IN THE SUPREME COURT OF THE STATE OF IDAHO

Docket No. 52012-2024

MEDICAL RECOVERY SERVICES, LLC, an Idaho limited liability company, **Plaintiff-Counterdefendant-Appellant,** **v.** **TAYLOR L. WOOD,** **Defendant-Counterclaimant-Respondent.** **TAYLOR L. WOOD,** **Third Party Plaintiff-Respondent,** **v.** **MEDICAL RECOVERY SERVICES, LLC, an Idaho limited liability company; and INTERMOUNTAIN EMERGENCY PHYSICIANS, PLLC,** **Third Party Defendants-Appellants.**	**Boise, August 2025 Term** **Opinion filed: November 20, 2026** **Melanie Gagnepain, Clerk** **SUBSTITUTE OPINION THE COURT'S PRIOR OPINION DATED JANUARY 22, 2026, IS HEREBY WITHDRAWN**

Appeal from the District Court of the Seventh Judicial District of the State of Idaho, Bingham County. Darren B. Simpson, District Judge.

The decision of the district court is reversed.

Smith, Driscoll & Associates, PLLC, Idaho Falls, for Appellant. Bryan D. Smith submitted argument on the briefs.

Wilkerson Law Group, Idaho Falls, for Respondent. Larren K. Covert submitted argument on the briefs.

ZAHN, J.

This appeal concerns a district court's order (1) finding that Taylor L. Wood was the prevailing party in a collection action below and (2) awarding her costs and attorney fees. Medical

Recovery Services, LLC ("MRS") and Intermountain Emergency Physicians, PLLC ("IEP") request reversal of that order. For the reasons explained below, we conclude that this Court does not have jurisdiction to review the district court's order deciding those issues because the notice of appeal from that order was untimely. However, the notice of appeal filed by MRS and IEP from the district court's decision denying their second motion for reconsideration was timely. While this Court has jurisdiction to review the denial of the second motion for reconsideration, MRS and IEP failed to provide argument or authority concerning how the district court erred in denying the motion and have thus waived that issue on appeal. Therefore, we affirm the district court's decision denying their second motion for reconsideration.

I. FACTUAL AND PROCEDURAL BACKGROUND

The litigation below arose out of medical debt allegedly owed to IEP by Wood. Wood, her husband, and her son received care from physicians employed by IEP. IEP assigned the medical debt associated with that care to MRS for collection. When Wood was contacted by MRS regarding the debt, her attorneys threatened legal action and alleged violations of the Idaho Patient Act and the Idaho Consumer Protection Act. The Woods and IEP then executed a settlement agreement to resolve the debt. The agreement, which was between the Woods and "Intermountain Emergency Physicians, LLC, R1 RCM, Inc., Medical Recovery Services, LLC, alongside all affiliates of each," discharged the debt, mutually released all claims, and required IEP to pay $6,000 to the Woods.

Roughly four months later, MRS filed suit against Wood to collect the debt. Wood answered, counterclaimed, and attached the settlement agreement to show that the debt was resolved. Wood also impleaded IEP as a third-party defendant. MRS later voluntarily dismissed its complaint "on the grounds and for the reasons that at the time [MRS] filed the complaint, [MRS] was unaware that [IEP] and Taylor L. Wood had entered a settlement agreement cancelling the debt at issue in the complaint." IEP moved for dismissal of Wood's claims against it, which the district court granted. The district court granted a motion by MRS to dismiss three of Wood's six counterclaims against it, leaving three of Wood's counterclaims remaining against MRS. Wood then voluntarily dismissed those claims because, according to Wood, she was satisfied with the result, including dismissal of MRS's complaint, IEP's acknowledgment of the settlement agreement, and the removal of the alleged debt from her credit report. The district court entered judgment on July 18, 2023, dismissing all claims against all parties.

MRS and IEP jointly moved the district court to determine that they were the prevailing parties against Wood. Wood then filed a motion requesting that the district court determine that she was the prevailing party against both MRS and IEP. Both motions focused largely on the effect of the settlement on the alleged debt and when MRS was or should have been aware of the settlement.

On October 20, 2023, the district court entered an Order Granting Defendant's Motion for Attorney Fees and Costs ("Order on Costs and Fees"). The district court determined that Wood was the prevailing party over MRS. The district court ordered MRS to pay Wood's costs and attorney fees in the amount of $19,282.50. The district court's decision was based largely on the proposition that the complaint filed by MRS, which initiated the litigation, was frivolous and resulted from the failure of MRS and IEP to communicate regarding the settlement, as well as MRS's failure to properly investigate the debt and discover the settlement agreement before filing suit. Five days later, on October 25, 2023, the district court entered a "Judgment" awarding Wood the previously ordered costs and fees.

MRS and IEP filed a motion for reconsideration on November 7, 2023, contending that the district court's Order on Costs and Fees "contains material errors of law and fact resulting in the [c]ourt's having abused its discretion and creating reversible error." The district court denied the motion in an order entered on February 26, 2024, determining that "MRS and [IEP] have not shown that [the Order on Costs and Fees] should be reconsidered."

