SUPREME COURT OF IDAHO

Reding v. Reding, 141 Idaho 369

109 P.3d 1111 (2005) · No. Nos. 30191, 30205 · Decided March 28, 2005

SUMMARY

The Idaho Supreme Court affirmed judgments arising from the dissolution and accounting of a family farming partnership following the death of one partner. The court upheld the application of Idaho's five-year statute of limitations to most of the parents' loan claims, while concluding that the loans were not includable as partnership liabilities because they had been repaid or were not intended to be repaid. The court also affirmed the valuation of partnership assets, including crops on hand, and the resulting judgment in favor of the deceased partner's estate.

CASE DETAILS

COURT	Supreme Court of Idaho
WRITING FOR THE COURT	Trout, Justice; Schroeder, Chief Justice; Eismann, Justice; Burdick, Justice; Jones, Justice
JURISDICTION	Idaho
DECIDED	March 28, 2005
DOCKET	Nos. 30191, 30205
DISPOSITION	affirmed
PROCEDURAL POSTURE	Consolidated appeals from a court-tried district court judgment concerning a partnership accounting and a collection action on loans allegedly made to the partnership.
STANDARD OF REVIEW	Findings of fact in a court-tried case are reviewed for clear error and are liberally construed in favor of the judgment; the appellate court determines whether substantial evidence supports the findings and whether the findings support the conclusions of law. Questions of law are reviewed freely.
PRECEDENTIAL VALUE	Published Idaho Supreme Court opinion
PARTIES	Raymond Reding, Arlene Reding, Jerry Reding, John Reding v. Cathy Reding, individually and as personal representative of the Estate of Lynn Joseph Reding

TOPICS

commercial litigation | contracts | probate | statute of limitations | appellate procedure

PRACTICE AREAS

commercial litigation | contracts | partnership law | probate and estate litigation | appellate procedure

QUESTIONS PRESENTED

1. Whether a stipulation concerning the existence and nonpayment of five partnership loans, submitted in connection with a summary-judgment motion, was binding for purposes of trial.
2. Whether the stipulation constituted a written acknowledgment of debt under Idaho Code section 5-238.
3. Whether Idaho's five-year statute of limitations barred Raymond and Arlene's collection claims against Cathy and Lynn's estate.
4. Whether substantial evidence supported the district court's conclusion that the alleged loans were either repaid or were never intended to be repaid and therefore should be excluded from the partnership accounting.
5. Whether substantial evidence supported including $46,000 in crops on hand as a partnership asset and valuing the 1996 growing crops at $164,000.
6. Whether either side was entitled to attorney fees on appeal.

HOLDINGS

1. A stipulation entered in the context of resolving a summary-judgment statute-of-limitations issue was limited to that purpose and was not binding at trial where the stipulation was silent about unconditional application and the opposing party's briefing made the limited purpose clear.
2. The stipulation did not constitute an acknowledgment of debt under Idaho Code section 5-238 because it was effective only for purposes of the summary-judgment motion.
3. Idaho's five-year statute of limitations for written contracts barred collection of the loans made before August 3, 1995, but did not bar the February 26, 1996, loan as of the filing of the action on August 3, 2000.
4. Substantial evidence supported excluding the alleged loans from the partnership accounting because the loans were either repaid or were never intended to be repaid.
5. Substantial and competent evidence supported including $46,000 in crops on hand as a partnership asset and valuing the 1996 growing crops at $164,000.
6. Neither side was entitled to attorney fees on appeal.

KEY QUOTATIONS

> *"Generally, stipulations of parties or counsel made in pending proceedings are conclusive as to all matters properly contained or included therein."* (109 P.3d at 1114)

> *"The partners have a responsibility to present accurately the assets and debts of the partnership for the purposes of valuation upon dissolution."* (109 P.3d at 1116)

> *“The decision is affirmed and we award costs on appeal to Cathy.”* (109 P.3d at 1117)

FACTUAL BACKGROUND

Raymond and Arlene Reding made five payments totaling $105,000 to Reding Farms between 1992 and 1996, describing the payments as loans. Lynn Reding died in 1996, dissolving the partnership by operation of law, and the surviving partners provided an accounting that valued the partnership negatively. The partnership's financial statements and tax returns did not list the alleged loans as outstanding obligations, while a financial statement prepared for a bank listed crops on hand valued at $46,000 and growing crops with a projected value of $374,840. The district court found the surviving partners' testimony and accounting methods not credible, excluded the alleged loans from the partnership accounting, included the crops on hand as an asset, and valued the growing crops using the $164,000 in operating loans incurred for the crop year.

PROCEDURAL HISTORY

Cathy Reding filed an accounting action challenging the surviving partners' valuation of Reding Farms after Lynn Reding's death. Raymond and Arlene Reding later filed a collection action against the surviving partners and Cathy concerning five alleged partnership loans totaling $105,000; the actions were consolidated. After a court trial, the district court held that all but the February 26, 1996, loan were barred by the statute of limitations, concluded that the loans were either repaid or were not intended to be repaid, valued the partnership at $72,380, and entered a $26,380 judgment for Cathy against Jerry and John. The Idaho Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Conley v. Whittlesey, 133 Idaho 265, 269, 985 P.2d 1127, 1131 (1999)
- Lindgren v. Martin, 130 Idaho 854, 857, 949 P.2d 1061, 1064 (1997)
- McCray v. Rosenkrance, 135 Idaho 509, 513, 20 P.3d 693, 697 (2001)
- Weaver v. Millard, 120 Idaho 692, 698, 819 P.2d 110, 116 (Ct. App. 1991)
- Marshall v. Blair, 130 Idaho 675, 679, 946 P.2d 975, 979 (1997)
- Workman Family Partnership v. City of Twin Falls, 104 Idaho 32, 35, 655 P.2d 926, 929 (1982)
- Perry v. Schaumann, 110 Idaho 596, 598, 716 P.2d 1368, 1370 (Ct. App. 1986)
