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IN THE SUPREME COURT OF THE STATE OF COLORADO THE No. 27677 OF THE STATE OF COLORADO

• 2/0//

MAY 26 1977

MARK H. ALSPAUGH AND JUANITA S. ALSPAUGH,)	Flource Walsh
Petitioners,)	SUPPLEMENTAL
vs.)	AFFIDAVIT OF
THE DISTRICT COURT IN AND FOR THE COUNTY OF BOULDER, HONORABLE WILLIAM D.)	PETITIONER'S
NEIGHBORS, Judge, PAUL MULLINS, d/b/a: PAUL MULLINS CONSTRUCTION CO., PAUL MULLINS CONSTRUCTION CO., A Colorado Corporation,)	ATTORNEY
Respondents:)	

I, JOHN H. LOVE, being duly sworn, hereby state and affirm to the best of my knowledge, information, and belief:

This supplemental affidavit, together with materials incorporated herein by reference is a supplement to Appendix K, Part I which was attached to the May 18, 1977 affidavit of the undersigned. Since ten copies are being provided to the Supreme Court, the pages attached hereto are numbered consecutively from the last page of Part I of Appendix K and no additional copies are made and separately numbered following the last page of Part II of Appendix K.

Exhibit K Item No.	Title	"K" Part I Page No.
1 - 45	See Appendix K, Parts I and II incorporated by reference	K-1 thru K-152
46	Minute Order (orally advised such order was entered on 5/24/77)	K-153
47	Envelope Transmitting the 5/24/77 Order (Annotated)	K-155
48	Reporter's Transcript Hearing on Motion to Compel Recordation, Motion for Temporary Injunction and Motion to Compel Discovery	K-156

Exhibit K	Title	"K" Part I Page No.
49	Homeowners' Request For Clarification of Scope of May 19, 1977 Hearing	K-180
50	Amended Notice of Hearing	K-185
51	Second Amended Notice of Hearing	K-186
52	Homeowners' Objection to Second Amended Notice of Hearing and Motion to Vacate Said Notice.	K-187
53	Release - Capitol Federal Savings.	K-190
54	Release - Transamerica Title Insurance Co.	K-192

John M. Love

STATE OF COLORADO) ss. COUNTY OF BOULDER)

Subscribed and sworn to before me this de

May, 1977, by John H. Love.

Notary Public

My commission expires:

My Commission expires Nov. 7, 1978

HN H. LOVE BOULDER BOLORADO

IN THE DISTRICT COURT IN AND FOR THE COUNTY OF BOULDER STATE OF COLORADO

Action No. 75-0383-1

PAUL MULLINS CONSTRUCTION COMPANY

VS.

MINUTE ORDER

MARK H. AND JUANITA S. ALSPAUGH

JUDGE: WILLIAM D. NEIGHBORS CLERK: KAY NUGENT REPORTER: BARBARA BAILEY

On May 24, 1977 the following actions were taken in the above-captioned case and the Clerk is directed to enter these proceedings in the register of actions:

APPEARANCES: Eldon E. Silverman for Paul Mullins Construction Company and Paul Mullins; John H. Love and Dennis L. Blewitt for Mark H. and Juanita S. Alspaugh; David C. Wells and Harry M. Williams for Capitol Federal Savings and Loan Association

On May 19, 1977, the Court heard oral arguments on the motion to compel recordation of the certificate of release of mechanic's lien filed by Capitol Federal Savings and Loan Association, the motion for a temporary injunction filed by Mark H. and Juanita S. Alspaugh and the motion to compel discovery and for imposition of sanctions filed by Paul Mullins Construction Company and Paul Mullins.

The motion of Captiol Federal Savings and Loan Association to compel recordation of the Clerk's certificate of release of mechanic's lien is granted. John H. Love is directed to deliver the certified copy of the certificate of release of mechanic's lien to the Clerk and Recorder of Boulder County for recording forthwith. The certified copy of the release has been sent to Mr. Love with a copy of this minute order. The Court confirmed that the sum of \$20,668.41 was deposited into the registry of the Court on March 16, 1977. The Clerk of the District Court deposited the funds with Captiol Federal Savings and Loan Association on March 17, 1977.

rivil Action No. 75-0383-1
Page Two

The motion for a temporary injunction filed by Mark H. and Juanita S. Alspaugh is denied.

The motion to compel discovery and for imposition of sanctions filed by Paul Mullins Construction Company and Paul Mullins was withdrawn.

Ir. Silverman and Mr. Love entered into the following stipulation:

- 1. On or before June 1, 1977, Mr. Silverman will mail a copy of the report of Jack Lippoldt to Mr. Love.
- 2. On or before June 10, 1977 Mr. Silverman and his expert vitness on the issue of roofing shall have the opportunity to view the films and photographs in Mr. Love's office. The viewing and examination of the films and photographs shall take place upon 48 hours notice to Mr. Love. It shall take place at 12:00 noon. The date for the examination of the films and photographs shall be on a day when Mr. Alspaugh is present in Boulder, Colorado.
- 3. Within seven (7) days after the expert witness views the films and photographs, Mr. Silverman shall mail a copy of his report to Mr. Love.

The stipulation is approved by the Court and made the order of the Court.

BY THE COURT:

Fillia D. Deiglin

cc:

Eldon E. Silverman John H. Love Dennis L. Blewitt David C. Wells Harry M. Williams

The above and foregoing were pleased for the names willing present to the persons or attorneys indicated

B==== 5 2467 By: BJD

OFFICE OF CLERK OF THE DISTRICT COURT

TWENTIETH JUDICIAL DISTRICT Civil Courts Building - 2025 14th Street 4 BOULDER, COLORADO 80302



John H. Love, Esq.

250 Arapahoe, Suite 202

Omenite Order only! Certificate of Release of Mechanics' Lien net coolered.

