Howard M. Shanker (AZ 015547) 1 THE SHANKER LAW FIRM, PLC. 2 700 E. Baseline Road, Bldg. B Tempe, Arizona 85283 3 Phone: (480) 838-9300 Facsimile: (480) 838-9433 howard@shankerlaw.net 4 5 Attorneys for Plaintiffs 6 UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT 7 8 9 The Save the Peaks Coalition, et al, No.: 10-17896 10 Appellants/Plaintiffs, D.C. No.: 3:09-CV-08163-MHM 11 v. 12 USFS et al. PLAINTIFFS'/APPELLANTS' **RESPONSE IN OPPOSITION TO** 13 Appellees/Defendants. ARIZONA SNOWBOWL RESORT 14 LIMITED PARTNERSHIP'S MOTION FOR SANCTIONS 15 16 17 Plaintiffs, and their counsel, hereby Respond in Opposition to Arizona 18 Snowbowl Resort Limited Partnerships (õSnowbowlsö) Motion for sanctions. 19 20 Snowbowles Motion is based on unfounded allegations of wrongdoing, vexatious 21 behavior and harassment on the part of Plaintiffs and Plaintiffsø counsel. These 22 allegations are being raised for the first time only after the mandate in this case was 23 24 issued by the Ninth Circuit. Snowbowl made no claim for sanctions based on bad 25 faith or vexatious behavior in the lower court or during the appeal process. Indeed,

05/11/2012 ID: 8175541 DktEntry: 75-1 Page: 1 of 17

(1 of 74)

26

Case: 10-17896

Snowbowløs Motion appears to be driven solely by statements included in the instant paneløs decision. The panel, however, was not in a fact finding position and never raised any of these concerns with counsel at oral argument. Significantly, Snowbowl, which voluntarily intervened in this litigation, conducted discovery on the issues that form the basis of its Motion ó discovery which, while serving to prolong this litigation, yielded no support for Snowbowløs claims. In other words, Snowbowløs counsel is aware that the allegations that form the basis of its Motion and which appeared in the panel decision, are unfounded. Plaintiffs and their counsel were mortified by the allegations of wrongdoing included in the panelos opinion, allegations which will permanently injure their reputations. Neither the Courtgs nor Snowbowlgs assertions of wrongdoing are, however, supported by the record or any other instrument of fact. Neither Plaintiffs nor their attorney engaged in any sort of bad faith or vexatious behavior.

Snowbowløs Motion is, at its essence, intended to õstifle the enthusiasm [and] chill the creativity that is the very life blood of the law.ö *See, Mone v. C.I.R.*, 774 F.2d 570, 574 (2d Cir. 1985). The Court should remain cognizant of the need not to discourage the filing of meritorious actions and the chilling effect an award of sanctions in this case would have on the publicøs willingness to pursue legitimate

- 2 -

howard@shankerlaw.net

¹ At the close of oral argument, the panel commended counsel for their legal work and presentation on appeal.

grievances. It is well settled that the power to assess sanctions õis a power that must be strictly construed and utilized only in instances evidencing a serious and standard disregard for the orderly process of justice.ö *Dreiling v. Peugeot Motors*,768 F.2d 1159,1165 (10th Cir. 1985); *Mone*, 774 F.2d at 574 (õWe recognize this power carries with it the potential for abuse, and therefore the statute should be construed narrowly and with great caution . . .ö). As discussed below, nothing in this case supports the imposition of sanctions against Plaintiffs or their counsel, especially when the authority to impose sanctions is construed narrowly, as it must be.

Finally, Snowbowl erroneously asserts that 28 U.S.C. § 1927 sanctions, and sanctions based on the inherent authority of the Court, should be levied against Plaintiffs and their counsel because of alleged actions that took place prior to the filing of the instant case. Indeed, Snowbowl asserts that Plaintiffs and their counsel abused the judicial process by bringing this case in its entirety. Even assuming, *arguendo*, that there was some basis in fact for these assertions (there is not), it is well settled that õbecause [28 U.S.C. § 1927] authorizes sanctions only for the ÷multiplication of proceedings, øit applies only to unnecessary filings and tactics once a lawsuit has

² The standard for an exercise of the Courtøs inherent authority is similar to that under 28 U.S.C. § 1927. Thus, sanctions based on the courtøs inherent powers cannot be based solely on õconduct that was reckless or an abuse of the judicial process. . . Instead, counseløs conduct must constitute or be tantamount to bad faith.ö *In re: Keegan*, 78 F.3d at 436. There was no õbad faithö in the instant case.

9

10

1112

1314

1516

17 18

19

2021

22

2324

25

26

begun.ö *In re: Keegan Management Co.*, 78 F.3d 431, 435(9th Cir. 1996).

Notwithstanding, Snowbowl seeks fees and costs associated with the filing and prosecution of the instant appeal without citation to any specific brief, motion, and/or action within the confines of the appeal that õunreasonably and vexatiouslyö multiplied the proceedings. *See*, 28 U.S.C. §1927. Snowbowl fails to cite any legitimate basis for the imposition of sanctions.

A. Sanctions are Not Warranted in This Case – Snowbowl's Own Motion Unreasonably and Vexatiously Multiplies the Litigation

Snowbowl chose to intervene in this case. Snowbowl chose to hire both Arizona and Washington, D.C. counsel and to have, at least, three lawyers at oral argument in San Francisco.³ It was Snowbowl who conducted abusive discovery and filed numerous marginal motions in the lower court. Snowbowl now seeks sanctions based on allegations they know to be false and a misapplication of the law. None of the elements required to impose sanctions on Plaintiffs or their counsel are present in the instant case.

³ In Snowbowløs billing statements included with the Motion, Snowbowl, *inter alia*, redacted the names of time keepers, dates, and hours. It is unclear as to how this type of information can be considered privileged or confidential.

