

MAR 04 2011

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U.S. BKCY. APP. PANEL  
OF THE NINTH CIRCUIT

**ORDERED PUBLISHED**

**UNITED STATES BANKRUPTCY APPELLATE PANEL  
OF THE NINTH CIRCUIT**

6	In re:	)	BAP No.	EC-10-1309-DHKi
7	ROBERT J. CAREY,	)	Bk. No.	09-31861
8	Debtor.	)	Adv. No.	09-02531
9	_____	)		
10	CHARLIE Y., INC.,	)		
11	Appellant,	)		
12	v.	)	<b>OPINION</b>	
13	ROBERT J. CAREY,	)		
14	Appellee.	)		
	_____	)		

Argued and Submitted on February 17, 2011  
at Sacramento, California

Filed - March 4, 2011

Appeal from the United States Bankruptcy Court  
for the Eastern District of California

Honorable Christopher Klein, Bankruptcy Judge, Presiding.

Appearances: Elizabeth Shoemaker argued for Appellant Charlie Y.,  
Inc. and Kenrick Young argued for Appellee Robert J.  
Carey.

Before: DUNN, HOLLOWELL, and KIRSCHER, Bankruptcy Judges.

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1 DUNN, Bankruptcy Judge:

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3 Following trial of an adversary proceeding ("Adversary  
4 Proceeding"), the bankruptcy court excepted from discharge  
5 Charlie Y., Inc.'s ("Appellant") claim against Robert J. Carey  
6 ("Debtor") for breach of a guarantee obligation in circumstances  
7 in which Appellant alleged that the Debtor had made written  
8 misrepresentations regarding his financial condition. After a  
9 judgment was entered in Appellant's favor for \$35,000, Appellant  
10 moved for an award of attorney's fees in the amount of  
11 \$43,155.25. Debtor opposed the motion. After a hearing, the  
12 bankruptcy court denied Appellant's motion for attorney's fees  
13 based on its conclusion that Appellant's complaint in the  
14 Adversary Proceeding did not state a claim for attorney's fees  
15 consistent with the requirements of Federal Rule of Bankruptcy  
16 Procedure 7008(b).<sup>1</sup> For the reasons set forth below, we VACATE  
17 the bankruptcy court's dismissal of Appellant's Fee Motion and  
18 REMAND to the bankruptcy court to determine an appropriate award  
19 of attorney's fees in Appellant's favor.

20 FACTS<sup>2</sup>

21 This appeal results from collection efforts concerning  
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23 <sup>1</sup> Unless otherwise indicated, all chapter, section and rule  
24 references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, and  
25 to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037.  
26 The Federal Rules of Civil Procedure are referred to as Civil  
Rules.

27 <sup>2</sup> Only such factual background from the record of the  
28 Adversary Proceeding as is relevant to this appeal is included  
herein.

1 defaults on a restaurant purchase obligation. In 2003, Appellant  
2 sold its restaurant business to SGBD Restaurant I LLC, a Delaware  
3 limited liability company ("SGBD"). The unpaid balance of the  
4 purchase price was to be paid pursuant to a promissory note  
5 ("Promissory Note") in the principal amount of \$90,000, bearing  
6 interest at 8% per annum, signed on behalf of SGBD by David A.  
7 Zebny ("Zebny") and Virginia Ann George ("George") as its Member  
8 Managers. The Promissory Note provided that,

9       If any action be instituted on this Promissory Note,  
10       the undersigned agree to pay such sums as the Court may  
11       fix as attorney's fees, costs and expenses associated  
12       therewith.

12       Payment of the Promissory Note was supported by the personal  
13       guarantees ("Guarantee") "jointly and severally, unconditionally  
14       and irrevocably" of Zebny and George. The Guarantee provided  
15       that,

16       The undersigned jointly and severally agree to pay on  
17       demand . . . all expenses of collecting and enforcing  
18       this guarantee including, without limitation, expenses  
19       and fees of legal counsel, court costs and the cost of  
20       appellate proceedings.