Boulder, Colorado 80302

So advised by Mrs. Maxlerow

1 IN THE DISTRICT COURT 2 IN AND FOR THE COUNTY OF BOULDER 3 STATE OF COLORADO 4 Civil Action No. 75-0383-1 5 PAUL MULLINS CONSTRUCTION CO.. 6 a Colorado corporation, 7 Plaintiff, 8 vs. MARK H. and JUANITA S. ALSPAUGH, 9 REPORTER'S TRANSCRIPT Defendants and 10 HEARING ON MOTION TO Third-Party Plaintiffs, COMPEL RECORDATION, 11 and 12 MOTION FOR TEMPORARY CAPITOL FEDERAL SAVINGS and GERALD CAPLAN, PUBLIC TRUSTEE INJUNCTION AND MOTION 13 FOR THE COUNTY OF BOULDER, STATE OF COLORADO, TO COMPEL DISCOVERY 14 Defendants, 15 vs. 16 PAUL MULLINS, Individually and d/b/a17 PAUL MULLINS CONSTRUCTION CO., and TRANSAMERICA TITLE INSURANCE CO., a 18 California corporation, 19 Third-Party Defendants. 20 BE IT REMEMBERED that on May 19, 1977, the same 21 being a regular juridical day of the 1976 Term of Court of 22 the Twentieth Judicial District of the State of Colorado, 23 the above-entitled action came on for hearing on motions 24 before the HONORABLE WILLIAM D. NEIGHBORS, District Court 25

BARBARA J. DAHL
REGISTERED PROFESSIONAL REPORTER

Judge, presiding in Division 1 of the District Court in and for the County of Boulder.

APPEARANCES

For Plaintiff and Third-Party Defendant Mullins Construction Co. and

Paul Mullins:

For Defendant and Third-Party Plaintiffs Mark H. and Juanita Alspaugh:

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For Defendant Capitol Federal Savings and Defendant Transamerica Title Insurance Co:

For Defendant Capitol Federal Savings:

ELDON SILVERMAN, Silverman and Reeves, P.C., 821 17th Street, Suite 500, Denver, Colorado 80202.

JOHN H. LOVE, Attorney at Law, 250 Arapahoe, Suite 202, Boulder, Colorado 80302, and DENNIS BLEWITT, 700 Metropolitan Building, Denver, Colorado 80202.

DAVID WELLS, Attorney at Law, 1300 Canyon Boulevard, Boulder, Colorado 80302.

HARRY M. WILLIAMS, Attorney at Law, 50 South Steele Street, Suite 625, Denver, Colorado 80202.

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10:05 o'clock a.m.

THE COURT: This is Civil Action 75-0383-1, Paul Mullins Construction Company vs. Alspaugh. This case is set this morning for a hearing on the motion to compel recordation of the release of the mechanic's lien, motion for temporary injunction, and motion to compel discovery and sanctions.

For the record would counsel please state your names and the parties you represent?

MR. SILVERMAN: Eldon E. Silverman on behalf of plaintiff and third-party defendant Mullins.

MR. LOVE: John Love on behalf of the Alspaughs.

MR. WELLS: David Wells on behalf of the defendant Capitol Federal Savings.

MR. BLEWITT: Dennis Blewitt for the Alspaughs.

MR. WILLIAMS: Harry Williams on behalf of Capitol Federal Savings.

THE COURT: Mr. Wells.

MR. WELLS: Your Honor, I really felt it necessary to file a motion to get this action straightened out, and perhaps I ought to preface my remarks with an apology, and I'll tell you, I'm awful bent out of shape with the posture this case has taken, and I think it's absurd, so to the extent I get carried away, I apologize in advance.

But let me go back a little to another point in time, and that is back to January of this year, and on that date we had a meeting with counsel for the Alspaughs at which we reached a settlement by which substitute security would be put up under the mechanic's lien statute. They would pay us 'X' number of dollars for the counterclaim we were asserting for attorney's fees, and the matters would be dismissed with prejudice as between Alspaughs, Capitol Federal, and Transamerica.

Then it was about another two months after that this was to be implemented. Well, on March 16th, we met over at Capitol Federal's office, and we signed a stipulation which is before the Court. The money was exchanged. Everything was agreed to. There were no problems and counsel for the Alspaughs agreed to leave from the meeting there and bring the stipulation and motion, the order and the certificate of release over to the Court. From there they were to go ahead and record the release.

Eldon filed a motion with reference to this, and he wasn't a party to it, and we had a hearing on that. There was a small change made to the order, but it really doesn't significantly affect anything.

Now, in the stipulation, as you'll find in numerous pleadings in this file, there is a statement that this shall have no effect as a waiver of their arbitration rights.

K159

The second thing that we said is that it would not prejudice the Alspaughs in any way by making the substitution of security. The third thing we said is that the money would be paid out in accordance with the orders of the Court.

All right; now, the problem seems to come with reference to arbitration. Now, at the time of the hearing under Eldon's motion, the language was modified where it says that the money was going to be paid out to satisfy any judgment. All right; well, I think that was really inherent in the other language that we had where it would be paid out in accordance with further orders of the Court. So, the language really didn't change anything to any extent.

Now, I got another voluminous pleading, of which I have many, and in this thing which for some reason I happened to read it, and on about the fifth page I saw where they weren't going to record this release of the mechanic's lien, and that prompts this particular motion which I have here right now.

Now, they state in that motion, if I understand it correctly, that this has some adverse effect, the revision of the language in the previous order, upon the arbitration issue, and I really don't see where that comes from.

They also say that they're going to appeal this thing to the Colorado Supreme Court again for the second time on this jurisdictional issue, going again to arbitration,

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and in addition to that, now they want to enjoin us from recording that certificate.

Well, I don't profess to have the highest I.Q. of perhaps some others in this room, but be that as it may. I've got some basic understandings of how mechanic's liens work, and there is a distinction between the debt and the security.