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-1 Page: 5 of 17 (5 of 74)

1. Plaintiffs' Counsel has Not Unreasonably and Vexatiously Multiplied the Proceedings

To be subject to sanction under 28 U.S.C. § 1927, a lawyer must multiply of the proceedings in any case unreasonably and vexatiously. . . ö See, 28 U.S.C. § 1927. Such sanctions of only to unnecessary filings and tactics once a lawsuit has begun. ö In re: Keegan, 78 F.3d 431, 435 (9th Cir. 1996). The statute of one of such conductions in excess of costs reasonably incurred because of such conduct. ö Kirshner v. Uniden Corp., 842 F.2d 1074, 1081 (9th Cir. 1988). Snowbowl, however, alleges improper behavior and conduct prior to commencement of litigation as a basis for sanctions and seeks fees and costs associated with the prosecution of the instant appeal without citation to any specific brief, motion, and/or action within the confines of the appeal that ounreasonably and vexatiously of multiplied the proceedings. See, 28 U.S.C. § 1927.

2. Sanctions Must be Supported by a "Finding of Subjective Bad Faith", Which is Not Present in the Instant Case

Sanctions, whether pursuant to the Courtøs inherent authority or 28 U.S.C. § 1927, õmust be supported by a finding of subjective bad faith.ö *In re: Keegan,* 78 F.3d at 436. õBad faith is present when an attorney knowingly or recklessly raises a frivolous argument, or argues a meritorious claim for the purpose of harassing an opponent.ö *Id*; *see, also, e.g., Protect Lake Pleasant, LLC v. Connor*, 2011 WL

- 5 -

THE SHANKER LAW FIRM, PLC.

1

3

5

6

7 8

9 10

11

12

1314

15

1617

18

19 20

2122

23

24

2526

11414, *2 (D. Ariz. 2011) (õThis is a high threshold . . . [n]egligent or inadvertent conduct does not constitute bad faith, nor does mere recklessness.ö).

As an initial matter, Plaintiffs did not name Snowbowl as a defendant. Snowbowl voluntarily intervened in this case. More significantly, Plaintiffs and their counsel neither knowingly nor recklessly raised any frivolous argument. See, Ex. 1 (Declaration of Howard Shanker) at ¶¶ 2&4. Indeed, Plaintiffs and their counsel still maintain a good faith belief in the merits of their claim(s). *Id.* Plaintiffs prevailed on the laches issue on appeal and had a valid and good faith belief in the merits of their NEPA claim. Moreover, notwithstanding the lack of precedential value of *Navajo* Nation I, the fact that a prior panel of this Court found that the Forest Service violated NEPA on the same law and the same facts should, at least, be sufficient to demonstrate that Plaintiffs and their counsel had a legitimate basis for their good faith belief in the validity of their claim. Even if non-precedential, this is a significant, valid indicator that Plaintiffsø NEPA claim was not without merit. Plaintiffs filed nothing that was frivolous.

Neither Plaintiffs nor their counsel submitted any briefs or motions that could even be remotely construed as having been filed to õharassö Snowbowl or to õdelayö the proceeding. *See*, *In re: Keegan*, 78 F.3d at 436. Indeed, Snowbowl does not point to any specific document or filing as being made in bad faith. To the contrary,

- 6 -

Snowbowl seems to argue that the appeal was intended to õharassö and õdelayö construction ó not necessarily the proceeding. Even assuming, *arguendo*, that such an argument can provide the basis for the imposition of sanctions (it cannot), there is no support for such an allegation. Snowbowl began construction as soon as it received its permits and was not in any way hindered by this action from continuing construction during the appeal. No stay or injunction was in place during the pendency of the appeal. This case, including the instant appeal, was filed and pursued in good faith, was meritorious, and not intended to õdelayö or õharass.ö *See*, e.g., Ex. 1 (Declaration of Howard Shanker) at ¶¶ 2&4; Ex. 2 (Deposition Excerpts of Jeneda Benally) at 45-46:

(õQ. Now, at the time your family meeting about being plaintiffs in the 2009 case concluded, at least you and your brother Clayson and your mother, Berta, you decided to become plaintiffs. Correct? A. Yes. Q. Why was it necessary to go out and find other plaintiffs? . . . A. Why not? I didnøt see that there wouldnøt be any reason in not looking for other people as well. Q. Well, wouldnøt the three of you have been enough? . . . A. Letøs see. No. I donøt think so. I think that, I think that everybody who has an opportunity to make a statement, or who had made a comment, should fairly have the opportunity to find recourse. . .ö).

Plaintiffs and their counsel maintained a good faith belief that they would prevail on the merits. Plaintiffsø counsel brought this matter (*pro bono*) solely because of the legitimacy and importance of the claims. *Id.* Indeed, Plaintiffs and their counsel still believe that, had the instant case been assigned to another panel, it is

- 7 -

possible that Plaintiffs could have prevailed on the merits. Whether the instant panel (which again, was not sitting in a fact-finding capacity when it issued its opinion) shares this belief or not, neither Snowbowl nor this Court can make the õsubjective finding of bad faithö necessary to support the requested sanctions. *See*, *In re: Keegan*, 78 F.3d at 436.

