

SUPREME COURT OF IDAHO

Rockefeller v. Grabow, 139 Idaho 538

82 P.3d 450 (2003) · No. No. 29031 · Decided December 9, 2003

SUMMARY

The Idaho Supreme Court reviewed a remand proceeding concerning the forfeiture of a real estate developer-broker's development fee after he breached fiduciary duties to the property owners. The court affirmed the district court's award of 87.5% of the development fee and attorney fees, holding that the district court properly exercised its discretion and had jurisdiction to award fees on remand. The court also awarded the respondent attorney fees and costs on appeal.

CASE DETAILS

COURT	Supreme Court of Idaho
WRITING FOR THE COURT	Eismann, Justice; Eismann; Trout, Chief Justice; Kidwell; Burdick; Schroeder
JURISDICTION	Idaho
DECIDED	December 9, 2003
DOCKET	No. 29031
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Grabows appealed after remand from an earlier appeal in which the Idaho Supreme Court reversed the award of Rockefeller's development commission and remanded for determination of whether he should forfeit all or part of that commission. Rockefeller cross-appealed in the earlier proceeding but was the respondent in this appeal.
STANDARD OF REVIEW	The amount of fiduciary-fee forfeiture and the determination of the prevailing party for attorney-fee purposes are reviewed for abuse of discretion. The court asks whether the trial court perceived the issue as discretionary, acted within the applicable legal boundaries and standards, and reached its decision through an exercise of reason.
PRECEDENTIAL VALUE	Published Idaho Supreme Court opinion; precedential
PARTIES	John C. Grabow, Laura M. Grabow v. Mark S. Rockefeller, dba Rockefeller & Associates

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QUESTIONS PRESENTED

1. Whether the district court complied with the Idaho Supreme Court's remand order when it determined the timing and manner of Rockefeller's fiduciary breach.
2. Whether the district court abused its discretion by awarding Rockefeller 87.5% of his development fee rather than requiring complete forfeiture.
3. Whether the district court had jurisdiction to award Rockefeller attorney fees on remand.
4. Whether the district court abused its discretion in determining that Rockefeller was the prevailing party on his development-fee claim and was entitled to attorney fees.
5. Whether Rockefeller was entitled to attorney fees on appeal under Idaho Code section 12-120(3).

HOLDINGS

1. The district court complied with the remand order because the prior general jury verdict established only that at least one fiduciary-duty theory had been proven; it did not establish which particular alleged breach occurred. The district court therefore could determine whether the alleged misrepresentation occurred before or after completion of a divisible portion of the contract.
2. The district court did not abuse its discretion by awarding Rockefeller 87.5% of his development fee. The court properly exercised its equitable discretion after finding that the subdivision was 85% to 90% complete when the fiduciary breach occurred.
3. The district court did not abuse its discretion by calculating the development fee without deducting expenses associated with selling subdivision parcels.
4. The district court had jurisdiction to award attorney fees on remand because the attorney-fee issue was a subsidiary issue fairly comprised within the remanded development-fee issue.
5. The district court did not abuse its discretion by treating Rockefeller as the prevailing party on his development-fee claim and awarding him attorney fees under Idaho Code section 12-120(3), while denying fees to the Grabows on their tort counterclaim.
6. Rockefeller was entitled to a reasonable attorney fee on appeal under Idaho Code section 12-120(3) because he prevailed on his commercial-transaction claim.

KEY QUOTATIONS

“When this Court, in deciding a case upon appeal, states in its opinion a principle or rule of law necessary to the decision, such pronouncement becomes the law of the case, and must be adhered to throughout its subsequent progress, both in the district court and upon subsequent appeal.” (139 Idaho at 543)

“A general verdict is not a determination that all of the claims or theories upon which it could be based have been proven. It is merely a determination that at least one of such claims or theories has been proven.” (139 Idaho at 543)

“the question of attorney fees was a 'subsidiary issue fairly comprised therein.’” (139 Idaho at 545)

FACTUAL BACKGROUND

The Grabows hired Rockefeller under a written property-development and agency agreement to subdivide and develop their property and serve as their exclusive sales agent. The agreement provided for a two-percent development fee, separate from sales commissions, and allowed termination after notice and an opportunity to cure. The Grabows terminated the agreement, alleging failures in marketing and other fiduciary breaches; a jury later found that Rockefeller breached his fiduciary duty and awarded the Grabows compensatory and punitive damages. On remand, the district court found that the breach occurred after the subdivision was 85% to 90% complete and awarded Rockefeller 87.5% of his development fee.

PROCEDURAL HISTORY

Rockefeller sued to recover development fees and sales commissions and sought other relief arising from his agreement with the Grabows. The jury found that Rockefeller breached his fiduciary duty and awarded the Grabows compensatory and punitive damages, while the district court awarded Rockefeller his development fee and attorney fees. In *Rockefeller I*, the Idaho Supreme Court remanded for determination of the appropriate forfeiture of the development fee and vacated the attorney-fee award. On remand, the district court awarded Rockefeller 87.5% of the development fee and reinstated attorney fees; the Grabows appealed.

DISPOSITION

affirmed

CASES CITED

- *Rockefeller v. Grabow*, 136 Idaho 637, 39 P.3d 577 (2001)
- *Dachlet v. State*, 136 Idaho 752, 40 P.3d 110 (2002)
- *Bouten Construction Co. v. H.F. Magnuson Co.*, 133 Idaho 756, 992 P.2d 751 (1999)
- *Insurance Associates Corp. v. Hansen*, 116 Idaho 948, 782 P.2d 1230 (1989)
- *Brown v. Hardin*, 31 Idaho 112, 169 P. 293 (1917)
- *Fitzgerald v. Walker*, 121 Idaho 589, 826 P.2d 1301 (1992)
- *Gustaves v. Gustaves*, 138 Idaho 64, 57 P.3d 775 (2002)
- *J.R. Simplot Co. v. Chemetics International, Inc.*, 130 Idaho 255, 939 P.2d 574 (1997)
- *Bolger v. Lance*, 137 Idaho 792, 53 P.3d 1211 (2002)
- *Polk v. Larrabee*, 135 Idaho 303, 17 P.3d 247 (2000)
- *Ramco v. H-K Contractors, Inc.*, 118 Idaho 108, 794 P.2d 1381 (1990)
- *Adams v. Krueger*, 124 Idaho 74, 856 P.2d 864 (1993)

- International Engineering Co., Inc. v. Daum Industries, Inc., 102 Idaho 363, 630 P.2d 155 (1981)

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