Now, the debt is the contractual claims and any claims arising out of the contract for which Mullins or Alspaughs are fighting it out, and that's fine. But that is in an in personam action, and whether that is going to be determined by the Court or arbitration is an issue that pertains only to the in personam action on the debt or contract claim.

Now, by statute mechanic's liens rights have been created, and that is where my involvement came in on behalf of Capitol. I couldn't have cared less about their contractual disputes because that didn't really affect me. The only thing that affected me was the mechanic's lien and how much of that work asserted by Mullins was lienable against the house, and you could have a claim for the debt with a judgment entered on that and have a mechanic's lien with nothing supporting it, and have that dismissed, so they're entirely distinct claims.

An arbitration tribunal has no authority to decide

the amount of a claim, the validity, or priority, or anything pertaining to the mechanic's lien. That can only be done by a court of law.

Now, they're trying to take this thing and mish it all back up again in some context of saying this deprives them of their arbitration rights, but if you look at what we did, we simply took that security aspect, and we said, All right; rather than using the property, as we normally would under a mechanic's lien, as security, we would put up cash to secure that. It's simply a substitution. There has been no release of security. There is still security there for that, but this has nothing to do with arbitration.

Now, I have not done it yet because I just got authority and I haven't got the motions done yet, but I'm filing motions under Rule 11 and Rule 107 to make the recovery of our attorney's fees and costs.

When we made the settlement, it was with certain known expenses and everything in place. Now we've had two hearings since then, and these were never taken into account.

I submit this whole thing is done in bad faith by counsel for the Alspaughs, and I certainly believe that -- and specifically what makes me think this is the fact that they have indicated, as I stated, that they're going to go back up to the Supreme Court because they have a right to have this jurisdictional issue determined to try to get the

matter of arbitration resolved prior to the time of the trial. Now, that trial is coming up in July.

But when they were up in the Supreme Court once before, at that time the Supreme Court said, and I quote from the language, "This is not a proper case for this Court to inject itself at this juncture into the ruling on waiver. If, in fact, the District Court erred, the error may be corrected on appeal."

Now, they've already taken it up once on the original proceeding. Now they're thinking of doing it again the second time on the same thing where this language in the identical case where they are involved says, "No way, guys. You've already been up once on the original proceeding, and it's going to be determined on appeal after you go to trial on the merits", and I submit that there is bad faith on this thing.

Now, without the release of the mechanic's lien, here is where we stand: There is double security for the mechanic's lien right now. There is both and real property and the funds in the registry of the court.

The second thing is that we have the title clouded.

All right; the problem that I'm faced with is that the order

was entered and it says that Capitol Federal and Transamerica

are dismissed with prejudice.

Now, on the one hand I'm dismissed out with

prejudice in the case, and on the other hand, I still have a cloud against the title on the property for which the deed of trust provides for the indemnification and the right to appear and defend and so on, and there's no way I can do it in that posture.

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They've reached the settlement agreement with us, and I submit they ought to abide by the settlement agreement and get off of this hocus-pocus about affecting the arbitration rights. It has nothing to do whatsoever with the security. In the stipulation there's no waiver. There's no prejudice that it's going to be paid out per the court order. The only difference is now that it says we're going to apply it to the judgment, and I submit that was inherent before.

Now, they also in there say that the big hang-up is the jurisdictional issue and that we pay out in accordance with court order. That seems to be the problem if what I'm making out of their motion makes any sense, but yet in the stipulation they also said that that money would be paid out in accordance with the orders of the court. The court is the key to paying out the money. That's not for the arbitration tribunal. If the Court doesn't pay out the money or order it be paid out, that money is never going to be paid out. If it's paid to the registry of the court, there's nobody else to say how it's going to be paid out. The only question is how is it going to be applied, and I think what

they're doing is simply going round and round and round on these particular points and causing nothing but undue expense for all of us.

We made a settlement with good faith with these people because we wanted out of this case, and I don't think there's any question about that. I think I made my thoughts pretty known in the past. We are not interested in trying to run up more expense or create more problems. All we want to do is get this thing wrapped up.

That certificate of release can be recorded. They state that they were going to record it, and now they don't want to. All we want is that that be done so we can close it up and leave them with their particular problems.

He says there's no authority for my motion to compel the recordation of this thing. It seems a little strange to me making that statement after I've already seen these motions in limine or undifferentiated motions. If I don't have authority for this, I don't know where he got authority for his motions. I cite that it is under the Rules of Procedure.

As a consequence, I think that this whole thing ought to be laid to rest. We ought to have the certificate of release recorded. Thank you.

THE COURT: Mr. Love.

MR. LOVE: Your Honor, counsel: I think that there

has been some misapprehension on the part of counsel for Capitol and Transamerica with regard to the settlement and to the facts upon the balance of the case which includes the present issue of the conditions under which the signed certificate of release of mechanic's lien would be recorded.

My general recollection concerning the discussions we had with representatives of those parties early this year was that, in effect, we had reached an agreement in principle, but that not all of the terms of the agreement had been reduced to writing.

In fact, there was an exchange of I think no less than three letters. First I received a letter from Mr.

Williams, and I replied with a proposal which in effect I recall proposing that there be included in part of the settlement language to the effect which would provide a further right of recision to the compromise and settlement agreement as a safety valve over and above the Federal three-day right of recision to provide for a contingency that possibly the Court might not approve the documents that would be finally tendered to the Court for approval and result in any recording.

Now, as I recall, I think a letter from Mr. Wells was rejected out of hand. He proposed a different approach, essentially proposing the basic document, the basic stipulation and motion for dismissal, as I recall, that was filed

with the Court on March the 16th, 1977, in which there was no such safety valve language included.