On March 6, 2024, MRS and IEP filed a second motion for reconsideration, asking the district court to reconsider the denial of their first motion for reconsideration. They asked the district court to find "that MRS did not file this action against [Wood] frivolously" and that "they are prevailing parties on the third-party complaints filed against them by [Wood]," and to "award MRS and IEP a reasonable award of attorney fees." The district court denied the second motion for reconsideration in an order entered May 24, 2024.

MRS and IEP filed a notice of appeal on June 25, 2024.

II. ANALYSIS

A. This Court lacks jurisdiction to grant the relief requested by MRS and IEP.

On appeal, MRS and IEP request reversal of the district court's Order on Costs and Fees. While no party raised concerns regarding this Court's jurisdiction, "subject matter jurisdiction is an issue that this Court may raise sua sponte at any time." *Carter Dental, P.A. v. Carter*, 174 Idaho

131, 138, 551 P.3d 1225, 1232 (2024) (citation modified) (quoting *Johnson v. Blaine County*, 146 Idaho 916, 924, 204 P.3d 1127, 1135 (2009)). "The timely filing of a notice of appeal is jurisdictional." *Id.* (quoting *T.J.T., Inc. v. Mori*, 148 Idaho 825, 826, 230 P.3d 435, 436 (2010)); *see also* I.A.R. 21 ("The failure to physically file a notice of appeal . . . within the time limits prescribed by these rules, shall be jurisdictional and shall cause automatic dismissal of such appeal or petition, upon the motion of any party, or upon the initiative of the Supreme Court."). For the reasons explained below, MRS and IEP did not file a timely notice of appeal from the Order on Costs and Fees, and therefore this Court does not have jurisdiction to review it or grant their requested relief.

An order awarding attorney fees and costs after entry of final judgment is appealable as a matter of right under Idaho Appellate Rule 11(a)(7). The time to file a notice of appeal is dictated by Idaho Appellate Rule 14. Subject to an exception addressed below, the rule generally requires the notice of appeal to be filed within forty-two days of the date the order was entered. I.A.R. 14(a). The district court's Order on Costs and Fees was entered on October 20, 2023. MRS and IEP filed their notice of appeal on June 25, 2024, more than eight months later. Absent some exception to the general rule that a notice of appeal must be filed within forty-two days of the order appealed from, MRS and IEP did not timely appeal the Order on Costs and Fees.

Rule 14 contains a potentially relevant exception. It provides that "[t]he time for an appeal from any . . . order in an action is terminated by the filing of a timely motion which, if granted, could affect any findings of fact, conclusions of law or any judgment in the action . . . ." I.A.R. 14(a). "A motion for reconsideration falls under this category." *Evans v. Wright*, 174 Idaho 330, 336, 554 P.3d 591, 597 (2024).

Where a motion for reconsideration terminates the time to appeal from an order under Rule 14(a), the time to appeal from the order "commences to run upon the date of the clerk's filing stamp on the order deciding such motion." I.A.R. 14(a). Here, MRS and IEP filed two motions for reconsideration after the district court entered its Order on Costs and Fees. Their notice of appeal was filed within forty-two days of the district court's order denying the second. If the time to appeal from the Order on Costs and Fees was terminated by either of the motions for reconsideration, the time to appeal would begin anew when the district court decided the motions.

The theory that this Court has jurisdiction to review the Order on Costs and Fees relies on two assumptions. First, it assumes that both motions for reconsideration were timely. Second, it

assumes that a party can file successive, timely motions for reconsideration that continually extend the time to appeal. We only address the first assumption because it is dispositive. We hold that the first motion for reconsideration was untimely and therefore did not extend the time for MRS and IEP to appeal the district court's Order on Costs and Fees.

Only a timely motion for reconsideration terminates the time to appeal. I.A.R. 14(a) (providing that time to appeal is terminated "by the filing of a timely motion"); *see also Evans*, 174 Idaho at 336, 554 P.3d at 597 (holding that motion for reconsideration terminates the time to appeal only if it is timely); *Dep't of Env't Quality v. Gibson*, 166 Idaho 424, 435, 461 P.3d 706, 717 (2020) (same). If the first motion for reconsideration was untimely, it did not terminate the time to appeal from the Order on Costs and Fees. In that event, the time to appeal from the Order on Costs and Fees expired forty-two days after it was entered, well before MRS and IEP filed their notice of appeal.

Idaho Rule of Civil Procedure 11.2(b) governs the timeliness of motions for reconsideration:

> A motion to reconsider any order of the trial court entered before final judgment may be made at any time prior to or within 14 days after the entry of a final judgment. A motion to reconsider an order entered after the entry of final judgment must be made within 14 days after entry of the order.