19       In February 2005, the Debtor replaced George as a personal  
20       guarantor of payment of the Promissory Note. The Debtor's  
21       acceptance of guarantee obligations was documented by a First  
22       Addendum to Promissory Note and Personal Guaranty (the  
23       "Replacement Guarantee"), dated February 18, 2005, and signed by  
24       the Debtor "as an Individual and Member of SGBD . . . and  
25       Guarantor." Appellant and SGBD agreed in the Replacement  
26       Guarantee that the Promissory Note and Guarantee would "remain in  
27       full effect" subject to the modifications set forth in the  
28       Replacement Guarantee. The Replacement Guarantee further

1 provided that,

2 [The Debtor and Zebny] agree to act as responsible  
3 parties for all liability under the [Promissory] Note  
4 as members of [SGBD] and under the [Guarantee] as  
5 individuals. [The Debtor] has been a member of [SGBD]  
6 since its inception.

7 Following a default by SGBD of its payment obligations under  
8 the Promissory Note, Appellant began collection efforts against  
9 SGBD and Zebny, resulting in collection of part of the balance  
10 owed on the Promissory Note. However, by late 2008, Zebny ceased  
11 communicating with Appellant, and Appellant received notice that  
12 SGBD had filed for bankruptcy protection. At that point,  
13 Appellant contacted the Debtor to collect under the Replacement  
14 Guarantee, without success. On or about May 6, 2009, Appellant  
15 filed a complaint in Marin County, California Superior Court  
16 against the Debtor for collection of the outstanding balance  
17 under the Promissory Note. The Debtor filed his chapter 7  
18 bankruptcy petition on or about June 10, 2009.

19 On or about August 17, 2009, Appellant filed its complaint  
20 ("Complaint") to except the Debtor's debt to Appellant under the  
21 Replacement Guarantee from discharge pursuant to § 523(a)(2)(B).  
22 In the preamble to the Complaint, Appellant stated:

23 Plaintiff requests entry of a non-dischargeable  
24 judgment against the Debtor for the full amount of any  
25 debt (including, but not limited to principal,  
26 interest, costs, and attorney's fees) determined to be  
27 owing to Plaintiff by the Debtor and determined to be  
28 non-dischargeable pursuant to 11 U.S.C. § 523.  
(Emphasis added.)

29 In Paragraph 1 of the Complaint, Appellant alleged that,

30 Plaintiff received a promissory note guaranteed by  
31 Defendant, and on May 6, 2009, Plaintiff filed a  
32 complaint in Marin County Superior Court to collect  
33 from Defendant the amount owed on the promissory note.

1 In Paragraph 7 of the Complaint, Appellant alleged, among other  
2 things, that the Debtor signed the Replacement Guarantee. In  
3 Paragraph 10 of the Complaint, Appellant alleged that,

4 On or about May 6, 2009, Plaintiff filed a complaint  
5 against Defendant in Marin County Superior Court  
6 demanding payment of damages in the amount of  
\$37,040.45, interest on such damages, and attorney's  
fees. (Emphasis added.)

7 In its First Claim for Relief under 11 U.S.C. § 523(a)(2)(B), in  
8 Paragraph 19 of the Complaint, Appellant "re-alleges and  
9 incorporates by reference the previous allegations of paragraphs  
10 1 through 18 above as though fully set forth herein." In its  
11 Prayer for Relief, Paragraph B, Appellant requests "judgment for  
12 such non-dischargeable debt in the full amount of Plaintiff's  
13 damages (including principal, accrued and accruing interest,  
14 costs, and attorney's fees) to be proved at trial . . . ."

15 (Emphasis added.)

16 In his Answer to the Complaint, the Debtor "prays that  
17 Plaintiff's Complaint be dismissed and Defendant be awarded  
18 reasonable attorney's fees and for any other relief the court may  
19 deem appropriate." (Emphasis added.)