And as I understood then, the last meeting, I think, was that date on March 16th, 1977, that Mr. Wells indicated that he had contacted you, sir, and apparently you at that time had seen no problems with the documents that would be then executed and filed with the Court, and so the documents were executed and the money was tendered to the Court, all of which were filed of record on March the 16th, 1977.

So, the language in the stipulation to me, sir, very clearly called out that we wanted to protect and preserve our right to arbitrate the dispute, which certainly involves the underlying jurisdictional issue which has caused so much difficulty in the past months, and I think that in order to fully represent my clients, that after I protected their rights there, Mr. Silverman had a right to object and to have a hearing.

But notwithstanding that, I still believe that the ultimate modification of the order which was signed on March 16th, 1977, I think it was signed, the amended order with the amended language for the care and custody of the funds was signed in your April 7th, 1977 ruling, but because of this it seemed to me that we could not very well consent to its being recorded with the modified language written there.

There was no such preservation of our jurisdictional rights,

and which was contrary to the express language which Mr.
Williams and Mr. Wells signed in the March 16th, 1977 language,
so it seems to me that we acted very properly based on the
documents which were filed with the Court that were ultimately signed in detail on March 16th, 1977.

I think we're clearly acting in good faith. I think there's a serious question whether Mr. Wells is acting in good faith right now with regard to the statements that he has made, together with his highly prejudicial statements that he made at our last hearing.

Fundamentally, Your Honor, it seems to me, I don't see any safe, clear-cut procedural alternative to resolving this issue without first getting a final appellate decision on the jurisdictional question which would have a bearing here, and I think to go ahead for anybody to record a certificate of release before that is resolved would be the wrong thing to do.

THE COURT: Mr. Love, why don't you want to record the certificate of release?

MR. LOVE: Well, because -- there's two reasons, Your Honor. First is that there is no language in there which --

THE COURT: In what?

MR. LOVE: -- preserving the right to arbitration.

THE COURT: In what?

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MR. LOVE: In the substituted language.

THE COURT: There isn't in the language of the original order that I signed preserving that. That's in your stipulation.

MR. LOVE: No. I believe, as I recall, there is some language in your March 16th, 1977 order that was compatible with the language in the stipulation, and this proposed order that was tendered to the Court with the knowledge of Capitol and Transamerica contained a similar type of language. I think we've detailed this relationship in detail in our motion to alter and amend the judgment which has subsequently been filed.

Now, if I may proceed.

THE COURT: Well, I still don't understand why you don't want to record the release.

MR. LOVE: Well, because if we consented to recording the release whereby the money can be paid out with any order of Court without any protection for jurisdictional language, I mean we don't want to be in the position of having to have the money paid out by the Court to the plaintiff and lose that money and then ultimately prevail in a right to arbitrate and then have a terrific time trying to collect upon it.

And also the language is so broad, Your Honor.

Respectfully, it seems to me that the money for the substi-

tuted security which only involves the lien which is one of their complaints can be applied to Count 2, which is a contract claim, and Count 3, which is a quantum meruit claim.

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So, in light of all of this, it seems to me that essentially that we were in a position -- I think Mr. Blewitt finally after our settlement meeting on March the 16th, as I understand it, had agreed to bring the documents over to the Court. I'll let him speak to those things which he did, but I don't think that we could guarantee to Capitol or Transamerica that the Court would approve it or that the plaintiff would not object, and so with the posture of it, since there was no safety valve, I don't see any sound procedural alternative but to resolve the question on appeal.

Now, with regard to appeal, yesterday afternoon we lodged an original proceeding with the Supreme Court which has been filed, I think, as Case No. 27677, which is another petition for a writ of prohibition.

Now, there's a couple things which I would like to mention here in very broad terms. I talked with one of the ladies at the clerk's office of the Supreme Court. She would like me to deliver one or two of those copies of those documents to the Court here this morning since we did have a hearing this morning, and she had indicated to me that apparently they would go ahead and take care of it. I have no idea right now whether they will act on the petition or how

long it will take them to consider the merits of it, but in light of what Mr. Wells has indicated here on a couple of points, is that first of all, and I would presume here that if the Court does act that you will receive copies of the brief shortly, and if you don't and you would like to have a copy, we will certainly make it available to you if that doesn't come down, and we would like for you to take judicial notice of that.

But there's a conceptual problem here, and the relationship, I guess, really kind of clearly emerged in the final stages of preparing this unusual petition, and I think it hinges, sir, upon the significance of those critical deposition admissions which Paul Mullins made last year as to the full scope of the arbitration provisions.

THE COURT: Mr. Love, I want you to confine your remarks to the issue of the motion of Capitol Federal to compel recordation of the lien release.

MR. LOVE: Well, Your Honor -- well, Your Honor, to me this involves that, sir.

THE COURT: Well, I don't think it does, and I don't want to hear any more about arbitration. I've ruled on that. The Supreme Court has said they will consider the matter on appeal, and that is that. I want to hear no more about arbitration.

THE COURT: Very, very well, Your Honor. I'll

lodge an objection for the record and make an offer of proof and drop that right there.

I guess that in view of that there's no point in me saying anything further.

Mr. Blewitt, do you want to make any comments with regard to the tendering of these documents to the Court on March the 16th?

MR. BLEWITT: All I can say is, Your Honor, that you and I had a conversation when I brought them over here, and you're pretty much aware of what happened. They were brought over and I offered to record them, and we saw Mr. -- we saw the court clerk, and I left. But it was the intent at that time to record them, and I think I expressed this to you, and at that time I think there's evidence of good faith on the part of the Alspaughs. I hand-delivered them over here, and I think the Court is aware of what I'm trying to say.

THE COURT: Mr. Silverman, do you have any comments?

