

SUPREME COURT OF MONTANA

Sherner v. National Loss Control Services Corp.

329 Mont. 247 (2005) · Decided November 15, 2005

SUMMARY

The Montana Supreme Court affirmed summary judgment dismissing the Sherners’ claims against Conoco, National Loss Control Services Corporation, Crawford & Company, and Cathy Andersen arising from an investigation and criminal prosecution for alleged insurance fraud. The Court held that Andersen acted within the scope of her employment and that the defendants were immune under Montana’s insurance-fraud reporting statute because the record did not show malice. The Court vacated the costs portion of the judgment and remanded for compliance with the statutory procedure allowing the opposing party time to object to claimed costs.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Chief Justice Gray; Justice Cotter; Justice Leaphart; Justice Nelson; Justice Rice; Justice Warner
JURISDICTION	Montana
DECIDED	November 15, 2005
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The Sherners appealed from summary judgments dismissing their claims against Conoco, National, Crawford, and Andersen, and from the award and assessment of defense costs.
STANDARD OF REVIEW	Summary judgment is reviewed de novo under Rule 56, M.R.Civ.P. The moving party must establish the absence of a genuine issue of material fact and entitlement to judgment as a matter of law; the burden then shifts to the opposing party to show, beyond mere denial and speculation, a genuine issue of material fact.
PRECEDENTIAL VALUE	published
PARTIES	Peter R. Sherner, Deborah Sherner v. National Loss Control Services Corporation, Conoco, Crawford & Company, Cathy Andersen

TOPICS

- summary judgment
- costs
- malicious prosecution
- statutory interpretation
- appellate procedure

PRACTICE AREAS

civil procedure

appellate procedure

insurance

torts

statutory interpretation

remedies

QUESTIONS PRESENTED

1. Whether summary judgment was proper for Cathy Andersen on the ground that she acted within the course and scope of her employment.
2. Whether Montana's insurance-fraud reporting immunity statute, § 33-1-1210, MCA, barred the Sherners' claims absent evidence of malice.
3. Whether summary judgment was proper on the Sherners' malicious-prosecution claim.
4. Whether the District Court improperly set the amount of defense costs before allowing the Sherners the statutory period to object.

HOLDINGS

1. Summary judgment for Andersen was proper because the record contained no evidence that she acted negligently or tortiously in a personal capacity; she acted within the course and scope of her employment and was not personally liable for the challenged conduct.
2. Section 33-1-1210(1), MCA, immunizes an insurer, adjuster, employee, or private person from civil liability for reporting or cooperating with an insurance-fraud investigation when the conduct is not malicious. For purposes of that statute, malice is defined by § 1-1-204(3), MCA, as a wish to vex, annoy, or injure another person or an intent to do a wrongful act.
3. Summary judgment for all defendants was proper on the malicious-prosecution claim because the Sherners presented no evidence that the defendants instigated, prosecuted, or continued the criminal proceeding or acted with malice.
4. The District Court erred by entering judgment for specified costs before the Sherners had the five-day statutory period to object to the bills of costs. The cost provision in the judgment and the January 6, 2004 notice were vacated, and the matter was remanded for costs proceedings consistent with the statutory procedure.

KEY QUOTATIONS

“In the absence of malice, an insurer, an officer, employee, or producer of the insurer, an independent adjuster, an administrator, a consultant, or any private person is not subject to civil liability for filing reports, providing information, or otherwise cooperating with an investigation or examination of insurance fraud conducted by the commissioner.” (255-256)

“If the plaintiff fails to offer proof of any one of these elements, the action fails, and summary judgment in favor of the defendant is proper.” (258)

“Section 25-10-502, MCA, expressly provides that a party dissatisfied with the amounts contained in a bill of costs filed pursuant to § 25-10-501, MCA, has 5 days after notice of that filing to object by filing and serving a notice of a motion to have the costs taxed.” (259)

FACTUAL BACKGROUND

Peter Sherner was seriously injured by exposure to hydrogen sulfide while working at the Conoco refinery and received workers' compensation benefits. After an investigation revealed that home-health-care provider Bernice Corcoran had billed for services she did not provide, National and Crawford referred information to the Montana State Auditor and cooperated with the investigation. Criminal charges were filed against Peter and Corcoran; the charge against Peter was later dismissed, while Corcoran pleaded guilty. The Sherners then sued the insurers, adjusters, and Andersen for emotional-distress, statutory and constitutional-rights violations, and malicious prosecution.