20 The Adversary Proceeding was tried by the bankruptcy court  
21 on May 13, 2010. In her opening statement at the trial, counsel  
22 for Appellant requested an exception to discharge determination  
23 as to Appellant's damages "plus legal costs and attorneys' fees"  
24 but otherwise did not present any evidence as to the attorney's  
25 fees that Appellant sought to collect from the Debtor at the  
26 trial.

27 Following the presentation of evidence, the bankruptcy court  
28 made oral findings in favor of Appellant on its § 523(a)(2)(B)

1 claim for relief. An exception to discharge judgment  
2 ("Judgment") in favor of Appellant, awarding damages of \$35,000  
3 against the Debtor, was entered on May 13, 2010. Neither party  
4 appealed the Judgment.

5 On or about May 27, 2010, Appellant filed a Bill of Costs  
6 requesting a total costs award of \$1,688.56. The bankruptcy  
7 court denied Appellant an award of costs, stating as the reason:

8 The judgment entered in this case on May 13, 2010 does  
9 not award costs to the Plaintiff, so your Bill of Costs  
will not be entered.

10 Appellant did not appeal the denial of its Bill of Costs.

11 On or about June 10, 2010, Appellant filed a motion ("Fee  
12 Motion") for approval of an award of attorney's fees in the  
13 Adversary Proceeding, consistent with the terms of the Promissory  
14 Note. Appellant supported the Fee Motion with a Declaration of  
15 its counsel itemizing her time with respect to the collection  
16 efforts against the Debtor under the Replacement Guarantee.  
17 Debtor opposed the Fee Motion.

18 Following a hearing, the bankruptcy court dismissed the Fee  
19 Motion based on its conclusion that the Complaint did not state a  
20 claim for attorney's fees as required by Rule 7008(b). The  
21 bankruptcy court entered a minute order ("Minute Order")  
22 dismissing the Fee Motion on August 13, 2010.

23 Appellant filed a Notice of Appeal of the Minute Order on  
24 August 17, 2010.

#### 25 JURISDICTION

26 The bankruptcy court had jurisdiction under 28 U.S.C.  
27 §§ 1334 and 157(b)(2)(B) and (I). We have jurisdiction to  
28 determine our jurisdiction. Hupp v. Educational Credit

1 Management Corp. (In re Hupp), 383 B.R. 476, 478 (9th Cir. BAP  
2 2008). In this appeal, we conclude that we have jurisdiction  
3 under 28 U.S.C. § 158, as discussed below.

4 ISSUES

5 1) Was Appellant's Notice of Appeal filed timely?

6 2) Did the bankruptcy court err in dismissing the Fee  
7 Motion based on its conclusion that the Complaint did not state a  
8 claim for attorney's fees consistent with the requirements of  
9 Rule 7008(b)?

10 STANDARD OF REVIEW

11 Review of the bankruptcy court's decision to dismiss the Fee  
12 Motion based on failure to state a claim for attorney's fees in  
13 the Complaint is analogous to review of a decision on a motion to  
14 dismiss for failure to state a claim upon which relief can be  
15 granted under Civil Rule 12(b)(6). The standard for review is de  
16 novo. Movsesian v. Victoria Versicherung AG, 629 F.3d 901, 905  
17 (9th Cir. 2010). De novo means that we look at the matter anew,  
18 the same as if it had not been heard before, and as if no  
19 decision previously had been rendered, giving no deference to the  
20 bankruptcy court's determinations. McComish v. Bennett, 611 F.3d  
21 510, 519 (9th Cir. 2010).

22 DISCUSSION

23 I. Appellant's Notice of Appeal was timely.

24 The Debtor argues that we have no jurisdiction to hear  
25 Appellant's appeal because the notice of appeal was not filed  
26 timely. In relevant part, Rule 8002(a) states, "The notice of  
27 appeal shall be filed with the clerk within 14 days of the date  
28 of the entry of the judgment, order, or decree appealed from."

