

COURT OF APPEALS OF OHIO, TENTH APPELLATE DISTRICT

Shane Schmaltz v. Mark Wahlberg Chevrolet of Worthington, Ohio

2023-Ohio-4293 (Ohio Ct. App. 2023) · No. 22AP-783 · Decided November 28, 2023

SUMMARY

The Tenth District Court of Appeals of Ohio affirmed the Franklin County Municipal Court’s judgment for Mark Wahlberg Chevrolet in Shane Schmaltz’s breach-of-contract action concerning an intended MSRP vehicle swap. The court held that Schmaltz failed to establish a contract breach and, having failed to object to the magistrate’s decision, could not obtain appellate relief absent plain error. The court also concluded that default judgment was properly denied because the dealership filed an answer before default judgment was entered and the complaint did not adequately state a breach-of-contract claim.

CASE DETAILS

COURT	Court of Appeals of Ohio, Tenth Appellate District
WRITING FOR THE COURT	Boggs, J.; Leland, J.; Jamison, J.
JURISDICTION	Ohio
DECIDED	November 28, 2023
DOCKET	22AP-783
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from the Franklin County Municipal Court's adoption of a magistrate's decision dismissing his breach-of-contract claim with prejudice and denying his oral motions for default judgment.
STANDARD OF REVIEW	Because Schmaltz did not object to the magistrate's decision, appellate review of challenges to the court's adoption of factual findings or legal conclusions was limited to plain error. Motions for default judgment are generally reviewed for abuse of discretion, although the court noted that failure to object could limit review to plain error.
PRECEDENTIAL VALUE	Published Ohio Court of Appeals opinion
PARTIES	Shane Schmaltz v. Mark Wahlberg Chevrolet of Worthington, Ohio

TOPICS

breach of contract

default judgment

motions to dismiss

service of process

appellate procedure

PRACTICE AREAS

Contracts

Civil procedure

Appellate procedure

Remedies

QUESTIONS PRESENTED

1. Whether the appellate court could review the trial court's dismissal of Schmaltz's claim when he failed to object to the magistrate's decision.
2. Whether the trial court erred by denying Schmaltz's motions for default judgment after the dealership did not appear at the initial hearing.
3. Whether the complaint and admitted allegations stated a breach-of-contract claim.
4. Whether service by certified mail to the dealership's physical business address was valid.

HOLDINGS

1. A party that fails to object to a magistrate's decision may challenge the trial court's adoption of the decision on appeal only by demonstrating plain error. Because Schmaltz neither acknowledged his failure to object nor argued plain error, the court overruled his challenge to the dismissal.
2. The trial court did not err in denying Schmaltz's motions for default judgment. Although service by certified mail to the dealership's physical business address was valid, the dealership filed an answer before any default judgment was entered, and default judgment was independently improper because the complaint did not state a valid breach-of-contract claim.
3. Schmaltz failed to state a claim for breach of contract because he did not allege or establish the existence of a contract with the dealership requiring it to complete the vehicle swap or provide the truck.
4. Service on the dealership by certified mail at its physical business address before the September 2022 hearing was valid under Ohio Civ.R. 4.1(A)(1)(a) and 4.2(G).

KEY QUOTATIONS

“The plain error doctrine addresses errors that are clearly apparent on the face of the record and are prejudicial to the appellant.” (¶ 22)

“When a plaintiff has failed to state a claim upon which relief could be granted, default judgment on that claim is improper.” (¶ 30)

“The elements of a breach of contract claim are (1) the existence of a contract, (2) the failure without excuse of the other party to perform when performance is due, and (3) damages or loss resulting from the breach.” (¶ 31)

“There is no allegation that Schmaltz executed a purchase agreement or an agreement with the dealership to swap his recalled vehicle for that truck.” (¶ 32)

FACTUAL BACKGROUND

Schmaltz paid the dealership a \$1,000 deposit to hold a truck that had not yet arrived. He claimed the deposit was part of an MSRP swap involving his recalled Chevrolet Bolt and that the dealership later abandoned the transaction. The deposit agreement identified a \$1,000 deposit toward an unidentified product, but there was no purchase agreement or other evidence establishing that the dealership agreed to the vehicle swap. Schmaltz recovered the deposit and separately sold the recalled Bolt directly to General Motors.

PROCEDURAL HISTORY

Schmaltz filed a small-claims complaint seeking \$5,552.56 based on an alleged vehicle MSRP swap and a \$1,000 deposit. The magistrate denied Schmaltz's motions for default judgment, permitted the dealership to answer and appear through counsel, and dismissed the case after finding that no breach of contract had been proven and that the complaint failed to state a claim. The municipal court adopted the magistrate's decision. Schmaltz filed no objections to the magistrate's decision and appealed.

DISPOSITION

affirmed

CASES CITED

- Davis v. Davis, 10th Dist. No. 17AP-664, 2018-Ohio-3180, ¶¶ 9, 11-12
- Oshoba-Williams v. Oshoba-Williams, 10th Dist. No. 21AP-517, 2022-Ohio-1826, ¶¶ 9-10
- Skydive Columbus Ohio, LLC v. Litter, 10th Dist. No. 09AP-563, 2010-Ohio-3325, ¶ 13
- Reichert v. Ingersoll, 18 Ohio St.3d 220, 223 (1985)
- Lopez v. Quezada, 10th Dist. No. 13AP-389, 2014-Ohio-367, ¶¶ 11-13
- Bank of Am., N.A. v. Malone, 10th Dist. No. 11AP-860, 2012-Ohio-3585, ¶ 18
- Recovery Funding, LLC v. Spiers, 10th Dist. No. 19AP-274, 2020-Ohio-364, ¶ 20
- Ohio Valley Radiology Assoc., Inc. v. Ohio Valley Hosp. Assn., 28 Ohio St.3d 118, 121 (1986)
- Reese v. Proppe, 3 Ohio App.3d 103, 105 (8th Dist. 1981)
- New v. All Transp. Solution, Inc., 177 Ohio App.3d 620, 2008-Ohio-3949, ¶ 14 (10th Dist.)
- Washington v. Ohio Adult Parole Auth., 10th Dist. No. 19AP-830, 2020-Ohio-3385, ¶ 14
- Fowler v. Coleman, 10th Dist. No. 99AP-319, 1999 Ohio App. LEXIS 6480, *10 (Dec. 28, 1999)
- Lucarell v. Nationwide Mut. Ins. Co., 152 Ohio St.3d 453, 2018-Ohio-15, ¶ 41