I.R.C.P. 11.2(b)(1). The rule distinguishes between motions for reconsideration of pre-judgment orders and motions for reconsideration of post-judgment orders. Motions to reconsider pre-judgment orders are required to be filed any time *before or within fourteen days of the final judgment*. *See id.* In contrast, motions for reconsideration of post-judgment orders are required to be filed *within fourteen days of the post-judgment order* that is the subject of the motion. *See id.*

This Court requested that the parties submit supplemental briefing to address the timeliness of the first motion for reconsideration and its effect on this Court's jurisdiction. In that briefing, MRS and IEP argue that the first motion for reconsideration was timely because the Order on Costs and Fees was a *pre-judgment order*. They contend this is so because it was entered before the second Judgment dated October 25, 2023, which awarded the costs and attorney fees described in the Order on Costs and Fees. They argue that the first motion for reconsideration was timely filed within fourteen days of the second Judgment awarding costs and fees. As MRS and IEP acknowledge, this argument hinges on the proposition that the Order on Costs and Fees was "entered before final judgment," which in turn hinges on the proposition that the Judgment entered

on October 25, 2023, was a "final judgment" as that phrase is used in Idaho Rule of Civil Procedure 11.2.

However, we hold that the second Judgment was not a "final judgment" according to this Court's rules and caselaw. Idaho Rule of Civil Procedure 54(a)(1) defines what constitutes a final judgment. *See Taylor v. Riley*, 162 Idaho 692, 704–05, 403 P.3d 636, 648–49 (2017) (noting that "Rule 54(a) has been amended to clearly define what constitutes a final judgment" and looking to that definition to determine the timeliness of a motion for reconsideration); *Agrisource, Inc. v. Johnson*, 156 Idaho 903, 912, 332 P.3d 815, 824 (2014) (looking to the definition of "final judgment" in Rule 54(a) to determine whether a motion for reconsideration was timely). That rule generally provides that a judgment is "final" when it resolves "all claims for relief, except costs and fees, asserted by or against all parties in the action." I.R.C.P. 54(a)(1). The first Judgment entered by the district court on July 18, 2023, satisfies that definition. It resolved all claims for relief against all parties.

In their supplemental briefing, MRS and IEP concede that the first Judgment entered on July 18, 2023, was final. Nevertheless, they appear to contend that the second Judgment entered on October 25, 2023, which included the attorney fees and costs awarded in the Order on Costs and Fees, was also final. However, the second Judgment does not satisfy the definition of "final judgment" in Rule 54(a)(1). As previously discussed, that definition focuses on the resolution of "claims for relief" and expressly makes any determination regarding entitlement to costs and attorney fees irrelevant to whether a judgment is a final judgment.

The "entitle[ment] to attorney fees . . . is not a claim for relief. There is not a cause of action for such attorney fees. Attorney fees are simply costs awarded incident to prevailing on a cause of action." *Est. of Holland v. Metro. Prop. & Cas. Ins. Co.*, 153 Idaho 94, 100–01, 279 P.3d 80, 86–87 (2012) (citations omitted); *see also Harrison v. Certain Underwriters at Lloyd's, London*, 149 Idaho 201, 206 n.1, 233 P.3d 132, 137 n.1 (2010) ("Because there is no cause of action to recover court costs or attorney fees incurred in defending this lawsuit, any right to recover court costs or attorney fees is not a claim for relief."). Accordingly, the second Judgment did not resolve a claim for relief but instead only addressed the entitlement to costs and fees, an issue which is not included in the criteria that define a final judgment. *See* I.R.C.P. 54(a)(1).

The cases cited by MRS and IEP do not prove otherwise. First, MRS and IEP cite this Court's characterization of a final judgment as one that "ends the lawsuit, adjudicates the subject

matter of the controversy, and represents a final determination of the rights of the parties." *Spokane Structures, Inc. v. Equitable Inv., LLC*, 148 Idaho 616, 620, 226 P.3d 1263, 1267 (2010) (quoting *Camp v. E. Fork Ditch Co.*, 137 Idaho 850, 867, 55 P.3d 304, 321 (2002)). According to MRS and IEP, the second Judgment satisfies that definition because it ended the lawsuit and resolved the question of entitlement to costs and attorney fees, which was the "only issue remaining."

As previously discussed, the issue of entitlement to costs and attorney fees was not the "subject matter of the controversy," and resolving that issue was not a "final determination of the rights of the parties" that ended the lawsuit. *See Spokane Structures, Inc.*, 148 Idaho at 620, 226 P.3d at 1267. The subject matter of the lawsuit was an attempt to collect an allegedly unpaid debt. Even after a trial court enters a final judgment resolving the lawsuit, it retains jurisdiction to address "collateral issues which do not go to the merits of the action," such as "costs[and] attorney fees." *Inland Grp. of Cos. v. Obendorff*, 131 Idaho 473, 474–75, 959 P.2d 454, 455–56 (1998); *see also Straub v. Smith*, 145 Idaho 65, 69, 175 P.3d 754, 758 (2007) (holding that "costs and attorney fees are collateral issues which do not go to the merits of an action" and "can be awarded after a suit is terminated"). The claims and counterclaims asserted by the parties were the "subject matter" of the controversy. When the district court dismissed those claims and counterclaims, the district court made a final determination as to the parties' rights and ended the lawsuit.

