

SUPREME COURT OF NEW MEXICO

Baker v. Endeavor Services, Inc. and Great West Casualty Company

Baker v. Endeavor Servs., Inc. & Great W. Cas. Co., 2018-NMSC-035 (N.M. 2018) · No. S-1-SC-36651 ·

Decided September 6, 2018

SUMMARY

The New Mexico Supreme Court held that the worker made a valid offer of judgment under the Workers' Compensation Act's fee-shifting provision. The court concluded that the offer sufficiently identified the proposed resolution of the worker's temporary-total-disability benefits and put the employer on notice of the offer's implications, despite leaving the maximum-medical-improvement date and permanent-partial-disability benefits unresolved. Because the statutory requirements were met, the court held that fee-shifting was mandatory and reversed and remanded.

CASE DETAILS

COURT	Supreme Court of New Mexico
WRITING FOR THE COURT	Gary L. Clingman, Justice; Petra Jimenez Maes, Justice; Charles W. Daniels, Justice; Barbara J. Vigil, Justice; Judith K. Nakamura, Chief Justice
JURISDICTION	New Mexico
DECIDED	September 6, 2018
DOCKET	S-1-SC-36651
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Original proceeding on certiorari reviewing the Workers' Compensation Administration's denial of full fee shifting and the Court of Appeals' affirmance.
STANDARD OF REVIEW	De novo review applies to the workers' compensation judge's interpretation of statutory requirements and application of law to undisputed facts; factual findings underlying the compensation order are reviewed for abuse of discretion in determining whether statutory fee shifting applies.
PRECEDENTIAL VALUE	Published New Mexico Supreme Court opinion; precedential.
PARTIES	Casey R. Baker, Worker-Petitioner v. Endeavor Services, Inc., Great West Casualty Company

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether Baker's offer of judgment was sufficiently definite and valid under NMSA 1978, Section 52-1-54(F) (2003), despite not specifying a maximum-medical-improvement date or permanent-partial-disability amount.
2. Whether an offer of judgment must resolve every issue in a workers' compensation case to trigger the statutory fee-shifting provision.
3. Whether fee shifting is mandatory when the statutory requirements are satisfied and the final compensation award exceeds the offer.

HOLDINGS

1. An offer of judgment is valid when it clearly identifies itself as an offer of judgment, informs the opposing party of the consequences of acceptance, and provides a sufficient frame of reference for determining liability and comparing the offer with the final compensation order. Baker's offer was unambiguous and valid even though it did not specify a maximum-medical-improvement date or permanent-partial-disability amount.
2. When a worker's valid offer of judgment is less than the amount awarded in the final compensation order and the employer rejected the offer, Section 52-1-54(F)(4) requires the employer to pay 100% of the worker's attorney fees.

KEY QUOTATIONS

"We conclude, based on the plain language and stated purpose of the Workers' Compensation Act and the collective reasoning of Abeyta, Leonard, and Rivera, that Worker made a valid offer of judgment, sufficient to trigger the fee-shifting provision set forth in Section 52-1-54(F)(4) (2003)." (§ 28)

"If the findings meet the requirements of Section 52-1-54(F) (2003), then fee-shifting is mandatory." (§ 30)

"We conclude that the workers' compensation judge erred as a matter of law by declining to apply the fee-shifting provision, Section 52-1-54(F)(4) (2003), where Worker's offer of judgment met all of the requirements to trigger fee-shifting under the statute." (§ 32)

FACTUAL BACKGROUND

Baker suffered injuries in a compensable motor vehicle accident on October 14, 2011, and disputed the date of maximum medical improvement and the extent of his permanent impairment. He later sustained a second accident while traveling to medical treatment. On November 11, 2015, Baker served an offer of judgment proposing temporary total disability benefits at a specified weekly rate until maximum medical improvement,

payment of arrears, and an equal division of attorney fees. The employer rejected the offer, and after trial the workers' compensation judge awarded Baker benefits based on a later maximum-medical-improvement date and a 37% whole-person impairment, but declined to shift 100% of Baker's attorney fees.

PROCEDURAL HISTORY

Baker filed workers' compensation claims after a work-related motor vehicle accident and a later accident occurring while traveling for treatment. After trial, the workers' compensation judge awarded temporary total disability benefits, permanent partial disability benefits, and attorney fees, but ordered the parties to split the fees equally. The Court of Appeals affirmed. The New Mexico Supreme Court granted certiorari and reversed, holding that Baker's offer of judgment triggered mandatory fee shifting.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded to the Workers' Compensation Administration for further proceedings consistent with the opinion, including application of the mandatory fee-shifting provision and award of 100% of Baker's attorney fees against the employer.

CASES CITED

- State ex rel. State Highway Comm'n v. Sherman, 1971-NMSC-009, 82 N.M. 316, 481 P.2d 104
- State ex rel. Thornton v. Hesselden Construction Co., 1969-NMSC-036, 80 N.M. 121, 452 P.2d 190
- Gallegos v. Kennedy, 1968-NMSC-170, 79 N.M. 590, 446 P.2d 642
- Morris v. Merchant, 1967-NMSC-026, 77 N.M. 411, 423 P.2d 606
- Smith v. Cutler Repaving, 1999-NMCA-030, 126 N.M. 725, 974 P.2d 1182
- Rivera v. Flint Energy, 2011-NMCA-119, 268 P.3d 525
- Hise v. City of Albuquerque, 2003-NMCA-015, 133 N.M. 133, 61 P.3d 842
- Leo v. Cornucopia Rest., 1994-NMCA-099, 118 N.M. 354, 881 P.2d 714
- Naranjo v. Paull, 1990-NMCA-111, 111 N.M. 165, 803 P.2d 254
- Abeyta v. Bumper to Bumper Auto Salvage, 2005-NMCA-087, 137 N.M. 800, 115 P.3d 816
- Dewitt v. Rent-A-Center, Inc., 2009-NMSC-032, 146 N.M. 453, 212 P.3d 341
- Carrillo v. Compusys, Inc., 2002-NMCA-099, 132 N.M. 710, 54 P.3d 551
- Albuquerque Hilton Inn v. Haley, 1977-NMSC-051, 90 N.M. 510, 565 P.2d 1027
- Garcia v. Mt. Taylor Millwork, Inc., 1989-NMCA-100, 111 N.M. 17, 801 P.2d 87
- Gomez v. B.E. Harvey Gin Corp., 1990-NMSC-057, 110 N.M. 100, 792 P.2d 1143
- Meyers v. W. Auto, 2002-NMCA-089, 132 N.M. 675, 54 P.3d 79
- Baber v. Desert Sun Motors, 2007-NMCA-098, 142 N.M. 319, 164 P.3d 1018
- Madrid v. St. Joseph Hosp., 1996-NMSC-064, 122 N.M. 524, 928 P.2d 250

- Baca v. Los Lunas Cmty. Programs, 2011-NMCA-008, 149 N.M. 198, 246 P.3d 1070
- Ortiz v. BTU Block & Concrete Co., 1996-NMCA-097, 122 N.M. 381, 925 P.2d 1
- Hawkins v. McDonald's, 2014-NMCA-048, 323 P.3d 932
- Gurule v. Dicaperl Minerals Corp., 2006-NMCA-054, 139 N.M. 521, 134 P.3d 808

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