1 The untimely filing of a notice of appeal deprives us of  
2 jurisdiction. Slimick v. Silva (In re Slimick), 928 F.2d 304,  
3 306 (9th Cir. 1990); Greene v. United States (In re Souza), 795  
4 F.2d 855, 857 (9th Cir. 1986). Debtor's argument is that since  
5 the Judgment was entered on May 13, 2010, with no reservation for  
6 an award of attorney's fees, the appeal period ran 14 days later,  
7 on May 27, 2010, with no notice of appeal having been filed.  
8 Accordingly, the Notice of Appeal filed on August 17, 2010 was  
9 late, leaving us without jurisdiction to hear the appeal in this  
10 case.

11 Debtor's argument raises an interesting procedural question.  
12 Civil Rule 54 deals with judgments, costs and attorney's fees.  
13 Civil Rule 54(a)-(c) concern the form and content of judgments.  
14 Civil Rule 54(d)(1) and (2) concern claims for costs and  
15 attorney's fees. Specifically, Civil Rule 54(d)(2)(A) provides  
16 that a "claim for attorney's fees . . . must be made by motion  
17 unless the substantive law requires those fees to be proved at  
18 trial as an element of damages." Rule 7054, applicable in  
19 adversary proceedings in bankruptcy, provides in section (a) that  
20 "[Civil] Rule 54(a)-(c) . . . applies in adversary proceedings."  
21 Rule 7054(b) goes on to address the allowance of costs in  
22 adversary proceedings. However, Rule 7054 is silent as to the  
23 procedure for requesting allowance of attorney's fees in  
24 adversary proceedings. Unfortunately, there is no Advisory  
25 Committee Note to Rule 7054 providing any rationale for the  
26 omission to incorporate Civil Rule 54(d) for adversary  
27 proceedings. 10 Collier on Bankruptcy ¶ 7054.RH (Alan N. Resnick  
28

1 and Henry J. Sommer eds., 16th ed. 2010).<sup>3</sup>

2 Rule 7008(b), discussed in greater detail below, requires  
3 that a request for attorney's fees be pled as a claim in a  
4 complaint, but it does not shed any light on whether such a claim  
5 must be proven at trial or left for determination on application  
6 or motion following the trial. Certainly, a claim for attorney's  
7 fees could be a subject for the presentation of evidence at  
8 trial, but arguably, judicial economy is better served by leaving  
9 determination of a reasonable fee award to the prevailing party  
10 to follow the trial, when a complete time itemization can be  
11 presented to support the fee claim. As with Rule 7054, there is  
12 no Advisory Committee Note to Rule 7008(b) giving any procedural  
13 guidance as to how to deal with claims for attorney's fees beyond  
14 the pleading stage.

15 The Local Rules of Practice for the United States Bankruptcy  
16 Court for the Eastern District of California do not include any  
17 rule(s) for pursuing a claim for attorney's fees.<sup>4</sup>

18 In this appeal, we do not face the situation confronted by  
19 this Panel and the Ninth Circuit in In re Slimick, where the  
20 unappealed order entered in advance of the later judgment  
21 included a complete adjudication of the matters at issue. In re  
22

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23 <sup>3</sup> We suggest that the Judicial Conference's Advisory  
24 Committee on Bankruptcy Rules may want to address this apparent  
25 "gap" in Rule 7054.

26 <sup>4</sup> In contrast, Rule 293(a) ([Civil Rule] 54) of the Local  
27 Rules of the United States District Court for the Eastern  
28 District of California provides that, "Motions for awards of  
attorneys' fees to prevailing parties pursuant to statute shall  
be filed not later than twenty-eight (28) days after entry of  
final judgment." (Emphasis added.)

1 Slimick, 928 F.2d at 307-08. The Judgment simply does not  
2 address Appellant's attorney's fee claim, even though Appellant's  
3 counsel mentioned the claim for attorney's fees in her opening  
4 statement at the trial. If the bankruptcy court considered the  
5 Judgment to be a complete adjudication of the issues between  
6 Appellant and the Debtor, it could have so stated at the  
7 beginning of the hearing on the Fee Motion. Instead, the  
8 bankruptcy court heard argument and based its decision to dismiss  
9 the Fee Motion on its conclusion that the Complaint did not state  
10 a claim for attorney's fees.