Second, MRS and IEP cite *Contreras v. Rubley*, 142 Idaho 573, 130 P.3d 1111 (2006), and *Bagley v. Thomason*, 149 Idaho 799, 241 P.3d 972 (2010), as purportedly providing "specific instances where this Court addressed on appeal an award of attorney fees and costs in what were necessarily attorney fees and costs awards reduced to 'final judgments' and entered after a prior final judgment." While both cases did address the propriety of an award of attorney fees, neither addressed whether a judgment including previously awarded fees and costs restarted the time to appeal. As a result, neither supports their position that the second Judgment restarted their time to file a notice of appeal.

For the reasons discussed above, we hold that the district court's Order on Costs and Fees was entered after final judgment. Under Idaho Rule of Civil Procedure 11.2(b)(1), a motion to reconsider that order would be timely only if it was filed within fourteen days of the date the order was entered. The first motion for reconsideration filed by MRS and IEP was not. Therefore, it was untimely and did not terminate the time to appeal from the Order on Costs and Fees. The notice of

appeal was not filed within forty-two days of that order. This Court therefore lacks jurisdiction to review the Order on Costs and Fees.

However, the notice of appeal was timely filed following the issuance of the order denying the second motion for reconsideration. While this Court has jurisdiction to review the denial of the second motion for reconsideration, MRS and IEP have waived that issue on appeal. The second motion for reconsideration argued that the district court erred in denying the first motion for reconsideration. MRS and IEP do not articulate how the district court erred in denying the second order on the motion for reconsideration. "A party waives an issue cited on appeal if either authority or argument is lacking, not just if both are lacking." *Dep't of Fin., Sec. Bureau v. Zarinegar*, 167 Idaho 611, 627, 474 P.3d 683, 699 (2020) (quoting *AgStar Fin. Servs., ACA v. Nw. Sand & Gravel, Inc.*, 161 Idaho 801, 815–16, 391 P.3d 1271, 1285–86 (2017)). MRS and IEP's failure to address the district court's order denying their second motion for reconsideration in their opening brief constitutes a waiver of any challenge to that order.

Moreover, the relief sought in MRS's and IEP's opening brief is reversal of the district court's Order on Costs and Fees. For the reasons previously discussed, we lack jurisdiction to consider the merits of that decision and therefore cannot award the relief requested on appeal. As a result, we affirm the district court's denial of the second motion for reconsideration filed by MRS and IEP.

B. The parties are not entitled to an award of attorney fees on appeal.

Each party requests attorney fees on appeal. MRS and IEP are not entitled to fees because they are not the prevailing parties. Wood requests fees pursuant to Idaho Code section 12-121. An award of attorney fees pursuant to Idaho Code section 12-121 is "appropriate when this Court is left with an abiding belief that the appeal has been brought or defended frivolously, unreasonably, or without foundation." *Page v. Pasquali*, 150 Idaho 150, 153, 244 P.3d 1236, 1239 (2010) (quoting *Karlson v. Harris*, 140 Idaho 561, 571, 97 P.3d 428, 438 (2004)). Though the appeal brought by MRS and IEP is unsuccessful, an unsuccessful appeal is not necessarily frivolous. "Rather, the question is whether the position adopted was not only incorrect, but so plainly fallacious that it could be deemed frivolous, unreasonable, or without foundation." *Garner v. Povey*, 151 Idaho 462, 468, 259 P.3d 608, 614 (2011) (quoting *Snipes v. Schalo*, 130 Idaho 890, 893, 950 P.2d 262, 265 (Ct. App. 1997)). Though unsuccessful, the arguments made by MRS and

IEP, both as to the scope of this Court's jurisdiction and the merits of their appeal, are not so plainly fallacious as to be frivolous, unreasonable or without foundation.

III. CONCLUSION

For the foregoing reasons, we do not address the merits of the district court's order awarding costs and attorney fees to Wood, and we affirm the district court's order denying MRS and IEP's second motion for reconsideration of that order. Wood is entitled to costs on appeal.

Chief Justice BEVAN, and Justices BRODY, MOELLER, and MEYER CONCUR.

ON GRANT OF PETITION FOR REHEARING

Medical Recovery Services, LLC ("MRS") and Intermountain Emergency Physicians, PLLC ("IEP") filed a Petition for Rehearing with this Court, arguing that our opinion erred in concluding their appeal was untimely because the final judgment in this case was not filed until January 29, 2026. For the reasons discussed below, we agree that their appeal was timely because the district court's Fourth Amended Judgment, filed January 29, 2026, established the date from which the time to appeal began to run. For this reason, we grant the Petition for Rehearing.

On the merits of their appeal, we hold that the district court did not err in (1) finding that Taylor L. Wood was the prevailing party in a collection action below and (2) awarding her costs and attorney fees. We therefore affirm the district court's decisions in that regard. However, we reverse the district court's decision as to the amount of that award because it failed to consider an argument raised by MRS and IEP. We remand so the district court can consider that argument and redetermine the appropriate amount of fees and costs to be awarded.

A. The petition for rehearing is granted and the request to reset the briefing schedule is denied.

Appellants' petition is premised on the Fourth Amended Judgment, which concerned in part third-party claims made by Taylor's husband, Tyson. A brief discussion of those claims and how they came to be dismissed illustrates why a Fourth Amended Judgment was required.