PROCEDURAL HISTORY

The Sherners filed suit alleging that the defendants maliciously encouraged and assisted an insurance-fraud investigation that led to criminal charges against Peter. The District Court granted Andersen summary judgment in March 2003, granted the remaining defendants summary judgment on December 9, 2003, entered judgment including claimed costs on December 17, 2003, and later entered a January 6, 2004 notice concerning taxation of costs. The Montana Supreme Court affirmed dismissal of the claims, but vacated the cost award and remanded for further proceedings concerning costs.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Vacate the January 6, 2004 Notice and the portion of the December 17, 2003 Judgment specifying costs. Remand for further proceedings on costs, allowing the statutory objection period and following the procedures required by §§ 25-10-501, -502, and -504, MCA. The summary judgment and dismissal of the Sherners' claims are affirmed.

CASES CITED

- Sherner v. Conoco, Inc., 2000 MT 50, 298 Mont. 401, 995 P.2d 990
- Farmers Union Mutual Insurance Co. v. Staples, 2004 MT 108, 321 Mont. 99, 90 P.3d 381
- Phillips v. Montana Education Association, 187 Mont. 419, 610 P.2d 154 (1980)
- Crystal Springs Trout Co. v. First State Bank of Froid, 225 Mont. 122, 732 P.2d 819 (1987)
- Bruner v. Yellowstone County, 272 Mont. 261, 900 P.2d 901 (1995)
- Spackman v. Ralph M. Parsons Co., 147 Mont. 500, 414 P.2d 918 (1966)
- Plouffe v. Montana Department of Public Health and Human Services, 2002 MT 64, 309 Mont. 184, 45 P.3d 10
- White v. Murdock, 265 Mont. 386, 877 P.2d 474 (1994)
- Girson v. Girson, 112 Mont. 183, 114 P.2d 274 (1941)
- Gahagan, 100 Mont. 601-02, 612, 52 P.2d 151-52, 156

OPINION

Sherner v. National Loss Control Services Corp.

329 Mont. 247

GRAY, J.

CHIEF JUSTICE GRAY

delivered the Opinion of the Court. ¶1 Peter R. Shermer (Peter) and Deborah Shermer (collectively, the Shermers) appeal from an order of the Thirteenth Judicial District Court, Yellowstone County, granting summary judgment dismissing all their claims and awarding costs to the defendants. We affirm in part, reverse in part and remand. ¶2 We restate the issues on appeal as follows:

*251¶3 1. Did the District Court err in granting summary judgment to Cathy Andersen on the basis that she acted within the course and scope other employment?

¶4 2. Did the District Court err in granting summary judgment to all defendants based on § 33-1-1210, MCA, which generally grants immunity to those who report insurance fraud? ¶5 3. Did the District Court err in granting summary judgment to all defendants on the malicious prosecution claim? ¶6 4. Did the District Court err in setting the amount of costs awarded to three defendants?

¶7 The Shermers also challenge the District Court's conclusions that the Workers' Compensation Court has exclusive jurisdiction over this case and that the claims against Conoco must fail based on res judicata, and argue that the District Court erred in dismissing their claims based on negligence, negligent and intentional infliction of emotional distress and violation of statutory and constitutional rights. Based on our decision on the merits of Issues One and Two, it is unnecessary to farther consider these claims.

FACTUAL AND PROCEDURAL BACKGROUND

¶8 Peter was seriously injured in August of 1995 as a result of exposure to hydrogen sulfide gas while working at the Conoco refinery in Billings, Montana. Conoco is a self-insured employer under the Montana Workers' Compensation Act. Peter continues to receive workers' compensation benefits because of his injuries. ¶9 The Shermers brought suit against Conoco and its employees, alleging their intentional and negligent acts resulted in Peter's injuries. See *Shermer v. Conoco, Inc.*, 2000 MT 50, 298 Mont. 401, 995 P.2d 990 (Shermer I). The Shermers eventually obtained a \$1.9 million judgment in that lawsuit, which Conoco paid in September 2001. ¶10 In January of 2002, the Shermers filed their complaint in the present case against Conoco, National Loss Control Services Corporation (National), Crawford & Company (Crawford) and Cathy Andersen (Andersen), a Crawford claims adjuster. They allege the defendants acted with malice in encouraging the State Auditor to investigate Peter for allegedly defrauding his insurer, which resulted in criminal charges against him. The Shermers sought damages for intentional infliction of emotional distress, negligent infliction of emotional distress, and violation of their statutory and constitutional rights. The complaint also sought damages for malicious prosecution. The Shermers' complaint in the action underlying this appeal was *252based on the following facts and events after Peter's injury. ¶11 National has been the adjuster for Peter's claims since his injury.

