorney fees and costs pursuant to A.R.S. § 42-18206. Lynch did not respond to TFLTC’s motion, but the Pima County Treasurer, Beth Ford, statutorily a named party in such actions, filed a “notice in lieu of a response” addressing TFLTC’s fee claim. TFLTC filed a formal application for attorney fees and costs under § 42-18206, requesting \$1,197 in attorney fees incurred before Lynch redeemed and \$1,797 after. The post-redemption fees were incurred for reviewing Lynch’s and Ford’s answers, drafting a legal expense letter to Lynch, a motion for judgment on the pleadings, the application for fees and costs, and for reviewing and responding to Ford’s notice in lieu of a response. Following Ford’s written objection to the application, the superior court awarded TFLTC \$1,197 in attorney fees for only its pre-redemption work.

2 CA-CV 2020-00137 – TFLTC, LLC v. Fred Merrill Wieser, et al.

TFLTC purchased a tax lien on Wieser’s property in February 2016. In 2019, TFLTC filed to foreclose the owner’s redemption rights. Wieser responded to TFLTC’s foreclosure action and redeemed his property tax lien on January 21, 2020.

In May 2020, TFLTC filed a motion for summary judgment in its action against Wieser, requesting attorney fees and costs pursuant to A.R.S. § 42-18206. Wieser did not respond to TFLTC’s motion, but the Pima County Treasurer, Beth Ford, statutorily a named party in such actions, filed a “notice in lieu of a response” addressing TFLTC’s fee claim. In June 2020, TFLTC filed an application for attorney fees and costs under § 42-18206, requesting \$1,489 in attorney fees incurred before Wieser redeemed and \$2,984 after. The post-redemption fees were incurred for drafting a fee and cost demand letter to Wieser and a motion to vacate the dismissal as to Fore, reviewing Ford’s and Wieser’s answers, and preparing a motion for summary judgment, an objection to Ford’s notice in lieu of a response, and the application for fees and costs. The superior court awarded TFLTC \$800 in attorney fees for only pre-redemption work.

TFLTC appealed the amount of fees it was awarded by the superior court in each of the

foreclosure actions. The court of appeals affirmed the amounts of the fee awards, concluding that the holding in *Leveraged Land Co. v. Hodges*, 226 Ariz. 382 (2011) precludes recovery of any post-redemption attorney fees. In *Leveraged Land*, the property owner redeemed a property tax lien after a foreclosure action had been initiated by the tax lien purchaser, Leveraged Land. Leveraged Land challenged the validity of the redemption, and substantial litigation ensued. Ultimately Leveraged Land requested \$153,182 in attorney fees and costs under A.R.S. § 42-18206, the bulk of which was incurred during the years of post-redemption litigation. The supreme court in *Leveraged Land* determined that “[t]he entitlement to costs and attorney fees under § 42-18206 arises at the time of redemption and relates to work performed before the treasurer’s certificate of redemption issues,” and that trial courts have discretion to determine the reasonableness of any pre-redemption fees and costs.

The court of appeals in the instant case concluded that the holding in *Leveraged Land* is not limited to actions in which the redemption has been contested, and affirmed the awards of attorney fees and costs to TFLTC.

**ISSUE:**

Does the holding of *Leveraged Land Co. v. Hodges*, 226 Ariz. 382 (2011) strictly limit recovery of a plaintiff’s attorney fees and costs in a tax lien foreclosure action under A.R.S. § 42-18201 to only those incurred before the date of redemption, or can a plaintiff recover reasonable attorney fees and costs that were incurred after redemption when those fees were incurred as part of the legal action to which A.R.S. § 42-18206 refers?

**STATUTE:**

A.R.S. § 42-18206 provides:

Any person who is entitled to redeem under article 4 of this chapter may redeem at any time before judgment is entered, notwithstanding that an action to foreclose has been commenced, but if the person who redeems has been served personally or by publication in the action, or if the person became an owner after the action began and redeems after a notice is recorded pursuant to § 12-1191, judgment shall be entered in favor of the plaintiff against the person for the costs incurred by the plaintiff, including reasonable attorney fees to be determined by the court.

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