11 In these circumstances, we conclude that no provision of the  
12 Rules proscribed the Appellant's request for an award of  
13 attorney's fees through the Fee Motion following the trial of the  
14 Adversary Proceeding. The bankruptcy court documented its final  
15 determination of the Fee Motion in the Minute Order entered on  
16 August 13, 2010. Appellant filed its Notice of Appeal of the  
17 Minute Order on August 17, 2010, well within the 14 day appeal  
18 period mandated by Rule 8002(a). Accordingly, we conclude that  
19 Appellant's appeal is timely.

20 II. The Complaint provided adequate notice to Debtor of  
21 Appellant's attorney's fee claim.

22 Since the decision of the Supreme Court in Travelers Cas. &  
23 Sur. Co. v. Pacific Gas & Elec. Co., 549 U.S. 443 (2007), the  
24 allowance of claims for attorney's fees in bankruptcy generally  
25 is recognized as governed by state law. Id. at 450-51. This is  
26 particularly true in exception to discharge cases, such as the  
27 Adversary Proceeding, where the litigation ordinarily has no  
28

1 direct impact on the bankruptcy estate.<sup>5</sup>

2 Under the American Rule, "the prevailing litigant is  
3 ordinarily not entitled to collect a reasonable attorneys' fee  
4 from the loser." Alyeska Pipeline Serv. Co. v. Wilderness Soc'y,  
5 421 U.S. 240, 247 (1975). However, this general rule can be  
6 overcome by statute or by an "enforceable contract" allocating  
7 attorney's fees. Fleischmann Distilling Corp. v. Maier Brewing  
8 Co., 386 U.S. 714, 717 (1967). See also Busson-Sokolik and Prag  
9 v. Milwaukee Sch. of Eng'g (In re Busson-Sokolik), \_\_\_ F.3d \_\_\_  
10 Nos. 08-4317, 09-4009 & 10-1456, at pp. 8-9 (7th Cir. Feb. 10,  
11 2011). In California, § 1021 of the California Code of Civil  
12 Procedure provides exactly that:

13 Except as attorney's fees are specifically provided for  
14 by statute, the measure and mode of compensation of  
15 attorneys and counselors at law is left to the  
16 agreement, express or implied, of the parties . . . .

17 See, e.g., Aozora Bank, Ltd. v. 1333 North Cal. Blvd, 15 Cal.  
18 Rptr.3d 340, 341 (2004).

19 In this case, Appellant relies on the provisions for  
20 attorney's fees in the Promissory Note and Guarantee, as  
21 discussed above, supported by the provisions of the Replacement  
22 Guaranty that 1) the provisions of the Promissory Note and

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23 <sup>5</sup> Before the Supreme Court, the appellee Pacific Gas &  
24 Electric Co. ("Pacific") argued that allowance of unsecured  
25 contract claims for postpetition attorney's fees was proscribed  
26 by § 506(b). The Supreme Court declined to address that argument  
27 because it had not been raised by Pacific before the bankruptcy  
28 court or earlier in the appeal process. Id. at 454-56. Whatever  
the merits of that argument in a claim allowance contest, it has  
no application in litigation over whether a claim should be  
excepted from the debtor's discharge, as in the Adversary  
Proceeding. See Cohen v. De la Cruz, 523 U.S. 213 (1998).

1 Guarantee would "remain in full effect," and 2) the Debtor agreed  
2 to accept responsibility for all liability under the Promissory  
3 Note and Guarantee. Appellant's claim for attorney's fees  
4 accordingly arises out of the terms of the parties' written  
5 contracts. Appellant argues that once it prevailed on its  
6 § 523(a)(2)(B) claim, the agreements entitled it to a judgment  
7 enhanced by its attorney's fees generated to establish and  
8 collect its claim.