After MRS filed its complaint against Taylor, she responded and filed counterclaims against MRS and a third-party complaint against IEP. Without making any request for joinder, Taylor's counsel added her husband, Tyson, to the third-party complaint as a third-party plaintiff.

MRS and IEP subsequently filed a "Motion to Strike and Dismiss Tyson J. Wood's Third-Party Complaint." The motion was not included in the record on appeal. In court minutes, the district court refers to MRS and IEP's motion as both a motion to strike and a motion to dismiss. Before the district court issued a decision on MRS and IEP's motion, Taylor's attorney filed the First Amended Third Party Complaint without obtaining leave of the district court, which removed Tyson as a party.

The district court held a hearing on MRS and IEP's motion to strike and dismiss, but the record contains no transcript from the hearing, only court minutes. The minutes indicate the district court granted the motion to strike and dismiss, but the record contains no signed order, so it is unclear whether the district court struck Tyson as a third-party plaintiff or if it dismissed Tyson's claims. Further, no judgment was filed relating to Tyson's third-party complaint.

After this appeal was fully briefed and under consideration, MRS and IEP filed a motion for a temporary remand to the district court. MRS and IEP asserted that because judgment had not been entered on Tyson's third-party claims, there was no final judgment, making the appeal premature. We concluded that a temporary remand was appropriate given the ambiguity in the record regarding whether Tyson was struck as a third-party plaintiff or if his claim was dismissed. If Tyson was struck as a third-party plaintiff, he was never a party to the case and the issuance of the amended final judgment was not required. *See, e.g.*, *Halterman v. Pac. Gas & Elec. Co.*, 71 P.2d 855, 856 (Cal. Dist. Ct. App. 1937) ("[T]he order striking [the] cross-defendant, being a final judgment and a termination of the action as to her, is therefore appealable."). If instead Tyson's third-party claim was dismissed, then a judgment was necessary to resolve all claims between all parties. I.R.C.P. 54 (a)(1) ("A judgment is final if . . . judgment has been entered on all claims for relief, except costs and fees, asserted by or against all parties in the action."). Because the record did not clearly indicate what occurred, this Court ordered a conditional dismissal of the appeal on December 22, 2025, so that the district court could enter judgment dismissing Tyson's claim to ensure that all claims were resolved as required by Idaho Rule of Civil Procedure 54.

In response to that order, on January 16, 2026, the district court entered a Second Amended Judgment dismissing:

- MRS' claims against Taylor with prejudice;
- Taylor's claims against MRS and IEP with prejudice; and
- Tyson's claims against IEP with prejudice.

The Second Amended Judgment also awarded $19,890.75 in attorney fees to Taylor against MRS. The district court subsequently entered third and fourth amended judgments on January 29, 2026, dismissing with prejudice Tyson Woods' joint claims against MRS and IEP. The Fourth Amended Judgment resolved all the claims between the parties and was the final judgment in the case. Because "Idaho Appellate Rule 14 provides that an appeal of right from a district court must be made within forty-two days from the date of judgment or order," *Petersen v. Millennial Dev. Partners, LLC*, 175 Idaho 511, 516, 567 P.3d 780, 785 (2025) (citing I.A.R. 14(a)), the Fourth Amended Judgment established the date from which the time to appeal began to run, *see id.* at 517, 567 P.3d at 786. The appeal was timely because it was filed within forty-two days of the entry of the final judgment that resolved all claims between the parties. *See* I.A.R. 17(e)(2) ("A notice of appeal filed from an appealable judgment or order before formal written entry of such document shall become valid upon the filing and placing the stamp of the clerk of the court on such appealable judgment or order, without refiling the notice of appeal.").

Having concluded that the appeal was timely filed, this Court has jurisdiction to review the appeal, and we grant the petition for rehearing. Although we are granting "rehearing," no new hearing will be held, and we will decide the merits of this matter on the briefs filed. MRS and IEP also requested that we reset the briefing schedule so that they can rebrief the appeal to address arguments relating to Tyson. However, MRS and IEP's briefing already addressed those arguments; therefore, we deny the request to reset the briefing schedule.

Turning to the merits, this appeal concerns the district court's decision awarding attorney fees and costs to Taylor under Idaho Code section 12-121. MRS and IEP also challenge the district court's decisions denying MRS and IEP's two motions seeking reconsideration of that order. MRS and IEP's arguments on appeal focus on three contentions: (1) the district court erred by determining Taylor was the prevailing party; (2) the district court erred in awarding Taylor attorney fees; and (3) the amount of attorney fees awarded were not reasonable. We address each contention in turn.

B. The district court did not err in declaring Taylor to be the prevailing party.

As discussed above, MRS, IEP, and the Woods each filed competing motions for an award of attorney fees and costs, arguing that they were the prevailing party. The district court determined that Taylor was the prevailing party. On appeal, MRS and IEP argue that the district court erred because they prevailed on Taylor's counterclaim and on Taylor and Tyson's third-party complaint.