MR. SILVERMAN: Yes. My comment, of course, is

that we wouldn't mind having double security, but forgetting

that for a moment, I just want to emphasize that any agree
ment that might have been in a stipulation that I or my client

was not a part of is not binding on us. We never agreed

that anything is or is not a waiver of arbitration. They

may put it into some stipulation, but it's certainly not

binding on us.

I think that perhaps this is the reason that I initially raised the question about the language of the Court because it did seem to me to raise a question about arbitration again, and the Court, I think, cleared it up in the revision.

We, of course, again emphasize that the posture of the case, as we see it, is already set in terms of this arbitration issue. The action about arbitration is over. The Court has ruled on it, as the Court stated, and I don't think that it's within the power of Capitol Federal or Transamerica or the Alspaughs to suddenly resurrect the issue, and I just want to emphasize here, and now that I have, it has been waived, and if I can argue on appeal that this stipulation that they entered into substituting security was an additional waiver, then I'm going to do it because I have previously made my objections known.

Number two, I was during the hearing asking Mr. Williams if he had proof positive that the \$20,000.00 was actually in the Court. I just raised that because of the peculiarities of this case. I want to be assured. I've always assumed that the \$20,000.00 is physically with the Court, and may be at this time physically at Capitol Federal in a savings deposit book, but again because of the twists and turns of fate, I would just like to ask for an

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acknowledgement that, in fact, \$20,000.00 is physically within the control of the Court.

If for some reason it is not, then of course we don't want the release to take place. So, I would ask for that clarification.

Finally, I can speak gladly to the fact that my motion on discovery, I'd like to withdraw it because we have reached an agreement as to how to handle the matters.

I would like to state at this time the stipulation, and if it's approved by the Court, to make it an order of the Court.

First of all, by tomorrow I will put in the mail the report of our expert witness who is a meteorologist. June 1st, 1977, I will put into the mail a report of our expert witness, Mr. Jack Lippoldt, who viewed the house two days ago. By June 10th, 1977, I will have the opportunity to have the roofing man look at the films and photographs in Mr. Love's office. This is up to and including June 10th.

Now, this shall take place upon forty-eight hours notice to Mr. Love. It shall, take place at high noon, and it is subject to one other proviso, and that is that Mr. Alspaugh be in town that day.

Now, again, anytime between now and June 10th that I give him forty-eight hours notice, I can see the films as long as Mr. Alspaugh is in town, and I am assured that he

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will be in town for the majority of the time.

MR. LOVE: I believe that's right, Mr. Silverman, to my knowledge.

MR. SILVERMAN: All right; so --

MR. LOVE: He will be out of town a couple of days.

MR. SILVERMAN: I hope this is a fail-safe mechanism that will allow me to see the films. That, I believe, states our stipulation. Is that correct, counsel?

MR. LOVE: Did you mention that your report of your person who would be viewing the films would be done on June the 17th?

MR. SILVERMAN: Oh, that is very good, John. I understand that within seven days after my expert witness or proposed expert witness views the films, we'll get them a written report, and that as an additional item, and since it is a stipulation, I would appreciate it being the order of the Court.

THE COURT: Is that your understanding of the stipulation, Mr. Love?

MR. LOVE: Yes, that's my understanding, sir.

THE COURT: The stipulation is approved and made the order of the Court.

Mr. Wells, do you have any further comments?

MR. WELLS: There certainly was no comment on his part that warranted response on mine, and I have no further

comments.

THE COURT: The motion to compel recordation of the certificate of lien release executed by the Clerk of the District Court is granted. There's no prejudice to the Mullins (sic) by the recordation to the extent that they have entered into the stipulation. They have reserved their rights to have the determination of whether there was a waiver of arbitration reviewed by the Supreme Court, as the Supreme Court indicated in its ruling on their petition for writ of prohibition.

MR. WELLS: Your Honor, with reference to a point of clarification, who has the original certificate of release right now?

THE COURT: The original is in the Court file.

A certified copy was prepared and given to Mr. Blewitt, as I recall.

MR. LOVE: No, I don't think that's --

THE COURT: Or was it mailed to you?

MR. LOVE: I think it was ultimately mailed to me by someone, and then we had returned that, Your Honor, and refiled it with the Court, I think, when we filed the motion to alter and amend, so that copy is with the Court.

THE COURT: All right; I will locate it and find out where it is and also verify that the money has been paid into the Registry of the Court.

it.

MR. WELLS: Who is instructed to record this?

THE COURT: Mr. Love will be instructed to record

MR. WELLS: Fine. That will be forthwith as soon as you make these determinations?

THE COURT: Yes. The motion for a preliminary injunction is denied.

Is there anything further?

MR. LOVE: I don't think so, other than I want to object for the record, Your Honor. I want to give this some thought.

THE COURT: The trial will be held during the week of July 10th. Is that when it's scheduled?

MR. SILVERMAN: I think it's the week of July 11th.

Your Honor, you have previously ordered the method under which the pre-trial order will take place, and I believe it's the traditional method of the plaintiff preparing it and sending it to defendant and there will be comments.

Is there a necessity at this time, or is it just something we should wait on whether we need a formal conference a week or two before the trial for some preliminary rulings, because I'm sure by the history of the case that we won't reach, at least among counsel, an agreement as to the pre-trial order.

THE COURT: I think if I'm not mistaken the

pre-trial minutes indicated you should just file a proposed pre-trial order with the Court. I will sign it and give Mr. Love an opportunity to file written objections. MR. SILVERMAN: All right. THE COURT: We'll be in recess. (Whereupon, the Court was in recess at 10:37 o'clock a.m., May 19, 1977.)

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REPORTER'S CERTIFICATE

STATE OF COLORADO)

(COUNTY, OF BOULDER)

I, Barbara J. Dahl, do hereby certify that I am a Certified Shorthand Reporter and Official Court Reporter for the Twentieth Judicial District; that as such reporter I was present upon the occasion of the hearing of the above-entitled matter; that I stenographically recorded all proceedings had in the above-entitled action.

