

No. 20-475

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In The  
**Supreme Court of the United States**

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STANLEY V. CAMPBELL,

*Petitioner,*

v.

EAGLE FORCE HOLDINGS, LLC  
AND EF INVESTMENTS, LLC,

*Respondents.*

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**On Petition For A Writ Of Certiorari  
To The Delaware Supreme Court**

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**REPLY BRIEF IN SUPPORT OF  
PETITION FOR A WRIT OF CERTIORARI**

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**I. THE DECISION OF THE DELAWARE SUPREME COURT VIOLATES A FUNDAMENTAL PRINCIPLE OF DUE PROCESS CLEARLY ESTABLISHED IN DECISIONS OF THIS COURT.**

In his Petition for a Writ of Certiorari, Campbell cited an unbroken line of decisions from this Honorable Court establishing that a court cannot enter a judgment against an individual, even a judgment of civil contempt, in the absence of personal jurisdiction over that person. It is this fundamental rule that the Delaware Supreme Court has violated.

Respondents attempt to refute this by cherry-picking language and presenting it without acknowledging its context.

Specifically, Respondents argue that Campbell's position is refuted in *United States v. United Mine Workers*, 330 U.S. 258 (1947). Respondents point out that *United Mine Workers* cited *Warden v. Searls*, 121 U.S. 14 (1887), which addressed a situation where (i) though the proceedings were nominally those of contempt, they were really proceedings to award damages to the plaintiff, and to reimburse his expenses, and (ii) the award of damages for civil contempt could not be sustained because the injunction was determined to be improper. Those facts, however, did not affect the decision of this Court in *United Mine Workers*.

In *United Mine Workers*, the contemnor had been found to be in both civil and criminal contempt. This Court held that:

It does not follow, of course, that simply because a defendant may be punished for criminal contempt for disobedience of an order later set aside on appeal, that the plaintiff in the action may profit by way of a fine imposed in a simultaneous proceeding for civil contempt based upon a violation of the same order. The right to remedial relief falls with an injunction which events prove was erroneously issued, and a fortiori when the injunction or restraining order was beyond the jurisdiction of the court

330 U.S. at 295. Thus, this Court distinguished between civil and criminal contempt, and reversed the judgment for civil contempt but affirmed the judgment for criminal contempt.

Here, Campbell was adjudicated to be in civil contempt. There was no judgment of criminal contempt. As such, *United Mine Workers* clearly supports both Campbell's position and a summary reversal.

Respondents point out that in *Willy v. Coastal Corp.*, 503 U.S. 131 (1992), this Court concluded that a party could be sanctioned under Rule 11 even when subject matter jurisdiction was later found to be lacking. But Respondents ignore the point for which Campbell cited *Willy*:

A civil contempt order has much different purposes than a Rule 11 sanction. Civil contempt is designed to force the contemnor to comply with an order of the court; Rule 11 is designed to punish a party who has already violated the

court's rules. Given that civil contempt is designed to coerce compliance with the court's decree, it is logical that the order itself should fall with a showing that the court was without authority to enter the decree.

*Id.* at 138-39 (citations omitted). Campbell was sanctioned for civil contempt, not under Rule 11.

The other cases cited by Respondents are inapt because Respondents attempt to argue (incorrectly) either that the legal principle in this case, that a court must have personal jurisdiction over a party to hold that party in civil contempt, is fact-specific, or that the outcome depends on the terms of the order allegedly violated. These distinctions are irrelevant.

That a judgment cannot bind one over whom a court has no personal jurisdiction is a fundamental rule of due process under the Fourteenth Amendment to the Constitution of the United States. The only fact issue is whether or not there is a basis for the assertion of personal jurisdiction.

In *U.S. v. Thompson*, 921 F.3d 82 (2d Cir. 2019), the court stated that "Contempt proceedings may move forward upon a showing of actual notice, but only so long as the court making the contempt finding already has personal jurisdiction over the defendant." *Id.* at 87-88. Respondents attempt to argue that this principle is limited by the facts of the case. They cite nothing to support that incorrect premise.