We hold that the district court did not err when it determined that Taylor was the overall prevailing party in the lawsuit. We review a district court's determination for an abuse of discretion. *Petersen*, 175 Idaho at 518, 567 P.3d at 787. "Only in rare cases has this Court or the Court of Appeals reversed a trial court's determination of which party prevailed." *Id.* (quoting *Green River Ranches, LLC v. Silva Land Co.*, 162 Idaho 184, 188, 395 P.3d 804, 808 (2017)). In this case, the district court recognized that determination of the prevailing party is a matter of discretion, applied the relevant law related to determining the overall prevailing party of an action, and made a reasonable determination.

This case began with MRS' suit against Taylor. Taylor eventually obtained dismissal of MRS' claim. The district court found that Taylor was the overall prevailing party because she achieved her overall goals in getting the complaint against her dismissed. What legal strategies she may have used to achieve that result are not necessarily determinative in the prevailing party analysis. Although MRS and IEP obtained dismissal of the counterclaims and third-party complaints, it was MRS' lawsuit that precipitated those claims in the first place.

MRS and IEP argue that the district court erred because its analysis focused on whether the lawsuit was frivolous rather than on the lawsuit's results. They contend that the district court ignored the fact that MRS and IEP "obtained a dismissal" of all six counterclaims and the third-party complaints and that Taylor cannot be a prevailing party because MRS and IEP successfully defeated Taylor's claims against them. These arguments are unpersuasive.

"In determining which party prevailed in an action where there are claims and counterclaims between opposing parties, the court determines who prevailed 'in the action.' That is, the prevailing party question is examined and determined from an overall view, not a claim-by-claim analysis." *Eighteen Mile Ranch, LLC v. Nord Excavating & Paving, Inc.*, 141 Idaho 716, 719, 117 P.3d 130, 133 (2005). Thus, "the issue . . . is not who succeeded on more individual claims, but rather who succeeded on the main issue of the action." *Syringa Networks, LLC v. Idaho Dep't of Admin.*, 159 Idaho 813, 831, 367 P.3d 208, 226 (2016) (quoting *Hobson Fabricating Corp. v. SE/Z Constr., LLC*, 154 Idaho 45, 49, 294 P.3d 171, 175 (2012)).

The district court correctly applied this caselaw and viewed the case from an overall perspective when determining whether either party prevailed. MRS and IEP's argument reduces the analysis to a simple math problem, with the dismissal of the six counterclaims counting for more than the dismissal of the single claim. Although the counterclaims and third-party complaints

were dismissed, "[m]ere dismissal of a claim without trial does not necessarily mean that the party against whom the claim was made is a prevailing party for the purpose of awarding costs and fees." *Eighteen Mile Ranch*, 141 Idaho at 719, 117 P.3d at 133 (quoting *Chenery v. Agri-Lines Corp.*, 106 Idaho 687, 692, 682 P.2d 640, 645 (Ct. App. 1984)). The district court had no obligation to find MRS and IEP were prevailing parties simply because the claims against them were dismissed. To be sure, the district court could have analyzed the case differently and handed down a more favorable result to MRS and IEP. However, the essence of discretion is that the district court act within the bounds of the law, which it did here.

For these reasons, we hold that the district court did not abuse its discretion by finding that MRS and IEP were not prevailing parties and finding that Taylor was the overall prevailing party in the case.

C. The district court did not err by awarding Taylor attorney fees under Idaho Code section 12-121.

The district court awarded Taylor attorney fees pursuant to Idaho Code section 12-121. In doing so, the district court determined that MRS' lawsuit against Taylor was filed frivolously, unreasonably, and without foundation. Relying on Idaho Rule of Civil Procedure 11(b)(3), it noted that, by signing the complaint, MRS' counsel certified that the factual contentions in the complaint had evidentiary support to the best of his knowledge. However, the debt had already been settled before the complaint was filed, and the district court found that "[a] minimal amount of evidence gathering on the part of both MRS and its counsel would have revealed the Settlement Contract[.]" On reconsideration, the district court specifically found that MRS' failure to investigate the debt was the underlying cause of the frivolous lawsuit.

MRS argues that its lawsuit was not frivolous. It asserts that it had a cognizable claim because IEP had assigned Taylor's debt to MRS and that the district court made erroneous factual findings because MRS did investigate the validity of the debt. We hold that the district court did not err when it found that the lawsuit was frivolously filed.

"Fees under [Idaho Code section] 12-121 are not awarded to a prevailing party as a matter of right." *Garner v. Povey*, 151 Idaho 462, 467–68, 259 P.3d 608, 613–14 (2011). Rather, section 12-121 allows an award of attorney fees to the prevailing party when the district court "is left with the abiding belief that the action was pursued, defended, or brought frivolously, unreasonably, or without foundation." *Id.* at 468, 259 P.3d at 614 (quoting *C & G, Inc. v. Rule*, 135 Idaho 763, 769, 25 P.3d 76, 82 (2001)). "If there is a legitimate, triable issue of fact or a legitimate issue of law,

attorney fees may not be awarded under [Idaho Code section 12-121]." *Kiebert v. Goss*, 144 Idaho 225, 228, 159 P.3d 862, 865 (2007). "The district court's determination as to whether an action was brought or defended frivolously will not be disturbed absent an abuse of discretion." *Idaho Mil. Hist. Soc'y, Inc. v. Maslen*, 156 Idaho 624, 629, 329 P.3d 1072, 1077 (2014).