Intermountain Claims (Intermountain) served as National's local claims adjuster in Montana until January of 1998, at which time Crawford took over its duties. In June of 1996, Peter requested home health care assistance. After receiving confirmation from Peter's treating physicians that home health care was medically necessary, Intermountain authorized a home health care attendant for Peter for nine hours a day, seven days a week, subject to periodic review. The home health care attendant was to provide light housekeeping and personal care assistance. ¶12 Tracey Sherner (Tracey), the Sherners' daughter-in-law, initially provided the care. She submitted time sheets and a bill totaling \$9,000 for services in 1996. However, an investigator for Intermountain conducted surveillance and found that Tracey was not actually with Peter at all times for which she billed. Intermountain filed a workers' compensation petition against Tracey alleging fraud. The dispute was settled in May of 1997, and Intermountain informed the Sherners, through their attorney, that Peter's home health care must be provided by a properly certified and licensed home health care aide and not by a family member. ¶13 In November of 1996, the Sherners chose their neighbor Bernice Corcoran (Bernice) to provide home health care services. Bernice was not a certified home health care aide when she started, but attended classes at a local nursing home and earned her certification while providing services for Peter. ¶14 On November 28, 1997, the Governor's Fraud Hot Line received an anonymous call that Bernice had been submitting time sheets claiming to have provided services to Peter which she had not provided. Intermountain was notified and tried to verify with Peter's doctor whether he was still in need of home care. The doctor Intermountain had previously consulted was no longer providing Peter's health care. ¶15 In January of 1998, Crawford replaced Intermountain as National's local claims adjuster. In January of 1999, Crawford adjuster Andersen noted discrepancies in Bernice's billing statements. Crawford requested evaluation of Peter by his treating physician, who verified that Peter's maximum of nine hours a day of home health care was necessary and appropriate. ¶16 Crawford then hired a private investigator from BCI, Inc., to observe Bernice and determine if she was actually providing care to *253Peter at the times claimed. BCI's surveillance revealed that Bernice was not with Peter on some days for which she billed. Crawford also interviewed both Peter and Bernice, and confirmed that Bernice was not providing all the services for which she billed. Accordingly, Bernice's services were terminated on November 17, 1999. ¶17 National then referred its concerns regarding Bernice's services to the State Auditor-the ex officio insurance commissioner in Montana-whose office conducted its own investigation into the matter. In response to a written request, National and Crawford each provided the State Auditor with copies of all of the documents each possessed relating to Peter's workers' compensation claims, and otherwise cooperated with the State Auditor's investigation. The State Auditor also obtained payroll records from Saint Vincent Hospital, where Bernice worked part-time, and discovered that Bernice was working there during some of the times she claimed to have been providing home care to Peter. Bernice later admitted to having "double billed" her time. ¶18 On January 29, 2001, with the State Auditor's attorney-who had been specially deputized as a deputy county attorney-

serving as the prosecutor, the Yellowstone County Attorney filed criminal charges against Peter and Bernice. The Information filed on behalf of the State of Montana charged Peter with felony theft by common scheme because he signed the fraudulent bills Bernice submitted. ¶19 During discovery, Bernice admitted she had “subcontracted” with the Sherners’ son, Trevor, to pay him \$400 a month to provide some of his father’s home health care. Neither Bernice nor the Sherners ever reported this arrangement to anyone at Conoco, Intermountain or Crawford. Trevor kept no records of when he provided services, and he was not a certified home health care provider. Deborah Shemer admitted that, despite her knowledge that family members were prohibited from providing Peter’s home health care, she arranged the subcontract between Bernice and Trevor. ¶20 The State later moved to dismiss the criminal charge against Peter, and the charge was dismissed on March 1, 2001. Bernice ultimately pled guilty to felony theft by common scheme. ¶21 The Sherners filed the complaint in the present case on January 4, 2002. They sought damages on the basis of allegations that Conoco, National, Crawford, and Andersen instigated the criminal proceedings against Peter and withheld information from the State Auditor that negated the allegations of wrongdoing against him. Andersen moved for summary judgment and the District Court granted her motion in *254March of 2003. The remaining defendants also moved for summary judgment and, after a hearing, the District Court granted all defendants’ motions on December 9, 2003, stating the defendants would be awarded their costs. ¶22 Conoco, Crawford and National submitted bills of costs on December 16, 2003. On December 17, 2003, the District Court entered judgment against the Sherners and assessed costs in the full amount sought by these defendants. On January 6, 2004, the court filed an order entitled “Notice,” apparently entered sua sponte, in which it stated it had taxed costs on December 31, 2003, as requested by defendants after noting no objections by the Sherners. Attached to the court’s order was a copy of the December 17, 2003 judgment. This appeal followed.