B. The Allegations in the Opinion That Provide the Basis for Snowbowl's Motion are Simply Not True

The allegations that provide the basis for Snowbowløs Motion are not true. Indeed, Snowbowl conducted extensive factual discovery into the allegations that form the basis of its Motion yet it cites to nothing substantive from the discovery process to support its claims.⁴

1. Plaintiffs' Counsel Neither "Enlisted" Plaintiffs in an Attempt to "Evade Res Judicata and Collateral Estoppel" Nor "Engaged in Strategic Gamesmanship"

Snowbowl asserts that õMr. Shanker enlisted the Save the Peaks plaintiffs to \div evade res judicata and collateral estoppelø and engaged in strategic gamesmanship . . . to hinder development and impose costs unnecessarily . . .ö Motion at 7, *citing, Save the Peaks Coalition*, 669 F.3d at 1032 (õThe \div newøparties in this litigation appear to

⁴ Discovery in this administrative record case was limited by the lower court to the issues of *res judicata* and standing. Defense counseløs interrogation of Plaintiffs was, however, significantly broader than otherwise allowed or contemplated. The fortunate result of this transgression is that the allegations at issue are demonstrably false.

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-1 Page: 9 of 17 (9 of 74)

be little more than a vehicle for the Navajo Nation Plaintiffsø counsel to evade res judicata and collateral estoppel.ö). These assertions are simply not true. As clearly set forth in the attached deposition testimony and the declaration of Plaintiffsø counsel, Plaintiffsø counsel did not õenlistö anybody. Counsel was contacted by Plaintiffs to represent them in this matter. *See, e.g.*, Ex. 1 (Declaration of Howard Shanker) at ¶ 3; Ex. 2 (Deposition Excerpt of Jeneda Benally) at 47-48 (õQ. What was the next thing that happened after the members of your family, perhaps people you contacted, and the Save the Peaks Coalition decided to become plaintiffs in this lawsuit? . . . A. We talked about being plaintiffs. We decided that we would contact Howard Shanker. Q. Why did you contact Mr. Shanker? A. Because he was the attorney in the, in the last NEPA case and heøs known for being a NEPA lawyer.ö); Ex. 3 (Deposition Excerpts of Berta Benally) at 19-21, 22, 59-60, 61:

(õQ. And based on what you saw from the judge, then you thought that you should take that further? A. Yes. Q. Now, you said that after ó you were looking into going with the NEPA, and then you called friends is that right? A. Yes. Q. And, so, who did you call and talk to about thinking about bringing a lawsuit? A. I called my family. I went through the DEIS a little bit and called Frederica Hall, Rachel Tso, asked them what their opinion was. . . Q. So, Iøm just trying to understand. What is it that you looked at in the DEIS that led you to names of people to call? A. Looking for the wastewater, the reclaimed water and if there was ever any mention of ingesting the snow with reclaimed water. Thatøs what I was really looking for . . . I was looking at the DEIS, and then I was looking for comments to see if anybody had made any comments of people ingesting reclaimed water. Q And how did you come up with the idea of going to the DEIS and trying to figure out who had commented

- 9 -

26

- on reclaimed water. . . . Q. Was it your idea. . . A. Yeah. Q. ó was it someone elseøs? A. Yeah. I just, you know, youøre investigative and you're inquisitive, you're going to go to the source. . .
- Q. And what happened after you had then made a couple of these phone calls and talked with your family? What was the next step? A. to request Howard to ask him if he could be our lawyer.
- Q. Now, I think you said a little earlier that after yougd had some discussions with your family, and I think Rachel Tso and Frederica Hall, you had then called Mr. Shanker about representing you and whoever else might join you in the lawsuit. Is that right? A. Yes. Q. And did you talk to Mr. Shanker about how you might go about, or whether you should go about digging up other people to join the lawsuit? A. No. Q. Now, Mrs. Benally, were you ever promised any kind of benefit or anything else to, in order to get you to file this lawsuit? A. No. Q. Did you ever promise anything to any of the other individual plaintiffs to suggest that they should join this lawsuit? A. No. . . .
- Q. When you were deciding ó when you had been deciding about filing this lawsuit, did you talk to any other lawyers about handling this case? **A.** Yes. **Q.** And who else did you contact. . . **Q.** Did you call somebody? A. Yes. Q. Who did you call: A. Bryant Barber . . . Q. And is Mr. Barber here in Flagstaff? A. No. Q. Where is his practice? A. Phoenix. Q. And why did you not retain Mr. Barber as the attorney for this action? A. I like the way Howard works.ö)
- Ex. 4 (Deposition Excerpts of Rachel Tso) at 16-17 (õQ. After this group decided that they would proceed with the lawsuit, did you and Mr. Shanker talk at all about trying to find other people to join the lawsuit? A. No.ö).

Contrary to Snowbowløs assertions Plaintiffsø counsel did not õenlistö anybody. The Plaintiffs in this case had legitimate, unresolved claims and were not otherwise precluded from attempting to vindicate their rights and the public interest in NEPA

- 10 -

1 compliance. The lower court ruled that res judicata did not apply. Plaintiffs were not 2 surrogates or agents of the Navajo Nation or any other prior plaintiff. Snowbowl did 3 not appeal the lower court or ruling on this issue. The statement, that, $\tilde{o}[t]$ he \pm new of 4 5 parties in this litigation appear to be little more than a vehicle for the Navajo Nation 6 Plaintiff counsel to evade res judicata and collateral estoppel, is simply not correct. 7 See, Save the Peaks Coalition, 669 F.3d at 1032. Plaintiffs, and their counsel, pursued 8 9 the instant case (including the appeal) to ensure compliance with NEPA and had a 10 good faith basis for doing so. See, e.g., Ex. 1 at \P 1-9. 11 12 13 14

15

16

17

18

19

20

21

22

23

24

25

26

2. Plaintiffs and their Counsel Did Not "Strategically Hold Back Claims"

Snowbowl and the panel asserted that othe inewplaintiffs and their counsel have grossly abused the judicial process by strategically holding back claims that could have, and should have, been asserted in the first lawsuit . . . ö Save the Peaks Coalition, 669 F.3d at 1025.⁵ There is, however, no legal or ethical obligation for all

- 11 -

⁵ The panel further asserted that the ingestion issue õwould have been decided earlier but for counselos procedural errors in raising those claims.ö *Id.* at 1028. Counsel, however, respectfully disagrees with this accusation. This issue was properly raised, briefed, argued and decided in the lower court in the Navajo Nation case. A panel of this Court in Navajo Nation I unanimously confirmed that the issue was properly raised in the lower court and ruled, on the merits, against the Forest Service. The only other time the prospect of a procedural error was ever raised was by the majority (three judges dissented on this issue) of the *en banc* panel ó with no opportunity to respond to the assertion.

