

SUPREME COURT OF RHODE ISLAND

Credit Union Central Falls v. Groff

871 A.2d 364 (R.I. 2005) · No. No. 2004-196-Appeal · Decided April 22, 2005

SUMMARY

The Supreme Court of Rhode Island held that Doris P. Riendeau was entitled to intervene under Superior Court Rule of Civil Procedure 24(a)(2) in Credit Union Central Falls’ action against Lawrence S. Groff. Riendeau claimed a particularized interest in funds held in Groff’s client trust account, and the court concluded that existing parties did not adequately represent her competing claim. The court also held that a supplemental order preserving notice and a future hearing did not moot the appeal, reversed the denial of intervention, vacated the judgment, and remanded.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Per Curiam; Chief Justice Williams; Justice Goldberg; Justice Flaherty; Justice Suttell; Justice Robinson
JURISDICTION	Rhode Island
DECIDED	April 22, 2005
DOCKET	No. 2004-196-Appeal
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Riendeau appealed the denial of her motion to intervene in Credit Union Central Falls's Superior Court action against Groff. The Supreme Court considered whether intervention was required under Rule 24(a)(2) and whether subsequent protective orders rendered the appeal moot.
STANDARD OF REVIEW	The Supreme Court reviewed the denial of intervention under Rule 24(a)(2) and independently considered whether the appeal remained a live controversy.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Doris P. Riendeau v. Credit Union Central Falls, Lawrence S. Groff

TOPICS

- intervention
- mootness
- appellate procedure
- civil procedure

PRACTICE AREAS

civil procedure

appellate procedure

commercial litigation

remedies

QUESTIONS PRESENTED

1. Whether Riendeau was entitled to intervene as of right under Superior Court Rule of Civil Procedure 24(a)(2) because she claimed a specific interest in the attached client trust-account funds, disposition of the action could impair her ability to protect that interest, and existing parties did not adequately represent her interests.
2. Whether the Superior Court's supplemental order providing notice and a future hearing for potential claimants rendered the intervention appeal moot.

HOLDINGS

1. Riendeau was entitled to intervene as of right because she claimed a particularized interest in the specific funds attached in the action, disposition of the action could impair or impede her ability to protect that interest, and the existing parties did not adequately represent her competing claim.
2. The appeal was not moot because the supplemental order did not deprive Riendeau of a continuing stake in the controversy and did not provide a sufficiently definite substitute for party status and discovery needed to protect her claim.

KEY QUOTATIONS

*“Upon timely application anyone shall be permitted to intervene in an action * * * when the applicant claims an interest relating to the property or transaction which is the subject of the action and the applicant is so situated that the disposition of the action may as a practical matter impair or impede the applicant's ability to protect that interest, unless the applicant's interest is adequately represented by existing parties.”* (at 366)

“Interests in property are the most elementary type of right that Rule 24(a) is designed to protect,” (at 367)

“Accordingly, Chief Disciplinary Counsel's presence in the action does not provide "adequate representation" such that Riendeau's intervention should be disallowed.” (at 368)

“The supplemental order has not deprived Riendeau "of a continuing stake in the controversy.”” (at 369)

FACTUAL BACKGROUND

Credit Union Central Falls alleged that Groff misappropriated \$224,823 in connection with closing transactions for which he represented the credit union. The credit union obtained attachment of Groff's bank accounts, including a client trust account containing \$143,045. Riendeau, who had retained Groff as executrix and beneficiary of two estates, separately alleged that Groff wrongfully withheld \$85,476, including non-probate insurance benefits, and sought to intervene to protect her claimed interest in the same limited trust-account funds.

PROCEDURAL HISTORY

Credit Union Central Falls sued Groff and obtained a temporary restraining order and prejudgment attachment against Groff's bank accounts, including his client trust account. Chief Disciplinary Counsel was permitted to intervene, and the Superior Court later denied Riendeau's motion to intervene. During the appeal, the Superior Court entered a supplemental order providing notice and a future hearing for potential claimants, but the Supreme Court held that order did not moot the appeal.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reverse the denial of Riendeau's motion to intervene, vacate the corresponding judgment, and remand the record to the Superior Court for entry of an order permitting Riendeau to intervene in Credit Union Central Falls v. Groff, PC 04-1422.

CASES CITED

- Direct Action for Rights and Equality v. Gannon, 713 A.2d 218, 221-22 (R.I. 1998)
- State v. Cianci, 496 A.2d 139, 146 (R.I. 1985)
- Marteg Corp. v. Zoning Board of Review of Warwick, 425 A.2d 1240, 1243-44 (R.I. 1981)
- Town of Coventry v. Hickory Ridge Campground, Inc., 111 R.I. 716, 723-24, 306 A.2d 824, 828 (1973)
- Kirios v. Arsenault, 632 A.2d 15, 16-17 (R.I. 1993)
- Diaz v. Southern Drilling Corp., 427 F.2d 1118, 1124 (5th Cir. 1970)
- Mountain Top Condominium Association v. Dave Stabbert Master Builder, Inc., 72 F.3d 361, 363-68 (3d Cir. 1995)
- Gaines v. Dixie Carriers, Inc., 434 F.2d 52, 54 (5th Cir. 1970)
- F.T. International, Ltd. v. Mason, 2003 WL 21993859, at *2 (E.D. Pa. 2003) (mem.)
- Public Service Co. of New Hampshire v. Patch, 136 F.3d 197, 207 (1st Cir. 1998)
- Trbovich v. United Mine Workers of America, 404 U.S. 528, 538 n.10 (1972)
- Associated Builders & Contractors of Rhode Island, Inc. v. City of Providence, 754 A.2d 89, 90 (R.I. 2000)
- Morris v. D'Amario, 416 A.2d 137, 139 (R.I. 1980)
- Sullivan v. Chafee, 703 A.2d 748, 753 (R.I. 1997)
- Terminiello v. City of Chicago, 337 U.S. 1, 11 (1949) (Frankfurter, J., dissenting)
- In re Groff, 857 A.2d 760, 760-61 (R.I. 2004) (mem.)