STANDARD OF REVIEW

¶23 This Court’s review of a district court’s grant of summary judgment is de novo and we apply the criteria contained in Rule 56, M.R.Civ.P. The party moving for summary judgment bears the initial burden of establishing both the absence of a genuine issue of material fact and entitlement to judgment as a matter of law. If this burden is met, the burden shifts to the nonmoving party to prove, by more than mere denial and speculation, that a genuine issue of material fact exists which precludes summary judgment. We review a district court’s legal determinations to determine whether the conclusions are correct. *Farmers Union Mut.Ins. Co. v. Staples*, 2004 MT 108, ¶ 18, 321 Mont. 99, ¶ 18, 90 P.3d 381, ¶ 18 (citations omitted).

ISSUE ONE

¶24 Did the District Court err in granting summary judgment to Andersen on the basis that she acted within the course and scope of her employment? ¶25 The Sherners first argue that the District Court erred when it concluded Andersen’s conduct fell within the scope of her employment as an adjuster for Crawford and, therefore, she was not subject to personal liability

for her actions. Generally, employees and agents of a corporation are shielded from personal liability for acts taken on behalf of the corporation. *Phillips v. Montana Ed. Ass'n* (1980), 187 Mont. 419, 424-25, 610 P.2d 154, 157-58. The Sherners argue that a reasonable jury could have concluded that Andersen was personally liable under § 28-10-702(3), MCA, which states that an agent is personally responsible to third persons for the agent's wrongful acts.

*255¶26 We have interpreted § 28-10-702(3), MCA, to mean that "[i]n order to hold a corporate agent personally liable, the [trial] court must find that the agent was personally negligent or that the agent's actions were tortious in nature." *Crystal Springs Trout Co. v. First State Bank of Froid* (1987), 225 Mont. 122, 129, 732 P.2d 819, 823. "The personal nature of the agent's actions forms the narrow exception to the general policy that officers and agents of a corporation must be shielded from personal liability for acts taken on behalf of the corporation." *Crystal Springs*, 225 Mont. at 129, 732 P.2d at 823 (citation omitted).

¶27 Conclusory statements are not sufficient to defeat a motion for summary judgment. *Bruner v. Yellowstone County* (1995), 272 Mont. 261, 264, 900 P.2d 901, 903 (citation omitted). Here, the record contains no evidence that would show Andersen did anything more than simply report what she found in her employer's records or learned after investigation to further her employer's interests. Other than the Sherners' unsupported conclusions, there is no indication that Andersen acted negligently or other than within the course and scope of her employment in handling Peter's case, or when she noted and reported the discrepancies she found in Peter's claims. ¶28 We hold that the District Court did not err when it concluded Andersen acted within the scope of her employment and, thus, was immune from personal liability.

ISSUE TWO

¶29 Did the District Court err in granting summary judgment to all defendants based on § 33-1-1210, MCA, which generally grants immunity to those who report insurance fraud? ¶30 The Sherners argue the District Court erred in concluding that Conoco, National and Crawford were immune from all civil liability under § 33-1-1210(1), MCA. They assert substantial evidence of record indicated that the defendants acted with malice. ¶31 Section 33-1-1210(1), MCA, provides: In the absence of malice, an insurer, an officer, employee, or producer of the insurer, an independent adjuster, an administrator, a consultant, or any private person is not subject to civil liability for filing reports, providing information, or otherwise cooperating with an investigation or examination of insurance fraud conducted by the commissioner. (Emphasis added.) Malice is not defined in Title 33 of the Montana Code Annotated, but it is defined in §§ 1-1-204(3) and 27-1-221(2), MCA. We have not previously determined which statutory definition *256of malice applies with respect to § 33-1-1210(1), MCA. ¶32 Section 1-1-204(3), MCA, defines malice as a wish to vex, annoy, or injure another person or an intent to do a wrongful act, established either by proof or presumption of law. We applied an earlier version of the § 1-1-204(3), MCA, definition of malice in a tort action in which the plaintiff recovered property damages from a company that negligently severed a sewage line during an excavation project. See *Spackman v. Ralph M.*