Here, the district court acknowledged that the decision on whether a case was brought frivolously was a matter of discretion. It acted within the outer bounds of its discretion and consistently with applicable legal standards because its determination was based upon the "abiding belief that MRS pursued the lawsuit frivolously, unreasonably, and without foundation." Finally, it exercised reason in reaching this conclusion. The district court pointed to a significant amount of evidence to support its conclusion that the lawsuit was frivolous. For example, it noted:

- The lack of communication between IEP, MRS, and their attorneys prior to filing the complaint;
- MRS' attorney's failure to investigate the validity of its claim before filing the complaint;
- MRS' delivery of a letter to Taylor stating "[i]f you notify us in writing within 30 days after receipt of this notice that you dispute the validity of this debt, or any portion thereof, we will obtain verification." (Capitalization omitted.) Although Taylor sent a letter as instructed through her counsel, a complaint was filed against her to recover the canceled debt.

MRS argues that the lawsuit was not frivolous because IEP had assigned Taylor's debt to MRS. MRS contends that following this assignment, IEP did not have control of the debt and thus could not cancel it without consent from MRS. Because of this, MRS argues that it maintained a cognizable claim against Taylor to recover the debt assigned to it, regardless of what Taylor negotiated with IEP.

MRS' argument relies on the notion that a debt still existed. However, MRS conceded in its motion to voluntarily dismiss its complaint against Taylor that IEP and Taylor "had entered a settlement agreement *cancelling the debt at issue* in the complaint." (Emphasis added.) Given this concession, MRS cannot argue that it maintained a legally cognizable claim for a nonexistent debt. Further, MRS did not litigate issues of assignability and notice and did not receive a judgment in its favor on those points. MRS' contention that IEP violated MRS' rights as its assignee would

best be pursued in an action against IEP, not Taylor.[1] For these reasons, MRS' argument that the district court erred in finding its complaint frivolous is unpersuasive.

Second, MRS contends that the district court made erroneous factual findings when it found that, had MRS investigated the debt as required, it would have discovered the settlement agreement. MRS argues that it presented evidence demonstrating that it investigated the validity of the debt upon receipt of Taylor's letter challenging the debt. MRS makes much of the fact that the Woods did not sign the settlement until June 30, 2023, two weeks after MRS asserts it investigated the debt. MRS filed its complaint against Taylor nearly four months later, on October 10. Regardless of when MRS conducted its initial investigation of the debt relative to the signing of the settlement, the agreement was entered into *several months before* MRS filed its complaint. The district court acted within its discretion when it concluded that an investigation performed months prior to the filing of the complaint was not sufficient to support the factual contentions made in MRS' complaint.

Finally, MRS argues that its complaint was not frivolous because the legal issue Taylor raised in her letter challenging the validity of the debt was meritless. The district court did not determine that the lawsuit was frivolous based on the merits of Taylor's letter contesting the debt. Rather, the district court's finding focused on MRS' lack of investigation into the validity of the debt prior to filing its complaint.

MRS has failed to demonstrate that the district court erred when it found the lawsuit was filed frivolously. Accordingly, we affirm the district court's award of attorney fees to Taylor under Idaho Code section 12-121.

D. The district court failed to address MRS' argument that the fees Taylor incurred after MRS filed its motion to dismiss without prejudice were unreasonable.

The district court granted Taylor's request for fees with minor adjustments, awarding her $19,890.75 in attorney fees and costs. MRS argues that the amount of fees awarded constituted an abuse of discretion. Specifically, MRS contends that: Taylor should not have recovered any attorney fees incurred for pursing her counterclaim and third-party complaint; Taylor should not have recovered fees for work done defending the complaint after MRS made its offer of judgment; Taylor's attorneys "churned the file" to increase fees; and Taylor should not have recovered fees incurred after MRS filed its motion to dismiss.

[1] MRS and IEP are represented on appeal by the same attorney.

"[T]he calculation of a reasonable attorney fee is within the trial court's discretion." *Bailey v. Bailey*, 153 Idaho 526, 529, 284 P.3d 970, 973 (2012). MRS, as the party opposing the award, has the burden of demonstrating that the district court abused its discretion. *Id.* The district court recognized that the calculation of reasonable attorney fees was within its discretion. Idaho Rule of Civil Procedure 54(e)(3) provides the factors a court must review when calculating fees. The district court recognized those factors and walked through each factor to determine what fees would be reasonable. While the court generally exercised reason in its analysis, we hold that it erred when it failed to address MRS' argument that any fees incurred after MRS filed its motion to dismiss were unreasonable.

The majority of MRS' arguments concerning the amount of fees awarded are unpersuasive. MRS cites no authority in support of its argument that Taylor should not recover attorney fees incurred in pursuing her counterclaim and third-party complaints because they were dismissed. Indeed, our relevant caselaw holds the inverse: "the award of reasonable attorney fees is not required to be limited to the claims upon which the prevailing party prevailed." *Advanced Med. Diagnostics, LLC v. Imaging Ctr. of Idaho, LLC*, 154 Idaho 812, 815–16, 303 P.3d 171, 174–75 (2013).