9 The bankruptcy court dismissed Appellant's Fee Motion based  
10 on its determination that Appellant did not state a claim for  
11 attorney's fees in its Complaint consistent with the requirements  
12 of Rule 7008(b). Rule 7008 sets forth general rules for  
13 pleadings in adversary proceedings in bankruptcy. Rule 7008(b)  
14 states that, "A request for an award of attorney's fees shall be  
15 pleaded as a claim in a complaint . . . ." <sup>6</sup> However, Rule  
16 7008(a) provides that Civil Rule 8 generally applies in adversary  
17 proceedings. Civil Rule 8 lays out general rules for pleading in  
18 litigation in federal court. Civil Rule 8(a)(2) provides that a  
19 claim for relief must contain no more than "a short and plain  
20 statement of the claim showing that the pleader is entitled to  
21 relief . . . ."

22 The pleading provisions in the Civil Rules are intended to  
23 provide parties with adequate notice of the opposing party's  
24 claims or defenses.

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26 <sup>6</sup> It is not clear from the transcript of the hearing on the  
27 Fee Motion whether the bankruptcy court dismissed it because  
28 Appellant did not state a claim for attorney's fees in its "First  
Claim for Relief" or because Appellant did not include a separate  
"Second Claim for Relief," specifically addressing its claim for  
attorney's fees. See Hr'g Tr. (Aug. 3, 2010) at 10-12.

1 [T]he Federal Rules of Civil Procedure do not require a  
2 claimant to set out in detail the facts upon which he  
3 bases his claim. To the contrary, all the [Civil]  
4 Rules require is "a short and plain statement of the  
5 claim" that will give the defendant fair notice of what  
6 the plaintiff's claim is and the grounds upon which it  
7 rests . . . . Such simplified "notice pleading" is made  
8 possible by the liberal opportunity for discovery and  
9 the other pretrial procedures established by the  
[Civil] Rules to disclose more precisely the basis of  
both claim and defense and to define more narrowly the  
disputed facts and issues . . . . The [Civil] Rules  
reject the approach that pleading is a game of skill in  
which one misstep by counsel may be decisive to the  
outcome and accept the principle that the purpose of  
pleading is to facilitate a proper decision on the  
merits.

10 Conley v. Gibson, 355 U.S. 41, 47-48 (1957), abrogated on other  
11 grounds by Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007). See  
12 Swierkiewicz v. Soreme N.A., 534 U.S. 506, 512-14 (2002);  
13 Securities Investor Prot. Corp. v. Capital City Bank (In re  
14 Meridian Asset Mgmt, Inc.), 296 B.R. 243, 249 (Bankr. N.D. Fla.  
15 2003).

16 Factual allegations in a complaint "must be enough to raise  
17 a right to relief above the speculative level," Bell Atl. Corp.  
18 v. Twombly, 550 U.S. at 555, and must be adequate to "state a  
19 claim to relief that is plausible on its face." Ashcroft v.  
20 Iqbal, \_\_\_ U.S. \_\_\_, 129 S. Ct. 1937, 1949 (2009). However,  
21 dismissal on the pleadings is appropriate only if the complaint  
22 fails to plead facts sufficient "to raise a reasonable  
23 expectation that discovery will reveal evidence" supporting  
24 relief. Bell Atl. Corp. v. Twombly, 550 U.S. at 556.

25 In this appeal, the Complaint clearly stated in its first  
26 paragraph that Appellant sought an award of attorney's fees from  
27 the Debtor. In Paragraph 1 of the Complaint, Appellant  
28 identified the Promissory Note as a basis for its claim. In

1 Paragraph 7 of the Complaint, Appellant referenced the Debtor's  
2 execution of the Replacement Guarantee. In Paragraph 10 of the  
3 Complaint, Appellant noted that it previously filed a complaint  
4 against the Debtor in the Marin County Superior Court seeking  
5 damages including attorney's fees. In its First Claim for Relief  
6 in the Complaint, Appellant realleged the first 18 paragraphs of  
7 the Complaint, including Paragraphs 1, 7 and 10. Finally, in its  
8 Prayer for Relief, Appellant requested a judgment for damages  
9 "including principal, accrued and accruing interest, costs, and  
10 attorney's fees." In these circumstances, the Debtor cannot have  
11 been surprised that Appellant was asserting a claim for  
12 attorney's fees in the Complaint.