Parsons Co. (1966), 147 Mont. 500, 510, 414 P.2d 918, 923. In *Sherner I*, ¶ 37, we adopted the definition of malice contained in § 27-1-221(2), MCA, for purposes of determining whether an employer acts with malice under the workers' compensation statutes. ¶33 The present issue relates to the tort claims of negligence, intentional and negligent infliction of emotional distress and defamation, and to the claims of violation of statutory and constitutional rights. The *Sherners* suggest that the § 1-1-204(3), MCA, definition of malice likely applies because § 1-1-204, MCA, states that the definitions contained therein apply "[u]nless the context requires otherwise[.]" We agree with the *Sherners* that, here, "the context does not require otherwise." Thus, we conclude the § 1-1-204(3), MCA, definition of malice applies to § 33-1-1210(1), MCA. ¶34 The *Sherners* base their claim of malicious prosecution on their perception that National and Crawford, as agents of Conoco in its role as the insurer, maliciously targeted Peter because he was performing physical activities that led them to believe he did not require domiciliary care. The *Sherners* then argue that since Peter's treating physician authorized him to engage in such activities, National and Crawford acted with malice when they investigated him. They further allege these defendants withheld information from the State Auditor regarding Peter's physical condition that would absolve him of wrongdoing. ¶35 The *Sherners*' arguments miss the point. Peter was charged with felony theft by common scheme because he signed the fraudulent bills submitted by Bernice. The charges did not relate to whether he was physically impaired so as to warrant domiciliary care. Thus, information concerning his physical condition, whether National and Crawford provided it to the State Auditor or not, was not relevant to the charge which underlies the malicious prosecution claim. Nothing in the record indicates that Crawford or National acted with malice in investigating Peter's claim. ¶36 On the contrary, the facts clearly indicate Crawford and National were simply doing their jobs when they investigated Peter's claim. On November 28, 1997, the Governor's Fraud Hot Line received an anonymous call that Bernice had submitted time sheets fraudulently claiming to have provided services to Peter. Based on this information, Crawford, which had recently taken over as the local adjuster from Intermountain, initiated an investigation of Bernice. The investigation revealed that Bernice was not, in fact, with Peter at many of the times she claimed to be providing him with care. Pursuant to § 33-1-1205(2), MCA, an insurer, independent adjuster or employee of an insurer who has reason to believe an insurance fraud has been or is being committed must provide notice to the State Auditor within 60 days of discovery of the possible fraud. Conoco, Crawford, National and Andersen had a statutory duty to provide notice of what they had discovered to the State Auditor. The defendants then were required to cooperate fully with the investigation. See § 33-1-1205(1), MCA. ¶37 National and Crawford met their statutory duty by providing the results of their investigation to the State Auditor. The State Auditor then performed an independent investigation, gathered additional information and independently concluded that charges should be filed against Bernice and Peter. Finally, the prosecuting attorney testified by deposition that he was solely responsible for making the decision to file charges against Peter, and that he was not pressured by the defendants to prosecute the case. Under these circumstances, it is

clear that the defendants did not act with malice. They acted in accordance with the law. ¶38 We conclude that the Sherners have failed to present evidence creating a genuine issue of material fact as to whether the defendants acted with malice. They simply made no showing that the defendants' conduct indicated "a wish to vex, annoy, or injure" them or any "intent to do a wrongful act." See § 1-1-204(3), MCA. In the absence of malice, the defendants are not subject to civil liability for cooperating with an investigation of insurance fraud. We hold that the District Court did not err in granting summary judgment to all defendants based on the immunity set forth in § 33-1-1210, MCA.

