

SUPREME COURT OF SOUTH DAKOTA

Estate of John Leland Neiswender

2003 SD 50, 660 N.W.2d 249 · No. No. 22331 · Decided April 30, 2003

SUMMARY

The Supreme Court of South Dakota affirmed a trial court ruling that the parties reached an enforceable settlement agreement concerning distribution of assets in the Estate of John Leland Neiswender. The court held that the settlement was supported by mutual consent and consideration and was not induced by fraud, duress, undue influence, or mistake. The court also upheld the change in the designated recipients of the New Mexico property from the decedent's cousin to his daughters.

CASE DETAILS

COURT	Supreme Court of South Dakota
WRITING FOR THE COURT	Lee D. Anderson, Circuit Judge; Gilbertson, Chief Justice; Sabers, Justice; Konenkamp, Justice; Zinter, Justice; Lee D. Anderson, Circuit Judge, for Amundson, Retired Justice, disqualified
JURISDICTION	South Dakota
DECIDED	April 30, 2003
DOCKET	No. 22331
DISPOSITION	affirmed
PROCEDURAL POSTURE	Claire Neiswender appealed from a judgment enforcing a settlement agreement reached during a probate and will-contest proceeding.
STANDARD OF REVIEW	Findings of fact are reviewed for clear error, while conclusions of law are reviewed de novo. A trial court's determination that the parties entered into an agreement based on evidence and testimony is reviewed with great deference.
PRECEDENTIAL VALUE	published opinion; precedential South Dakota Supreme Court decision
PARTIES	Claire Neiswender, as personal representative of the Estate of John Leland Neiswender v. Elaine Neiswender, Margaret Reedy, other interested heirs

TOPICS

- probate procedure
- estate litigation
- contracts
- fraudulent inducement
- appellate procedure

PRACTICE AREAS

probate

estate litigation

contracts

real estate

appellate procedure

QUESTIONS PRESENTED

1. Whether the parties reached a binding and enforceable settlement agreement.
2. Whether Claire's consent was invalid because of fraud, fraudulent inducement, duress, undue influence, or mistake.
3. Whether the settlement agreement lacked mutual consent because the parties had not agreed on all terms.
4. Whether the agreement was supported by sufficient consideration.
5. Whether the circuit court erred by changing the designated recipients of the New Mexico property from Marilyn Howard to Elaine and Margaret.

HOLDINGS

1. The parties entered into a binding settlement agreement because the evidence established the contractual elements of capable parties, mutual consent, a lawful object, and sufficient consideration.
2. Claire failed to establish that her consent to the settlement was obtained through fraud, fraudulent inducement, duress, undue influence, or mistake.
3. The parties mutually consented to the settlement because their words, actions, written negotiations, and performance demonstrated a meeting of the minds on all relevant terms.
4. The settlement agreement was supported by sufficient consideration because Claire's transfer of the property was exchanged for releases of current and future claims and other benefits, including avoidance of further litigation expense and emotional hardship.
5. The circuit court did not err by changing the designated recipients of the New Mexico property from Marilyn Howard to Elaine and Margaret because Claire herself requested the change and Elaine's family did not object.

KEY QUOTATIONS

“A settlement agreement is contractual in nature and subject to the same rules of construction as contracts.”
(¶ 15)

“This mutual meeting of the minds was evidenced by the written negotiations between Westerfield and Fuller and the conduct of the parties in executing the settlement documents following the July 25, 2000 status conference.” (¶ 22)

“The trial court was correct in determining that a settlement agreement was reached in the John Leland Neiswender Estate. The judgment is affirmed.” (¶ 27)

FACTUAL BACKGROUND

John Leland Neiswender's will left his interest in 160 acres of New Mexico property to his wife, Claire, while making smaller bequests to his daughters and other family members. During a pending probate and will contest, Claire and the contestants negotiated a settlement under which Claire and the estate would transfer the New Mexico property and related mineral interests, while the other heirs would release their claims and withdraw their objections. Counsel confirmed the settlement at a telephonic status conference, and the parties began preparing and executing the necessary documents. Claire later refused to execute remaining documents, asserting that no enforceable agreement existed and that her consent had been fraudulently induced by nondisclosure of the mineral interests' value.

PROCEDURAL HISTORY

After John Leland Neiswender's death, Claire commenced informal probate, and Elaine filed objections and a will contest. The estate was converted to formal probate, and Claire was appointed personal representative with limited authority. During a prior appeal concerning the New Mexico property, the parties negotiated a settlement. The circuit court found that the parties had reached a binding settlement agreement and ordered performance, including transfer of the New Mexico property to Elaine and Margaret. The South Dakota Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Estate of Neiswender, 2000 SD 112, 616 N.W.2d 83
- Jacobson v. Gulbransen, 2001 SD 33, 623 N.W.2d 84
- Lewis v. Benjamin Moore & Co., 1998 SD 14, 574 N.W.2d 887
- Coffee Cup Fuel Stops v. Donnelly, 1999 SD 46, 592 N.W.2d 924
- Harms v. Northland Ford Dealers, 1999 SD 143, 602 N.W.2d 58
- Garrett v. BankWest, Inc., 459 N.W.2d 833 (S.D. 1990)
- Crilly v. Morris, 70 S.D. 153, 15 N.W.2d 742 (1944)
- Ewing v. Waddington, 62 S.D. 166, 252 N.W. 28 (1933)