13 The Debtor expressed no such surprise. Indeed, in his  
14 Answer to the Complaint, the Debtor included a claim for an award  
15 of reasonable attorney's fees in his prayer for relief (without  
16 stating such a claim in any other part of the Answer). The  
17 Promissory Note, Guarantee and Replacement Guarantee do not  
18 provide for any right to attorney's fees for the Debtor.  
19 However, in an action based on such agreements, California Civil  
20 Code § 1717(a) provides reciprocal rights to attorney's fees for  
21 the prevailing party. Cal. Civ. Code § 1717(a);<sup>7</sup> Kachlon v.

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22  
23 <sup>7</sup> Cal. Civ. Code § 1717(a) provides:

24  
25 In an action on a contract, where the contract  
26 specifically provides that attorney's fees and costs,  
27 which are incurred to enforce that contract, shall be  
28 awarded either to one of the parties or to the  
prevailing party, then the party who is determined to  
be the party prevailing on the contract, whether he or  
she is the party specified in the contract or not,

(continued...)

1 Markowitz, 85 Cal. Rptr. 532, 556 (Cal. Ct. App. 2008) (affirming  
2 the statute makes "unilateral attorney fee clauses reciprocal");  
3 Brittalia Ventures v. Stuke Nursery Co., Inc., 62 Cal. Rptr. 3d  
4 467, 477 (Cal. Ct. App. 2007) (statute "prevents the oppressive  
5 use of one-sided attorney fee provisions"). We conclude that it  
6 is unlikely that the Debtor would assert a right to reasonable  
7 attorney's fees in these circumstances without being aware that  
8 Appellant was seeking attorney's fees against him, based on  
9 provisions of the Promissory Note and the Replacement Guarantee.

10 In addition, in his opposition to the Fee Motion and at the  
11 hearing on the Fee Motion, the Debtor made several arguments  
12 opposing the fee award requested by Appellant, including  
13 unreasonableness of the amount requested, but never asserted that  
14 he did not receive notice of Appellant's claim for attorney's  
15 fees from the Complaint.

16 There are few case authorities that deal with the adequacy  
17 of pleadings to assert a claim for attorney's fees for purposes  
18 of Rule 7008(b). The Debtor cites Garcia v. Odom (In re Odom),  
19 113 B.R. 623 (Bankr. C.D. Cal. 1990). In Odom, the bankruptcy  
20 court deemed the plaintiffs' claim for attorney's fees  
21 insufficient under Rule 7008(b) because it only was included in  
22 the plaintiffs' prayer for relief, rather than in the body of the  
23 complaint. See also Hartford Police F.C.U. v. DeMaio (In re  
24 DeMaio), 158 B.R. 890, 891-93 (Bankr. D. Conn. 1993).

25 In Ramsey v. Countrywide Home Loans, Inc. (In re Ramsey),

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<sup>7</sup>(...continued)  
shall be entitled to reasonable attorney's fees in  
addition to other costs.

1 424 B.R. 217 (Bankr. N.D. Miss. 2009), the plaintiff relied on an  
2 even more problematic basis to assert his attorney's fee claim:  
3 he requested an award of attorney's fees in final argument at the  
4 trial in conjunction with a motion for leave to amend his  
5 complaint accordingly, where the complaint did not include any  
6 request or claim for attorney's fees at all. The bankruptcy  
7 court denied his motion and his plea for attorney's fees based on  
8 Rule 7008(b). Id. at 226.