5

1011

13

12

1415

16

18

17

19

2021

22

23

2425

26

PLAINTIFFSØAPPELLANTSØRESPONSE IN OPPOSITION TO SNOWBOWLØS MOTION FOR SANCTIONS

potential and prospective plaintiffs, whether related or not, to file whatever claims they may have, at the same time. Indeed, the implication that such an obligation exists runs contrary to fundamental notions of due process.

Notwithstanding, Plaintiffs did not õhide in the bushesö waiting to file suit. Plaintiffs did not retain counsel until April, 2009 ó shortly after they made the decision to pursue litigation. *See, e.g.*, Ex. 1 at ¶ 3; Ex. 2 at 47-48; Ex. 3 at 19-21, 22, 59-60, 61. It is incomprehensible that Plaintiffsø counsel can be charged with bad faith stemming from any alleged delay in filing. He did not represent Plaintiffs during this time.

The procedural facts of this case also do not support any finding of improper motive or bad faith. In 2005 a three judge panel of the Ninth Circuit found that, õ[t]he FEIS does not satisfy NEPA with respect to the possible risks posed by human ingestion of the artificial snow.ö *Navajo Nation v. U.S.*, 479 F.3d 1024,1053-1054 (9th Cir. 2007) (*Navajo Nation I*).⁶ The suggestion that Plaintiffs should, or even could have filed suit, or that they were somehow conspiring to file suit ó asserting that

⁶ The panel asserts that *Navajo Nation I* was õvacatedö by the *en banc* panel. *Save the Peaks Coalition*, 669 F.3d at 1030. In the Ninth Circuit, however, such cases are not õvacated,ö but rather rendered õnon-precedentialö thereby maintaining their informational value. *See, Navajo Nation*, 506 F.3d 717; *Animal Legal Defense Fund v. Veneman*, 490 F.3d 725 (9th Cir. 2007).

1

3

45

6

7

8

9

10

1112

13

1415

16

17 18

19

20

2122

2324

25

26

the Forest Service failed to comply with NEPA with respect to risks posed by human ingestion ó while *Navajo Nation I* was in place makes no sense.

In 2008, a majority of the *en banc* panel in *Navajo Nation v. U.S.*, 535 F.3d 1058 (9th Cir. 2008) (*Navajo Nation II*) held that the "ingestion" claim was not properly raised in a complaint to the lower court and therefore waived - it never addressed the merits of this issue. *Id.* at 1079-1080. In June 2009, the Ninth Circuit issued its mandate in the *Navajo Nation* case. In September 2009, approximately three months later, Plaintiffs filed the instant case. Plaintiffs did not lay in wait to ambush Snowbowl for a number of years. *See, e.g.*, Ex. 1at ¶1-9; Ex. 2 at 47-48; Ex. 3 at 19-21, 22, 59-60, 61.

Plaintiffs did not conspire to not file suit in 2005. They simply made a decision to pursue meritorious, unresolved, claims in 2009 ó within the applicable statute of limitations and over two-years before Snowbowl even received its final approvals to begin construction. Plaintiffsøactions were not made in bad faith. They were not made to õdelayö the litigation or õharass.ö Certainly, Plaintiffsøcounsel ó who did not represent Plaintiffs until 2009 ó cannot be found to have acted with subjective bad faith.

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-1 Page: 14 of 17 (14 of 74)

3. A Subjective Assertion that "Snowbowl Could Not Have Anticipated Litigation" is Not a Basis for Punishing Plaintiffs and Their Counsel

Snowbowl and the panel assert that othe USFS and the ASRLP [Snowbowl] had good reason to believe that the issues involved in the case had been fully and fairly litigated, and that their legal nightmare had ended. Little did they know what awaited them.ö Save the Peaks Coalition, 669 F.3d at 1030; Motion at 3, 7. Whether or not Snowbowl anticipated litigation, however, has no relevance as to whether Plaintiffsø (and their counseles) actions were taken in bad faith. Moreover, Snowbowl was never dragged into court, it chose to intervene in the proceeding(s) even though its interests were more than adequately represented by the Forest Service. i.e., it chose to participate in the õlegal nightmare.ö

As a practical matter, with regard to the ingestion issue, the majority of the en banc panel in Navajo Nation II found that:

the specific allegations at issue were not included in the complaint. . . Rather, the Navajo Plaintiffs assert this NEPA claim was adequately presented to the district court because the claim owas briefed at summary judgment by all parties and presented at oral argument to the district courtö. . . raising such claim in a summary judgment motion is [however] insufficient to present the claim to the district court.

Navajo Nation II, 535 F.3d at 179-1080; see also, nt. 5, supra.

Based on the foregoing it is not readily apparent that Snowbowl would have had õgood reason to believe that the issues involved in the case had been fully and fairly litigated.ö See, Save the Peaks Coalition, 669 F.3d at 1030.