I do hereby further certify that I caused my stenotypy notes to be reduced to typewritten form, and that the foregoing twenty-three pages constitute a true and correct transcript of all proceedings had.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of May, 1977.

Parhara I Dahl

IN THE DISTRICT COURT IN AND FOR THE COUNTY OF BOULDER

STATE OF COLORADO

Civil Action No. 75-0383-1

PAUL MULLINS CONSTRUCTION CO.,)
A Colorado Corporation,)
)
Plaintiff,)
) HOMEOWNERS' REQUEST FOR
vs.)
) CLARIFICATION OF SCOPE
MARK H. AND JUANITA S. ALSPAUGH,)
) OF
Defendants and)
Third-Party) MAY 19, 1977 HEARING
Plaintiffs,)
)
vs.)
)
PAUL MULLINS, Individually and a/b/a)
PAUL MULLINS CONSTRUCTION CO.)
)
Third-Party)
Defendant)

COME NOW, Mark H. and Juanita S. Alspaugh, by and through their attorneys, John H. Love and Dennis L. Blewitt, and requests the Court to clarify the May 4, 1977 "NOTICE OF HEARING":

On May 3, 1977, by the direction of the Court for a hearing in May, 1977, counsel for the parties agreed to set down for hearing the following two motions:

- (1) Capitol Federal Saving's "MOTION TO COMPEL RECORDATION OF CERTIFICATE OF RELEASE OF MECHANICS' LIEN," and
- (2) Alspaughs' "HOMEOWNERS' MOTION FOR TEMPORARY INJUNCTION TO PRECLUDE THE RECORDATION OF THE CERTIFICATE OF THE RELEASE OF MECHANICS' LIEN."

at 10:00 a.m. on Thursday, May 19, 1977, for one-half (½) hour. However, the confirming notice of hearing dated May 4, 1977, indicates that "Pending Motions" will be heard.

Because there are other motions which have not yet been ruled upon, and to avoid any possible mis-understanding by any of the parties as to the scope of the forthcoming hearing, the undersigned called Kay Nugent, Division Clerk, on May 5, 1977 for clarification and learned that she felt

that it was clearly understood that only the two motions noted in the above paragraph were to be heard. A clarification of the said notice was requested by the undersigned, who understood that she would discuss the matter with Judge William D. Neighbors. Since no communication has been received, this request is herein confirmed.

It is noted that since the Court (i) in its discretion as noted on the December 7, 1976 "Minutes of Pre-Trial Conference," has not requested oral argument on the motion(s) for summary judgment and (ii) since the Court has recently denied an evidentiary hearing and a related jurisdictional ruling as is indicated by the Court's April 7, 1977 rulings, the above setting of the two motions for recordation and for a temporary injunction for the one-half hour period were made upon an assumption that any other motions would not be the subject of such a hearing. In the event that such understanding is not correct, I request that I be notified immediately.

The undersigned has just received a copy of Mr. Silverman's "MOTION TO COMPEL DISCOVERY AND FOR SANCTIONS," which requests that such motion also be heard on May 19, 1977. The undersigned objects because he disagrees both with several specific statements and also with the general context of Mr. Silverman's motion, which will be the subject of a more specific response under the Rules of Civil Procedure to which the Homeowners are entitled. However, from the standpoint of the scheduled hearing date, my preliminary reaction is as follows:

- (a) Five (5) months elapsed since the pre-trial conference.

 On May 2, 1977, and a few days before expert witness reports are due on May 11, 1977 according to Mr. Silverman's calculation, he wanted almost immediate access to the premises.
- (b) Notwithstanding the time problem of Mr. Silverman, both Mr. and Mrs. Alspaugh have reasonably attempted to co-operate with Mr. Silverman. Before any definite final agreement was verbally reached for an inspection and a

viewing, in behalf of the Alspaughs and based upon several client consultations while I understood Mr.

Silverman was checking out possible times, I offered in their behalf a number of alternative times during evenings and weekends. Mr. Silverman refused to consider such alternatives, and he had made a comment that "lawyers generally don't work on Saturdays and Sundays." Yet, according to my time records, Mr. Silverman and a few other persons had previously appeared for an inspection of the premises on Saturday, January 25, 1975, to inspect the house and the roof!

that the inspection and viewing be in normal business hours. For the Court's information, I am summarizing the following times which I understand Mr. and Mrs.

Alspaugh would make available through May 22, 1977, for such an inspection and viewing and which I would temporarily hold open my schedule with a request that the Court indicate to Mr. Silverman that he make arrangements at one of those times and that he provide me with forty-eight hours notice of the names of the persons, with whom each person is associated, and the persons which Mr. Silverman will offer as expert witnesses. It would seem that this scheduling problem could be worked out without a formal hearing.

Monday, 7:00 - 9:00 p.m.
Tuesday, 5:30 - 8:00 p.m.
Wednesday, 5:15 - 6:45 p.m.
Thursday, 5:15 - 8:30 p.m.
Saturday, 2:00 - 5:00 p.m.
Sunday, 2:00 - 5:00 p.m.

One purpose of such request is to assure that it will be possible for Mr. and Mrs. Alspaugh to be assured that the persons coming into the residence can be personally escorted while in and around their residence.

(d) If Mr. Silverman does not wish to reconsider the times of inspection, then in behalf of the Alspaughs, I reserve their procedural rights under the Rules of Civil Procedure.

I also definitely wish to be present at the time of inspection and viewing. It should also be recalled that, without the necessity of going to Court, that Mr. Alspaugh has previously shown the film and exhibited the photographs to Mr. Mullins and Mr. Silverman. In addition to making photographs available for viewing, I also recall that an offer was made to Mr. Silverman that they could have copies provided that they paid for the cost.