ISSUE THREE

¶39 Did the District Court err in granting summary judgment to all defendants on the malicious prosecution claim? ¶40 The Sherners claim the defendants were responsible for instigating the criminal charges against Peter, and that they did so with malice. They argue that the District Court erred in granting summary judgment to the defendants because there are facts in the *258record sufficient to sustain a civil claim for malicious prosecution. ¶41 In an action for malicious prosecution, the plaintiff must establish each of the following elements:

- (1) a judicial proceeding was commenced and prosecuted against the plaintiff;
- (2) the defendant was responsible for instigating, prosecuting or continuing such proceeding;
- (3) there was a lack of probable cause for the defendant's acts;
- (4) the defendant was actuated by malice;
- (5) the judicial proceeding terminated favorably for plaintiff; and
- (6) the plaintiff suffered damage.

Plouffe v. Montana Dept. of Public Health and Human Services, 2002 MT 64, ¶ 16, 309 Mont. 184, ¶ 16, 45 P.3d 10, ¶ 16 (citations omitted). If the plaintiff fails to offer proof of any one of these elements, the action fails, and summary judgment in favor of the defendant is proper. See White v. Murdock (1994), 265 Mont. 386, 389-90, 877 P.2d 474, 476 (citation omitted). The District Court concluded the Sherners had not offered evidence to support the elements of malicious prosecution, and granted summary judgment for the defendants. ¶42 There is no question that the first element necessary to establish malicious prosecution is present in this case. A criminal case was commenced against Peter. ¶43 We have already discussed the facts of this case relating to the second element of malicious prosecution. The State Auditor and prosecutor acted independently on the basis of their investigations and the defendants were not responsible for instigating, prosecuting or continuing the criminal proceeding. ¶44 Similarly, with regard to the fourth element required for a malicious prosecution action, we have discussed the absence of malice in resolving the immunity statute issue, above. We concluded the Sherners failed to present evidence that the defendants acted with malice. ¶45 Because the Sherners have not come forward with sufficient evidence to raise issues of material fact concerning whether the defendants were responsible for instigating, prosecuting or continuing the prosecution of Peter, or whether the defendants were actuated by malice, we need not consider the other elements of malicious

prosecution. ¶46 We hold that the District Court did not err in granting summary judgment to all defendants on the malicious prosecution claim.

*259ISSUE FOUR

¶47 Did the District Court err in setting the amount of costs awarded to three defendants? ¶48 On December 9, 2003, the District Court entered its order granting summary judgment in favor of the defendants, with the defendants awarded their costs. The Clerk of the District Court mailed copies of this order to all parties that same day and, pursuant to § 25-10-501, MCA, each defendant had 5 days to file what is commonly called a bill of costs-expressed in the statute as “a [verified] memorandum of the items of his costs and necessary disbursements in the action”-and serve notice of such filing upon the Sherners. National, Conoco and Crawford each filed bills of costs on December 16, 2003, and mailed notice of their claimed costs to the Sherners. On December 17, 2003, the District Court entered judgment in favor of the defendants. Handwritten into blanks in the judgment form were the following cost amounts, repeating the amounts stated in the bills of costs filed the previous day: \$4,928.20 to National; \$8,150.18 to Conoco; and \$2,183 to Crawford. Later, on January 6, 2004, the District Court filed a document entitled “Notice,” wherein it stated that on December 31, 2003, it had taxed costs as requested by defendants after noting no objection by the Sherners. The court attached a copy of the December 17, 2003 Judgment to the “Notice.” In this latter regard, we observe in passing that nothing of record supports the statement in the court’s “Notice” that it taxed costs on December 31 after noting no objection. ¶49 The Sherners argue that by entering a Judgment on December 17, 2003, which included the costs requested by the three defendants, the District Court deprived them of the opportunity to object to the bills of costs as permitted by § 25-10-502, MCA. We agree. ¶50 Section 25-10-502, MCA, expressly provides that a party dissatisfied with the amounts contained in a bill of costs filed pursuant to § 25-10-501, MCA, has 5 days after notice of that filing to object by filing and serving a notice of a motion to have the costs taxed. Here, the District Court’s Judgment, entered on the day following the filing of the bills of costs and including the amounts stated therein by the defendants, deprived the Sherners of the statutorily-authorized time in which to object. ¶51 *Girson v. Girson* (1941), 112 Mont. 183, 114 P.2d 274, our only decision on this issue, supports this interpretation of the plain language of the statute. There, we briefly addressed a defendant’s contention that the trial court erred in entering judgment for *260costs-that is, the amount of the costs-without allowing him the 5-day period within which to object. Addressing § 9803, RCM (1921)-the predecessor to §§ 25-10-501 and -502, MCA-we agreed, and directed that the judgment be modified by awarding “as costs such sum as will be found proper after the cost bill has been settled in the statutory manner.” *Girson*, 112 Mont. at 188, 114 P.2d at 277. As noted, our discussion of the costs issue in *Girson* is brief. It is, however, sufficiently clear with regard to the basic facts before us here-that is, the entry of a judgment including amounts of costs prior to the running of the 5-day objection period-to serve as jurisprudential authority for our plain language statutory interpretation in the present case. It also reflects that nothing in our decision today