MRS' second argument, that Taylor should not have recovered attorney fees defending against MRS' complaint after it made its offer of judgment, is similarly unpersuasive. MRS simply asserts that "no good reason existed for Taylor to incur any additional attorney fees defending against MRS' complaint." The district court addressed this argument in its Order Denying Plaintiff's/Third-Party Defendant's Motion for Reconsideration. The court explained that the offer of judgment only included "Taylor and Tyson's attorney fees and costs, incurred to date," and excluded fees and costs related to the Woods' counterclaims and third-party complaint. In contrast, the final award of fees and costs included the entire litigation. The district court reasoned that "Taylor's attorneys should [not] be faulted for their decision to proceed with litigation on claims against a frivolous lawsuit," and awarded Taylor fees inclusive of the counterclaims and third-party complaint. MRS simply disagrees with the district court's reasoning. However, the district court acted within the bounds of its discretion, consistent with the law, and provided reasoning supporting its conclusion. MRS has failed to establish the district court erred on this point.

MRS' third argument, that Woods' attorneys incurred excessive fees by "churning the file," fares no better. The district court reviewed MRS' three instances of alleged churning and found

that "the time spent on the tasks described do[es] not fall outside the boundaries of reasonableness." MRS now asks us to second-guess the district court, but "[t]his Court does not reweigh evidence on appeal." *Bickerstaff v. Bickerstaff*, 177 Idaho 343, ___, 589 P.3d 551, 577 (2026). For the reasons stated above, the district court did not abuse its discretion by awarding Taylor, the overall prevailing party, attorney fees for her counterclaim and third-party complaint before MRS filed its motion to dismiss.

However, MRS' fourth and final argument does establish error. MRS asserted below in a motion for reconsideration, and again on appeal, that Taylor is not entitled to any fees she incurred after MRS filed its motion to dismiss. MRS argues that there was no reason for the Woods to continue to litigate their counterclaims and third-party complaint after MRS filed its motion to dismiss. The Woods incurred over half their attorney fees after MRS filed its motion to dismiss. The district court failed to address this argument in its decision denying reconsideration.

The limited record on appeal prevents us from reviewing whether the fees were reasonably incurred. A variety of factors could impact whether the fees were reasonably incurred. We do not set out an exhaustive list of potential factors, but examples include: which party(ies) were advancing the litigation that resulted in the fees, when the notice of hearing was filed for the motion to dismiss, and if there were case deadlines that required the parties to litigate the counterclaims and third-party complaint before the motion was heard. This inquiry will undoubtedly require substantial factfinding, which we leave to the district court in the first instance. *Indus. Inv. Corp. v. Rocca*, 100 Idaho 228, 234, 596 P.2d 100, 106 (1979) ("It is the province of the trial court, rather than the appellate court, to determine factual questions. In the absence of sufficient findings to determine those factual questions, a remand is necessary." (citations omitted)). To be clear, our remand expresses no opinion on whether the post-motion fees were reasonably incurred; we are merely holding that the district court must consider the argument and make factual findings to arrive at a reasoned decision regarding the amount of fees awarded.

E. Neither party is entitled to attorney fees on appeal.

MRS and IEP argue that they are entitled to attorney fees and costs on appeal under Idaho Appellate Rules 40 and 41. "This Court has 'repeatedly held that simply requesting an award of attorney fees pursuant to Idaho Appellate Rule 41, without citing any statutory or contractual basis for the award, is insufficient to raise the issue of attorney fees on appeal.'" *Lands v. Sunset Manor, LP*, 173 Idaho 658, 672, 546 P.3d 670, 684 (2024) (quoting *Sallaz v. Rice*, 161 Idaho 223, 230,

384 P.3d 987, 994 (2016)). Because MRS and IEP cite no such basis, we decline to award them fees on appeal.

Taylor requests attorney fees under Idaho Code section 12-121. "In any civil action, the judge may award reasonable attorney's fees to the prevailing party or parties when the judge finds that the case was brought, pursued or defended frivolously, unreasonably or without foundation." I.C. § 12-121. IEP partially prevailed on appeal and obtained a remand for the district court to consider the reasonableness of a portion of its fee award. Given that result, we cannot conclude that Taylor is the prevailing party on appeal and therefore we decline to award her fees on appeal.

CONCLUSION

For the reasons discussed herein, the petition for rehearing is granted. We affirm the district court's decisions finding Taylor to be the prevailing party and awarding her fees pursuant to Idaho Code section 12-121. But we reverse the decision as to the amount of fees awarded and remand for further proceedings so the district court can consider the reasonableness of the fees incurred following MRS' filing of its motion to dismiss. Since both parties prevailed in part on appeal, we decline to award costs on appeal.

Chief Justice BRODY, and Justices BEVAN, MOELLER, and MEYER CONCUR. This matter was decided prior to the retirement of Justice Bevan, and he participated fully.