- 14 -PLAINTIFFSØAPPELLANTSØRESPONSE IN

OPPOSITION TO SNOWBOWL & MOTION FOR SANCTIONS

25 26

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-1 Page: 15 of 17 (15 of 74)

C. Conclusion

õBecause [28 U.S.C. § 1927] authorizes sanctions only for the ÷multiplication of proceedings,øit applies only to unnecessary filings and tactics once a lawsuit has begun.ö *In re: Keegan Management Co.*, 78 F.3d at 435. Snowbowl, however, seeks fees and costs associated with the filing and prosecution of the instant appeal without citation to any specific brief, motion, and/or action within the confines of the appeal that õunreasonably and vexatiouslyö multiplied the proceedings. Moreover, Snowbowl has not provided this Court with any factual information that would support a finding of õsubjective bad faithö on the part of Plaintiffs or their counsel. *In re: Keegan*, 78 F.3d at 436 (sanctions must be supported by a finding of õsubjective bad faith.ö).

Finally, the accusations against Plaintiffs and their counsel are simply not true:

(1) this was a legitimate/meritorious case and a legitimate appeal ó neither Plaintiffs nor their counsel abused the judicial process; (2) there was no bad faith on the part of Plaintiffs or their attorney; (3) Snowbowl voluntarily intervened in these proceedings; (4) as soon as Snowbowl received the requisite approvals from the Forest Service, they began construction and were not delayed in any way by the instant appeal; and (5) there was no claim for sanctions made in the lower court ó Snowbowløs Motion appears to be driven solely by the conclusory statements included in the paneløs

- 15 -

1 2	decision. The panel, however, was not in a fact finding position and never raised any
3	of these concerns with counsel at oral argument.
4	Plaintiffs and their counsel were mortified by the language and assertions
5	included in the panel decision. The õlegal nightmareö here has become that of the
6 7	Plaintiffs and their counsel, who will have to live with the panel statements for the
8	balance of their lives and careers. While Snowbowl clearly senses the opportunity to
9	exact additional pounds of flesh, there exists no basis here to worsen the nightmare
10	through the imposition of the sanctions it seeks.
12	Respectfully submitted May 11, 2012.
13	
14	THE SHANKER LAW FIRM, PLC.
15	By s/Howard M. Shanker Howard M. Shanker
16	700 East Baseline Road, Bldg. B Tempe, Arizona 85283 Phone: (480) 838-9300
17	Facsimile: (480) 838-9433
18	howard@shankerlaw.net (Attorneys for Plaintiffs/Appellants)
19	
20	
21	
22	
23	
24	
25	
26	

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-1 Page: 16 of 17 (16 of 74)

05/11/2012 ID: 8175541

Case: 10-17896

(17 of 74)

DktEntry: 75-1 Page: 17 of 17

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-2 Page: 1 of 3 (18 of 74)

Exhibit 1

Declaration of Howard Shanker

Howard M. Shanker (AZ 015547) 1 THE SHANKER LAW FIRM, PLC. 700 E. Baseline Road, Bldg. B 2 Tempe, Arizona 85283 Phone: (480) 838-9300 3 Facsimile: (480) 838-9433 howard@shankerlaw.net 4 Attorneys for Plaintiffs 5 6 UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT 7 8 The Save the Peaks Coalition, et al. No.: 10-17896 Appellants/Plaintiffs, D.C. No.: 3:09-CV-08163-MHM 10 v. 11 **DECLARATION OF HOWARD M.** USFS et al. SHANKER 12 Appellees/Defendants. 13 14 15 I, Howard Shanker, declare and attest to the best of my knowledge and on personal 16 information and belief as follows: 17 1. I received my law degree from the Georgetown University Law Center in 18 1989. I also hold a Master's Degree in Public Administration. In addition to being a 19 Member of the Shanker Law Firm, PLC, I am an adjunct professor at the Sandra Day 20 O'Conner School of Law. I am admitted to practice, and have practiced, law in a variety of 21 forums and courts; 22 2. In my approximately 20 years of practice, I have never engaged in any sort of 23 bad faith or vexatious behavior. This includes the instant case. I had a good faith basis for 24 the pursuit of the claim(s) at issue. I believed (and still believe) that the claims were 25 meritorious. The claims were not frivolous and were not brought with the intent to harass or 26

- 1 -

delay the proceeding, construction, or anything else:

Case: 10-17896

05/11/2012

ID: 8175541

DktEntry: 75-2 Page: 2 of 3

(19 of 74)

- 3. I did not recruit plaintiffs in an attempt to evade res judicata or collateral estoppel. Indeed, I did not recruit plaintiffs at all. Plaintiffs contacted me to represent them in this matter. I entered into agreements to represent plaintiffs in April 2009;
- 4. Based on my initial analysis at that time, Plaintiffs had a legitimate, unresolved claim and were not otherwise precluded from filing suit;
- 5. Since plaintiffs had limited resources, and the litigation was of significant public importance, I agreed to handle this case on a *pro bono* basis, although plaintiffs did pay some money up front to cover costs;
- 6. I was assisted in this case by other volunteer lawyers and by students from one of the clinical programs at the University of Arizona Law School;
- 7. I have not, and would not, abuse any judicial process and/or behave in any manner that could be reasonably conceived as unethical, unreasonable, or vexatious;
- 8. I was surprised, shocked, and deeply saddened by the accusatory language included in the panel's decision in this case;
- 9. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

DATED: May 11, 2012

By He will Cl

Howard M. Shanker

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-3 Page: 1 of 21 (21 of 74)

Exhibit 2

Deposition Excerpt of Jeneda Benally

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-3 Page: 2 of 21 (22 of 74)

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

THE SAVE THE PEAKS COALITION;)
KRISTIN HUISINGA; CLAYSON BENALLY,)
SYLVAN GREY; DON FANNING; JENEDA)
BENALLY; FREDERICA HALL; BERTA)
BENALLY; RACHEL TSO; LISA TSO,)

Plaintiffs,) 3:09-CV-08163-PCT-MHM

vs.