changes the law concerning procedures for determining the amount of costs available to a prevailing party. ¶52 Conoco and Crawford assert, however, that the Sherners waived their right to appeal this issue by failing to object to the costs below. In a similar vein, National points out that the Sherners did not ask the District Court to amend the Judgment pursuant to Rule 59, M.R.Civ.P. ¶53 The District Court having failed to give the Sherners the 5-day period in which to timely object to the costs sought as required by § 25-10-502, MCA, we are hard-pressed to imagine how the Sherners could thereby have waived their right to appeal. They simply had no opportunity to object prior to the entry of the Judgment which included the costs sought. Nor does National advance authority under which the Sherners were required to file a Rule 59 motion. As a result, we need not address these assertions further. ¶54 National also contends the Sherners do not identify on appeal any argument that its cost bill was inappropriate or unsupported by Montana law. National is correct. We observe, however, that the Sherners properly did not request this Court to make determinations required by Montana law to be made by the trial court in the first instance. ¶55 Notwithstanding the somewhat convoluted discussion in the dissent, it is appropriate to respond briefly. The dissent is correct, at ¶ 73, that until the defendants filed their bills of costs, no one knew what costs would be claimed. That is precisely why § 25-10-501, MCA, requires the bill of costs. The notion that, somehow, this transforms the bills of costs into “ascertained” costs at the time the bill of costs is filed is simply not supported by Montana statute or jurisprudence. Indeed, the word “ascertain” does not appear in §§ 25-10-501 or -502, MCA.

*261 ¶56 The two statutes, read together, give the prevailing party 5 days to file a bill of costs and the opposing party 5 days to file a notice of a motion to have the trial court tax the costs. By simple logic, the amount of the costs cannot be determined unless and until the 5 days permitted to the opposing party have passed. If the opposing party timely objects, the trial court must tax the costs. If the opposing party does not object timely, § 25-10-504, MCA, permits the clerk to “ascertain” the costs as the amounts claimed in the bill of costs and enter same into the judgment.

¶57 The dissent’s view that somehow our determination of the costs issue here changes law in effect since 1895 is puzzling, since the dissent advances no authority for this view. Indeed, *Gahagan*, on which the dissent relies, supports the result in this case rather than the dissent’s view. There, the prevailing plaintiff filed his memorandum of costs and, two days later, the defendant timely filed a notice of motion to tax costs, advised of objections to certain items and requested a hearing before the court to present its objections and then request the court to tax costs. Thereafter, the trial court struck certain items of claimed costs and entered judgment. *Gahagan*, 100 Mont. at 601-02, 52 P.2d at 151-52. We affirmed the trial court’s action on appeal. *Gahagan*, 100 Mont. at 612, 52 P.2d at 156. This is precisely the type of procedure which we require in the present case.

¶58 In advancing *Gahagan*, the dissent seems to miss the very point at issue here, which is that the party opposing the bill of costs has a statutory time frame in which to object. Thereafter, the trial court can proceed to tax costs appropriately. Here, unlike in *Gahagan*, the Sherners were denied their statutorily-authorized time to object to the bills of costs. ¶59 Finally, the dissent closes with

the thought that trial courts will be involved in every costs proceeding, regardless of whether objection is made. This statement reflects the dissent's basic misunderstanding of our decision here: a losing party must be allowed the 5-day period to object and, if timely objection is made, the court is required to tax costs thereafter. If no timely objection is made, § 25-10-504, MCA, comes into play and the clerk may simply accept the amounts claimed as ascertained and insert them into the judgment. ¶60 We hold that the District Court erred in setting the amount of costs awarded to three defendants.

CONCLUSION

¶61 The District Court's summary judgment in favor of the defendants *262and dismissal of the Sherners' claims are affirmed. The District Court's January 6, 2004 "Notice" and that portion of its December 17, 2003 Judgment specifying costs are vacated. This matter is remanded to the District Court for further proceedings on costs consistent with this Opinion. JUSTICE LEAPHART concurred.