9 This case is distinguishable from both Odom and Ramsey  
10 because Appellant's claim for attorney's fees is stated in the  
11 preamble and referenced in the body of the Complaint as well as  
12 in the Prayer for Relief. Supporting factual allegations are  
13 included in various paragraphs in the body of the Complaint.

14 The Debtor also argues that Appellant's Complaint is  
15 deficient in that Appellant's claim for attorney's fees is not  
16 pled with sufficient specificity under Civil Rule 9(g), citing  
17 United Indus., Inc. v. Simon-Hartley, Ltd., 91 F.3d 762 (5th Cir.  
18 1996); Maidmore Realty Co., Inc. v. Maidmore Realty Co., Inc.,  
19 474 F.2d 840 (3d Cir. 1973); and Botosan v. Fitzhugh, 13 F. Supp.  
20 2d 1047 (S.D. Cal. 1998). These authorities stand for the  
21 general proposition that claims for attorney's fees are claims  
22 for "special damages" that must be specifically pleaded under  
23 Civil Rule 9(g).<sup>8</sup> Under Rule 7009, all of Civil Rule 9 applies  
24 in adversary proceedings in bankruptcy.

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25  
26 <sup>8</sup> Civil Rule 9(g) provides: "If an item of special damage  
27 is claimed, it must be specifically stated." The Ninth Circuit  
28 has not yet specifically addressed whether claims for attorney's  
fees are items of special damage.

1           The Debtor did not refer to either Civil Rule 9(g) or Rule  
2 7009 in his opposition to the Fee Motion or at the hearing on the  
3 Fee Motion. Ordinarily, we do not consider arguments that were  
4 neither raised nor addressed before the bankruptcy court. See  
5 Cooper Indus., Inc. v. Aviall Servs., Inc., 543 U.S. 157, 168-69  
6 (2004). However, we can consider an argument not raised  
7 specifically before the bankruptcy court as a matter of  
8 discretion, and we will do so here. See, e.g., Hi Tech  
9 Communications Corp. v. Poughkeepsie Bus. Park, LLC (In re  
10 Wheatfield Bus. Park, LLC), 308 B.R. 463, 466 (9th Cir BAP 2004)  
11 (recognizing discretion to consider argument raised for first  
12 time on appeal if issue is matter of law and either does not  
13 depend on the factual record or the pertinent record has been  
14 fully developed).

15           What the authorities cited above seem to be saying about  
16 claims for attorney's fees as special damages is that the  
17 claimant can receive no more than it pleads for specifically. In  
18 other words, if an attorney's fee claim is asserted generally in  
19 a complaint, the prevailing claimant will be entitled to the  
20 reasonable fees generated in prosecuting that complaint, but will  
21 not be entitled to a further award for fees generated in related  
22 proceedings, for example. See Maidmore Realty Co., Inc., 474  
23 F.2d at 843. The Debtor raised the substance of this argument  
24 before the bankruptcy court in opposing Appellant's request for  
25 attorney's fees to the extent it included fees generated in  
26 prosecuting Appellant's action in the Marin County Superior Court  
27 against the Debtor, among other things. This is an argument that  
28 can be renewed on remand, but it does not preclude Appellant from

1 asserting the general claim for attorney's fees in the Adversary  
2 Proceeding that is articulated in the Complaint.

3 We ultimately conclude that the Complaint, from its preamble  
4 through the Prayer for Relief, included adequate information and  
5 supporting factual allegations to provide the Debtor with notice  
6 that Appellant was asserting a claim for attorney's fees against  
7 the Debtor in the Adversary Proceeding based on the provisions of  
8 the Promissory Note and the Replacement Guarantee. Rule 7008(b)  
9 requires no more, and the bankruptcy court erred in concluding  
10 that it did.

11 CONCLUSION

12 For the foregoing reasons, we VACATE the bankruptcy court's  
13 dismissal of Appellant's Fee Motion and REMAND for the bankruptcy  
14 court to determine an appropriate fee award to Appellant as the  
15 prevailing party in the Adversary Proceeding.