U.S. FOREST SERVICE; NORA RASURE (in her capacity as Forest Supervisor for the Coconino National Forest),

Defendants.

ARIZONA SNOWBOWL RESORT LIMITED PARTNERSHIP,

Intervenor-Defendant.

DEPOSITION OF JENEDA BENALLY

VOLUME I

Flagstaff, Arizona March 26, 2010

PERFORMANCE REPORTERS, INC.

121 East Birch Avenue, Suite 501
Flagstaff, Arizona 86001
By: Annette Satterlee, RPR, CRR
Arizona Certified Reporter #50179



case was that you started reviewing your comments on the

24

25

DEIS.

- realization you had that led you to the conclusion that you, as you put it, could be plaintiffs?
 - A. The ingestion of snow.

3

4

5

.. 7

9

- Q. What about the ingestion of snow?
- A. That it hasn't been studied as with -- that the ingestion of snow hasn't been studied on children who might ingest it while in the SUP area.
- Q. Okay. What was the next thing that happened after that with respect to this 2009 case and your being a plaintiff?
- A. Let's see. We -- what did I do. I talked to people.
- 13 Q. Who did you talk to?
- 14 A. I talked to friends, other people as well.
- Q. And what was the purpose of talking to these friends or other people?
- 17 A. To get feedback.
- 18 Q. What kind of feedback did they give you?
- A. To get feedback of if it seemed like a, if it

 seemed like a case or -- you know, I don't, I don't

 recall competely all the feedback. Yeah. I don't recall
- 22 all the feedback.
- Q. Did anybody tell you they didn't think it was a case?
- A. It wasn't so much that I was asking whether or

But I did talk to people --

25

the Peaks Coalition.

A. Yes.

1

4

5

6

7

8

9

10

11

12

16

17

18

19

- Q. But you contacted her because you saw that she made certain comments in the DEIS and EIS?
 - A. I'm not the only one who -- you're making it sound like I'm the only one who, who was, who was doing, who was researching the plaintiffs. And, certainly, I was not.
 - Q. But you can't, you don't know who else was researching the plaintiffs?
 - A. Other people within the Save the Peaks Coalition, yes, were.
 - Q. Do you know the names of any of those people?
- A. Let's see. I don't know if they're members of the Save the Peaks Coalition, but I had asked people at meetings.
 - Let's see. I think everybody's been researching it. That would -- you know what, but I'm not going to assume.
 - Q. So, you also talked to Rachel Tso about the possibility of her becoming a plaintiff?
- 21 A. Yes.
- Q. And why did you pick Rachel Tso to talk to about that?
- A. She is a friend and relative.
- 25 Q. Any other reasons?

- A. Because she has the same comments.
- Q. Do you also know Lisa Tso?
- 3 A. I do.

2

4

5

6

7

9

10

11

12

13

14

15

16

17

18

19

20

21

- Q. Did you talk to her about becoming a plaintiff?
- A. No.
 - Q. Now, with respect to the discussions you had with your family about becoming plaintiffs in this 2009 lawsuit, who was in on those discussions in your family?
 - A. Let's see. My mother, my father, and my brothers; my boyfriend; and, and I believe my brother Clayson's wife, I'm sure, also was part of that discussion.
 - Q. So you talked to both your brother Clayson and your brother Klee about the possibility of becoming plaintiffs? Or they were involved in this discussion about --
 - A. Right. Right. I'm not -- I didn't go out seeking plaintiffs. So I think that that should be made clear.
 - Q. Well, what were you doing when you called up Sylvan Grey if you weren't seeking plaintiffs?
 - A. Okay. Let me rephrase that, then.
- I was not -- let's see. How do I phrase this.
- 24 We were looking that, myself and maybe -- oh. I don't
- 25 recall. But, yes. Of course, you know, we're looking

But what role did the Save the Peaks Coalition

25

Α.

Wait. You know, I wouldn't call it so much

25

Α.

protesting. I'm not sure if it was protesting or 1 supporting for the plaintiffs. So, what he was doing in the courthouse 3 Okav. square in Prescott was either supporting the plaintiffs 4 5 or protesting? Yes. I'm not sure which he was doing. 6 Α. Okay. Did you attend the trial in Prescott of 0. 8 the Navajo Nation case? I did for one day, I believe. 9 Now, given your brother Klee's involvement in 10 11 the Save the Peaks Coalition and his supporting or demonstrating outside the courthouse in Prescott, he had 12 interests in, or an interest in the Navajo Nation case, 13 didn't he? 14 MR. SHANKER: Same objection. 15 16 THE WITNESS: I think that you would have to ask him that question. I don't feel comfortable 17 18 answering questions about my brother's opinion. 19 BY MR. JOHNSON: But he was involved in the Save the Peaks 20 21 Coalition; and by supporting, it at least appears to me 22 that he was interested in what was going on in the 2005 23. Navajo Nation case. Right? 24 Same objection. MR. SHANKER: 25 It would appear that he THE WITNESS:

any understanding about whether you are obligated to pay

I don't believe I have any obligation to pay.

any part of Mr. Shanker's fees or costs for that case?

23

24

25

Α.

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-4 Page: 1 of 25 (42 of 74)

Exhibit 3

Deposition Excerpt of Berta Benally

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-4 Page: 2 of 25 (43 of 74)

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

THE SAVE THE PEAKS COALITION;

KRISTIN HUISINGA; CLAYSON BENALLY,)

SYLVAN GREY; DON FANNING; JENEDA

BENALLY; FREDERICA HALL; BERTA

BENALLY; RACHEL TSO; LISA TSO,

Plaintiffs,

Vs.

U.S. FOREST SERVICE; NORA RASURE
(in her capacity as Forest
Supervisor for the Coconino
National Forest),

Defendants.