*Pitcock v. State*, 121 S.W. 742 (Ark. 1909), pre-dates the decisions of this Court holding that, under

the Fourteenth Amendment, any judgment purporting to bind the person over whom a court has not acquired in personam jurisdiction is void. Further, the case did not address the effect of a lack of personal jurisdiction on the ability of a court to sanction a party for civil contempt.

*Hayes v. Towles*, 506 P.2d 105 (Idaho 1973), involved a finding of criminal, not civil, contempt. *Id.* at 109. Unlike criminal contempt, a finding of civil contempt is subject to issues of jurisdiction. *U.S. Catholic Conference v. Abortion Rights Mobilization, Inc.*, 487 U.S. 72, 78-79 (1988) (citing *United Mine Workers*, 330 U.S. at 294-95).

Finally, in *Ohio Contractors Ass'n v. Local 894 of Int'l Hod Carriers', Bldg. & C.L. Union of Am.*, 162 N.E.2d 155 (Ohio Ct. App. 1959), the Ohio court relied on *U.S. v. Shipp*, 203 U.S. 563 (1906). In *United Mine Workers*, however, this Court stated that "The right to remedial relief falls with an injunction which events prove was erroneously issued, and a fortiori when the injunction or restraining order was beyond the jurisdiction of the court. Nor does the reason underlying *United States v. Shipp*, supra, compel a different result." *Id.* at 295 (citations omitted). In light of this, *Ohio Contractors Ass'n* has no weight.

## **II. RESPONDENTS' PROCEDURAL ARGUMENTS ARE WITHOUT MERIT.**

Respondents argue that Campbell waived his objection to personal jurisdiction because he participated

in his defense on the merits and did not reassert his objection before each contempt hearing. This is frivolous.

The Vice Chancellor determined that since the issue of personal jurisdiction was tied to the merits of the claim, the issue of personal jurisdiction should be resolved along with the merits, and so deferred any decision of personal jurisdiction until a decision on the merits. The Vice Chancellor said:

And I, frankly, don't really have any intention, now that we've gotten at this point, to probably even hear the personal jurisdiction until – until I hear the whole thing or someone else hears it on the merits.

\* \* \*

*All issues as far as the personal jurisdiction are preserved* and they may come up in a summary judgment context or some sort of thing like that the Court will have enough before it. And then at that point we'd have to decide how are we going to go by summary judgment or just have a – you know, a trial.

(Appx. 93, italics added). Respondents do not address this at all.

Thus, the record is clear that, because the personal jurisdiction issue would not be resolved until a decision on the merits, “all issues” of personal jurisdiction were preserved (no matter when they arose) and would be resolved at trial.



In light of this, there is no legitimate argument that Campbell waived his personal jurisdiction argument by participating in the trial. He was “before” the Court of Chancery only because his motion to dismiss on the ground of lack of personal jurisdiction was deferred. Campbell’s objection was preserved throughout the process.

Similarly, Campbell did not waive the right to assert the defense as a result of not seeking a rehearing on the issue decided by the Delaware Supreme Court *sua sponte* in the first appeal.<sup>1</sup> At that point there was only a partial ruling, there had not yet been any finding of contempt and so there were no final appealable contempt orders, and it was possible that Campbell could win the motions in the trial court, rendering any appeal moot. As such, the issue was not ripe for decision in the first appeal. The matter was remanded to the trial court for a determination as to whether Campbell was in contempt. When Campbell was found in contempt, the issue became ripe for consideration. As such, the *sua sponte* ruling on contempt was not dispositive of the contempt motions, and does not prevent this Court from addressing the jurisdictional question.

The decision of the Delaware Supreme Court represents a significant violation of long-standing principles of due process and personal jurisdiction. This Court should grant certiorari to correct this wrong and

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<sup>1</sup> Again, the issue was not raised by any party in briefing or argument before the Delaware Supreme Court.

avoid any further erosion of due process rights in litigation.

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### CONCLUSION

For the foregoing reasons, as well as the reasons stated in his Petition for a Writ of Certiorari, petitioner Stanley V. Campbell respectfully requests that his Petition for a Writ of Certiorari be granted.

Respectfully submitted,

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