(e) In addition, I understood that I had reached a verbal agreement with Mr. Silverman that the date for the submittal of expert witness reports would be extended by counsel mutually from the sixty (60) day period prior to trial, as is indicated on page two of the December 7, 1976 pre-trial minutes to the Friday preceding the sixth week prior to any scheduled trial date and the undersigned has relied upon such verbal agreement. This extension should be ample to enable Mr. Silverman to have such viewing and inspection as may be required to complete his expert witness reports which he apparently feels are dependent thereon. I understood that such language was to be incorporated into either a letter or a stipulation after a final agreement was reached on a time of inspection. In the event that the Court wishes to formally approve such extension for expert witness reports, a stipulation can be prepared or the Court, as far as I am concerned, may so order such an extension of time. I note that Mr. Silverman makes no mention of such extension by agreement in his motion.

In the event the Court would wish to have a meeting with Mr. Silverman and I at the Court's convenience to arrange a definite time, I

would be willing to meet at short notice. I wish to assure the Court that I do not intend to advise my clients to refuse to permit discovery as may be ordered by the Court, subject to any application for protective orders as may be justified under particular circumstances.

A confirming notice clarifying the scope of the hearing is requested within several days.

Respectfully submitted,

Dated: May 9, 1977

John H/ Love

CERTIFICATE OF MAILING

The undersigned hereby certifies that she did mail a true and correct copy of the foregoing Homeowners' Request for Clarification of Scope of May 19, 1977 Hearing to Mr. Eldon Silverman, Silverman and Reeves, P.C., 700 Denver Club Bldg., Denver, Colorado 80202, and as a courtesy to:

Mr. David Wells 1300 Canyon Boulder, Colorado 80302 Mr. Harry Williams
Williams and Karr
625 Steele Park
50 S. Steele St. Suite 625
Denver, Colorado 80209

and also as a courtesy to:

Mr. Richard Gebhardt Public Trustee 1906 13th Street Boulder, Colorado 80302

IN THE DISTRICT COURT IN AND FOR THE COUNTY OF BOULDER STATE OF COLORADO

!				
		Civil Acti	on No. 75-	0383-1
UL MULLINS	CONSTRUCTIO	и соиралу	` }	
		•)	
VS	5.)))	AMENDED
RK H. AND	JUANITA S.	ALSPAUGH)	NOTICE OF HEARING
)	
T	his matter i E OF RELEASE	s set for he	aring on:	motion to compel recordation of motion for temporary injunct
	Time: 10):00 a.m.	Date:	May 19, 1977
	Place: D	ivision 1, D	oistrict Co	urt
•	2	025 14th Str	eet	
	E	soulder, Colo	rado	
ated this	9th	day of	May	, 197 <u>7</u> .
			BY ORDE	R OF THE COURT:
		1	Divisio	on Clerk Jens
-	David C. Wel Eldon E. Sil Harry M. Wil Dennis L. Bl John H. Love	verman liams ewitt	# ¥	Dato: 19/77 By: 1. N.
				; ·

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IN THE DISTRICT COURT IN AND FOR THE COUNTY OF BOULDER

	STATE C	F COL	DRADO
	Civil Actio	on No.	<u>75-0383-</u> 1
FAUL MULLIN	S CONSTRUCTION COMPANY)	
; ·	vs. : D JUANITA S. ALSPAUGH)	SECOND AMENDED NOTICE OF HEARING
T Certificat	ORDER OF COURT, you are this matter is set for heate of Release of Mechanic to Compel Discovery and	ring c s Lier	n: Motion to Compel Recordation , Motion for Temporary Injunction
	Time: 10:00 a.m.		·
	Place: Division 1, Di	_ .strict	Court
	2025 14th Stre	et	
	Boulder, Color	rado	
ted this	l2th day of	May	, 197 <u>7</u> .
		ву (ORDER OF THE COURT:
		ž Div	iston Clerk
c:	David C. Wells Eldon E. Silverman Harry M. Williams Dennis L. Blewitt John H. Love		Dato: 1/2/77 by: L.K.

IN THE DISTRICT COURT

IN AND FOR THE COUNTY OF BOULDER

STATE OF COLORADO

Civil Action No. 75-0383-1

PAUL MULLINS CONSTRUCTION	CO.)	
A Colorado Corporation,)	
•)	
	Plaintiff,)	HOMEOWNERS' OBJECTION
)	
vs.)	TO THE "SECOND AMENDED
)	
MARK H. AND JUANITA S. AL	SPAUGH,)	NOTICE OF HEARING"
	•)	
	Defendants and	5	AND
	Third-Party)	
•	Plaintiffs)	MOTION TO VACATE SAID
)	
vs.)	NOTICE
PAUL MULLINS, Individual	ly and)	
d/b/a PAUL MULLINS CONSTR	•)	
•		, ·	
	Third-Party)	
	Defendant)	
		-	

THE HOMEOWNERS object to the second amended notice of hearing as follows:

- (1) They incorporated by reference their preliminary response in the "Homeowners' Request for Clarification of Scope of May 19, 1977 Hearing," with regard to Mr. Silverman's motion to compel discovery and for sanctions.
- (2) On May 12, 1977, I received a telephone call from Mr. Silverman in which he indicated that he would endeavor to make arrangements for the requested inspection and viewing within the times proposed by the Homeowners which was set forth in the above referenced clarification of the scope of the hearing, and I have agreed to hold such times open as stated therein. As of the present time, I have not received any further oral or written communications from Mr. Silverman.
- (3) It was orally agreed that when a time was mutually agreed upon, that a new time would be agreed upon for submittal of expert witness statements.