ARIZONA SNOWBOWL RESORT LIMITED PARTNERSHIP,

Intervenor-Defendant.

DEPOSITION OF BERTA BENALLY

Flagstaff, Arizona March 26, 2010

PERFORMANCE REPORTERS, INC.

121 East Birch Avenue, Suite 501
Flagstaff, Arizona 86001
By: Annette Satterlee, RPR, CRR
Arizona Certified Reporter #50179



And, so, we had called a bunch of friends of ours and,

3

4

5

6

8

9

10

11

12

13

14

15

16

17

18

19

2.0

21

22

23

24

25

- you know, asked them if they would be interested to hire Howard and to pursue this case.
- Q. All right. Let me go back and ask you some questions about what you've just said.

You said that after you heard about what happened in the Supreme Court that you looked into going with the NEPA. What do you mean by that?

- A. The NEPA case was eliminated from, I believe, the original, some of the original court cases. And the RFRA case is what went to the Supreme Court, was trying to get to the Supreme Court.
- Q. So, when you say you were looking into going with the NEPA, what is it that you mean by that?
 - A. To prevent wastewater on the Peaks.
- Q. But you're talking about the kind of claim -I'm just trying to understand what you're saying.

You were looking into going with NEPA claims relating to the wastewater.

- A. The goal is to prevent reclaimed water from being used on this mountain.
- Q. And what was your understanding of what the Supreme Court or the 9th Circuit had said about the NEPA claims relating to the reclaimed water?
- A. One of the judges had asked about a face plant and what do you do when you ingest the snow. And, so, it

- $(46 \text{ of}_{0}74)$ 1 was one of the judges that had asked that question. And based on what you saw from the judge, then 2 Q. 3 you thought that you should take that further? 4 Α. Yes. Now, you said that after -- you were looking 5 Q. 6 into going with the NEPA, and then you called friends. 7 Is that right? 8 Α. Yes.
- 9 Ο. And, so, who did you call and talk to about 10 thinking about bringing a lawsuit?
- 11 I called my family. I went through the DEIS a Α. 12 little bit and called Frederica Hall, Rachel Tso, asked 13 them what their opinion was.
- Did you call other persons who had filed 14 appeals of the Forest Service's decision? 15
 - I don't recall. Α.

- 17 So, but where did you -- you said you went Q. 18 through the DEIS. What were you looking for there? Ās 19 far as how were you using that to get names of people to 20. call?
- It's listed. 21 Α.
- 22 So it was the people who commented on it? Ο.
- 23 Α. There were comments.
- 24 Q. And that's --
- 25 But I didn't really go through that. There's, Α.

I think, like 5,000 comments.

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

22

- Q. So, I'm just trying to understand. What is it that you looked at in the DEIS that led you to names of people to call?
- A. Looking for the wastewater, the reclaimed water and if there was ever any mention of ingesting the snow with reclaimed water. That's what I was really looking for.
 - Q. You were looking for people who had --
- A. I was looking at the DEIS, and then I was looking for comments to see if anybody had made any comments of people ingesting reclaimed water.
- Q. And how did you come up with the idea of going to the DEIS and trying to figure out who had commented on reclaimed water?
 - A. The Forest Service had given me copies.
 - Q. They had given you copies of the documents, but how did you come up with the idea of taking that document and looking at the comments on reclaimed water as a way to find plaintiffs?
- 21 A. I don't know.
 - Q. Was it your idea or --
- 23 A. Yeah.
- Q. -- was it someone else's?
 - A. Yeah. I just, you know, you're investigative

- 1 A. You'll have to excuse me. I'm trying to recall 2 all this.
 - Q. Take your time.
 - A. I believe we were just reaffirming our belief in trying to protect this mountain.
 - Q. So, just kind of pulling together. You'd made a decision, and now we're just kind of firming up, making sure everybody is on board?
 - A. Yes.

4

5

6

7

8

9

10

17

18

19

20

21

22

23

24

- Q. All right.
- 11 Let's turn, then, to the other meeting that may
- 12 | have occurred at Taala Hooghan. The larger meeting.
- Now, was that meeting before or after the meeting we've just talked about, the smaller meeting?
- 15 A. There's been many meetings there. I'm trying 16 to recall which meeting you're actually discussing.
 - Q. I wasn't aware that there were many. We've only, at this point, heard about the one larger meeting. And if there were more than one, we would like to hear about that.
 - A. Well, there's many meetings on many subjects.

 The Taala Hooghan is a community space. So I'm trying for you to clarify what meeting you're talking about, about what subject.
 - Q. Let me try to do that.

BY MS. HUBER:

1

2

3

4

5

6

7

- Q. So, what we were talking about is how Save the Peaks Coalition got into the lawsuit. And my question had been -- which we just had a little confusion, I think, when I first asked it -- was were you involved in the decision to have Save the Peaks Coalition join the
- 8 A. Yes.

lawsuit?

- 9 Q. And who else was involved in making that 10 decision?
- 11 A. I believe there was a meeting.
- 12 Q. A meeting of interested Coalition members?
- 13 A. Yes.
- Q. And do you remember what Coalition volunteers were at that meeting?
- 16 A. I can't recall.
- Q. Were your children at the meeting?
- 18 A. Yes.
- Q. Were any of the other plaintiffs, the individuals that we've talked about, were any of them at this meeting as well? Rachel Tso, Frederica Hall, Sylvan Grey, Don Fanning?
- 23 A. I can't recall.
- Q. Were there Coalition volunteers other than the people involved who became plaintiffs that were at this

And take your time.

was a necessity that the Coalition itself be a plaintiff

I'm sorry. I'm trying to think back here.

22

23

24

25

in the lawsuit?