(4) The Homeowners reserve a right to move the Court for protective orders and to be entitled to all rights under the C.R.C.P., including an adequate time to respond under the Rules of Civil Procedure. However, since a Petition for an Original Proceeding is being finalized, they are filing this objection to clearly reflect for the record that:

(a) The Homeowners are again renewing their assertion that this Court lacks jurisdiction over the subject matter in Civil Action No. 75-0383-1 and that, therefore, this Court lacks jurisdiction to award the sums requested to Plaintiff and Third-Party Defendant, Paul Mullins, which are without merit in any case.

(b) The Homeowners are again renewing their request for a one-day evidentiary hearing on the jurisdictional and related arbitration issues, and further requests leave of Court to serve a subpoena duces tecum upon Paul Mullins for previously designated documentation relating to such issues.

(c) Such hearing for the Contractor's motion is premature, especially in light of the May 12, 1977 telephone conversation between counsel and in view of the time permitted for moving for protective orders, if necessary.

(d) The time scheduled on May 19, 1977 and the short notice of the scheduling of the motion is inadequate for a meaningful opportunity to be heard, previously briefed before the Court, in connection with the motion filed in behalf of Plaintiff and Third-Party Defendant, Paul Mullins.

WHEREFORE, the Bomeowners request that the Court vacate the Second Amended Notice of Hearing and reinstate the Amended Notice of Hearing.

Respectfully submitted,

Dated: May 16, 1977

John H. Love

Attorney for the Alspaughs 250 Arapahoe, Suite 202 Boulder, Colorado 80302

(303) 449-6762

CERTIFICATE OF MAILING

The undersigned hereby certifies that she did mail a true and correct copy of the foregoing Homeowners' Objection to the "Second Amended Notice of Hearing" and Motion to Vacate Said Notice to Mr. Eldon Silverman, Silverman and Reeves, P.C., 700 Denver Club Bldg., Denver, Colorado, 80202, and as a courtesy to:

Mr. David Wells 1300 Canyon Boulder, Colorado 80302

Mr. Harry Williams
Williams and Karr
625 Steele Park
50 S. Steele St. Suite 625
Denver, Colorado 80209

and also as a courtesy to:

Mr. Richard Gebhardt Public Trustee 1906. 13th Street Boulder, Colorado 80302

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IN THE DISTRICT COURT

IN AND FOR THE COUNTY OF BOULDER

STATE OF COLORADO

Civil Action No. 75-0383-1

PAUL MULLINS CONSTRUCTION CO., A Colorado Corporation,))
Plaintiff,) RELEASE
vs.)
MARK H. AND JUANITA S. ALSPAUGH,))
Defendants and Third-Party Plaintiffs, et al.))

Mark H. and Juanita S. Alspaugh, Capitol Federal Savings and Loan Association of Denver, hereinafter referred to as Capitol, and Transamerica Title Insurance Co., hereinafter referred to as Transamerica, whereby Capitol has agreed to provide an additional advance to the Alspaughs to enable a bond to be filed with the District Court in and for the County of Boulder, State of Colorado, based upon the respective promises and obligations of each of the parties as set forth in the "Stipulation and Motion to Discharge the Mechanics' Lien" and with the associated closing documents also included as a part of the compromise and settlement agreement; and

WHEREAS, in consideration of a release by Transamerica for the benefit of Mark H. and Juanita S. Alspaugh and John H. Love; and

WHEREAS, in consideration of a release by Mark H. and Juanita S. Alspaugh for the benefit of Capitol and Transamerica; and

WHEREAS, Capitol represents that it either has knowledge or has had the opportunity to be adequately informed about the respective claims between the parties in the proceedings before the Court in this Civil Action No. 75-0383-1:

NOW THEREFORE, it is hereby agreed as follows:

- (1) Capitol and its successors, assigns, attorneys, employees, officers, directors and representatives and each and all of them do hereby release, acquit, and forever discharge Defendants and Third-Party Plaintiffs Mark H. and Juanita S. Alspaugh and their devisees, heirs, personal representatives, executors, administrators, and attorneys from any and all debts, claims, liabilities, demands and causes of action of every kind, nature and description in this Civil Action or in related matters therein alleged;
- (2) Capitol agrees to waive any prior restrictions against the utilization of receeds obtained on or about June 25, 1976 from Sate Farm Fire and Casualty Co.

and hereby releases the Alspaughs from any liability or any restriction of any nature whatsoever in connection with the application of such proceeds; and

(3) Capitol acknowledges that the Alspaughs have fully performed all of the terms, provisions, obligations, agreements and covenants of the original prommissory note and deed of trust except for the repayment of the principal balance (loan number 23-37113-0) together with the payment of the principal balance also due as a result of the additional advance under the deed of trust.

DATED THIS // DAY OF MARCH, 1977.

CAPTIOL FEDERAL SAVINGS AND LOAN

ASSOCIATION OF DENVER

Authorized Representative

Title

ICE TICKSIBFIL

RELEASE

KNOW ALL MEN BY THESE PRESENTS, that Transamerica Title Insurance Company, a California corporation, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged to it in hand paid, has remised, released and forever discharged and by these presents does, for itself, its successors and assigns, remise, release and forever discharge Mark H. Alspaugh, Juanita S. Alspaugh and their attorney John H. Love, their heirs, executors, administrators, personal representatives, successors and assigns of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law or equity, which against Mark H. Alspaugh, Juanita S. Alspaugh and John H. Love we ever had, now have, or which our heirs, executors, administrators, personal representatives, successors and assigns hereafter can, shall or may have, for, upon or by reason of any matter, cause or thing relating to Civil Action No. 75-0383-1 in the District Court in Boulder County, Colorado, from the beginning of the world to the date of the date of these presents.

TRANSAMERICA TITLE INSURANCE CO.

Jerry G Perry
Counsel, Boulder County

Migatet (. Denolaev

STATE OF COLORADO)

SS.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this 15th day of March, 1977, by Jerry G. Percy as Counsel, Boulder County, of Transamerica Title Insurance Co..

WITNESS my hand and official seal.

My commission expires: (1979)

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