Α.

Ο.

- Q. And have you ever seen Mr. Bessler at any events that have been sponsored by the Sierra Club?
- A. He joined the Sierra Club. I can't, I don't remember when he joined the Sierra Club.
- Q. So you're aware that he has an affiliation with the Sierra Club.
- A. Yes.

3

4

5

6

7

8

9

13

14

15

16

17

18

19

20

21

23

24

- Q. And did you discuss with Mr. Bessler the possible names of plaintiffs --
- 10 A. No.
- 11 Q. -- or persons who might join this lawsuit?
- 12 A. No.
 - Q. Now, I think you said a little earlier that after you'd had some discussions with your family, and I think Rachel Tso and Frederica Hall, you had then called Mr. Shanker about representing you and whoever else might join you in the lawsuit. Is that right?
 - A. Yes.
 - Q. And did you talk to Mr. Shanker about how you might go about, or whether you should go about finding other people to join the lawsuit?
- 22 A. No.
 - Q. Now, Mrs. Benally, were you ever promised any kind of a benefit or anything else to, in order to get you to file this lawsuit?

1 Q. Was there anyone other than Mr. Barber that you spoke to about the possibility of handling this lawsuit? 3 Α. No. 4 Q. Now, Mrs. Benally, do you have any agreement 5 with Mr. Shanker regarding his fees for litigating this 6 case? 7 Α. No. 8 Q. Do you have a representation agreement with 9 him? 10 Α. No. 11 Q. So you have no agreement, no written agreement 12 with him? 13 Α. I don't think so. No. 14 Q. I understand that you gave --15 I did sign a paper. I'm sorry. - A. Wait. 16 Q. That's okay. I thought so, but I --17. Α. I'm sorry. Yes. 18 So you have an agreement with him regarding his Q. 19 representation. 20 Α. Yes. 21 And does that include any provisions regarding Q. 22 his fees and expenses in litigating this case? 23 Α. No. 24 Let me put it this way: Does his agreement say 25 that you are not responsible for paying any of his fees

1 and expenses? 2 I, I haven't seen any invoices. You have received no invoices for fees from 3 Ο. 4 Mr. Shanker. Is that right? Correct. Yes. 5 Α. And am I correct that your agreement with 6 Ο. Mr. Shanker says that you are not, have no obligation to 7 pay any of his fees or expenses? 8 .0 I believe so. A. Now, I understand that you gave Mr. Shanker 10 Q. \$10,000 to help defray the fees and expenses that he will 11 12 incur. Is that right? 13 Α. Yes. And where did that \$10,000 come from? 14 0. It was a gift to me from a lady in France. 15 Α. And was that -- and that was a gift to be used 16 Ο. 17 for this litigation? No. 18 Α. But you just chose then to use it for the 19 20 litigation. 21 Α. Yes. And is there an expectation that you'll do any 22 fundraising or anything else to offset some of the fees 23 and expenses incurred by Mr. Shanker? 24 25 I would like to try. Α.

1 Α. No. Well, let's back that up. 2 Yes. 3 And where do you go? 0. Wilderness areas. 4 Α. Is there any particular wilderness area that 5 0. 6 you have gone to? 7 My husband is a medicine man, and so he's Α. always going to pray in different places and areas. 8 9 Sometimes I have to help him. Can you think of any particular places -- are 10 11 you talking about the Kachina wilderness, or are we talking about further afield away from Flagstaff? 12 13 Α. Towards the reservation. You went to a lot of the proceedings for the 14 0. trial of the 2005 case. We've talked about that already. 15 Have you ever been asked, personally, to contribute 16 towards the expenses or fees that were incurred to 17 litigate that case? 18 19 Α. No. Have you ever volunteered and contributed money 20 Q. 21 towards the fees and expenses in that case? 22 Α. No. And have you ever done any volunteer work or 23 24 fundraising or benefits to support and help pay the fees 25 and expenses from that 2005 case?

about whether you should participate in that lawsuit?

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-5 Page: 1 of 8 (67 of 74)

Exhibit 4

Deposition Excerpt of Rachel Tso

Case: 10-17896 05/11/2012 ID: 8175541 DktEntry: 75-5 Page: 2 of 8 (68 of 74)

1	IN THE UNITED STATES DISTRICT COURT
2	FOR THE DISTRICT OF ARIZONA
3	
	THE SAVE THE PEAKS COALITION;)
4	KRISTIN HUISINGA; CLAYSON BENALLY,)
4	• • • • • • • • • • • • • • • • • • • •
_	SYLVAN GREY; DON FANNING; JENEDA)
5	BENALLY; FREDERICA HALL; BERTA)
•	BENALLY; RACHEL TSO; LISA TSO,)
6)
	Plaintiffs,) 3:09-CV-08163-PCT-MHM
7	vs.
)
8	U.S. FOREST SERVICE; NORA RASURE)
	(in her capacity as Forest)
9	Supervisor for the Coconino)
_	National Forest),
10	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
10	Defendants.)
11	Defendants.)
1. 1.	ADTRONA CHOMPONI DECODE LIMITED
10	ARIZONA SNOWBOWL RESORT LIMITED)
12	PARTNERSHIP,)
2	
13	Intervenor-Defendant.)
14	
15	
16	·
5	DEPOSITION OF RACHEL TSO
17	
•	Flagstaff, Arizona
18	March 24, 2010
19	
20	
20 .	DEDECOMANCE DEDCOMEDS INC
0.1	PERFORMANCE REPORTERS, INC.
21	121 East Birch Avenue, Suite 501
	Flagstaff, Arizona 86001
22	By: Annette Satterlee, RPR, CRR
	Arizona Certified Reporter #50179
23	From the second of the second
24	The state of the s
25	
	·