

SUPREME COURT OF IOWA

Faber v. Herman

731 N.W.2d 1 (Iowa 2007) · No. No. 05-1040 · Decided April 6, 2007

SUMMARY

The Iowa Supreme Court considered a legal malpractice action arising from the division of a defined-benefit IPERS pension in a dissolution proceeding. The court held as a matter of law that the alleged negligence did not cause the compensatory damages claimed because the parties intended an equal division and the approved pension-division method produced the equivalent of an equal share. The court vacated the court of appeals’ decision and reversed the district court judgment.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Cady, Justice; Hecht, Justice; Other justices not individually identified in the supplied text
JURISDICTION	Iowa
DECIDED	April 6, 2007
DOCKET	No. 05-1040
DISPOSITION	reversed
PROCEDURAL POSTURE	Appeal from a judgment entered after a jury verdict in a legal malpractice action. The district court denied both parties' motions for judgment notwithstanding the verdict. The court of appeals rejected Herman's claims, reversed the jury's allocation of fault to Faber, and Herman sought further review.
STANDARD OF REVIEW	Motions for judgment notwithstanding the verdict are reviewed for correction of errors at law. Causation ordinarily presents a jury question, but may be decided as a matter of law when the undisputed circumstances establish that the alleged negligence did not cause the claimed damages.
PRECEDENTIAL VALUE	Published Iowa Supreme Court opinion; precedential.
PARTIES	Douglas D. Herman v. Steven J. Faber

TOPICS

professional negligence

negligence

proximate cause

damages

appellate procedure

PRACTICE AREAS

legal malpractice

professional negligence

pension division in dissolution proceedings

appellate procedure

QUESTIONS PRESENTED

1. Whether Herman's alleged negligence in drafting the stipulation and QDRO, advising Faber about pension-division methods, and failing to disclose the change in distribution method legally or factually caused the compensatory damages claimed by Faber.
2. Whether the district court erred by denying Herman's motion for judgment notwithstanding the verdict.

HOLDINGS

1. The alleged negligence did not cause Faber's claimed compensatory damages as a matter of law because Faber and Karen intended to divide the IPERS pension equally, and a properly applied equal division under any approved method would produce the same basic result.
2. The district court erred in denying Herman's motion for judgment notwithstanding the verdict because the evidence and the parties' agreed equal-division objective could not establish causation for the damages sought.

KEY QUOTATIONS

“Causation is an essential element in a cause of action based on negligence.” (at 7)

“Thus, in the end the negligence of Herman in failing to advise Steven about the methods to equally divide a pension and to draft a stipulation and QDRO to fully protect his one-half interest was not a cause of the damage claimed because the method of division ultimately used by Herman gave Steven his equal division of the pension.” (at 11)

FACTUAL BACKGROUND

Herman represented Steven Faber in the dissolution of Faber's marriage, including the division of Faber's defined-benefit IPERS pension. The parties stipulated to an equal division and initially contemplated an immediate payment of \$19,100 to Karen Faber through a QDRO, but IPERS rejected that approach and approved a service-factor percentage QDRO under which Karen would receive a share of future benefits. Herman approved the replacement QDRO and told Faber it divided the account consistently with the stipulation without explaining the change in method. After Faber later began receiving disability retirement benefits, Karen received monthly benefits under the QDRO, leading Faber to sue Herman for malpractice based on the difference between those benefits and the \$19,100 amount stated in the stipulation.

PROCEDURAL HISTORY

Faber sued Herman for legal malpractice arising from Herman's representation of Faber in a dissolution proceeding involving division of an IPERS pension. A jury found Herman seventy percent negligent and Faber thirty percent negligent and awarded past and future damages. The district court denied both parties' post-verdict

motions. The court of appeals rejected Herman's claims but reversed the assessment of fault against Faber. The Supreme Court of Iowa granted further review, addressed causation, vacated the court of appeals decision, and reversed the district court judgment.

DISPOSITION

reversed

CASES CITED

- Anderson v. State, 692 N.W.2d 360, 363 (Iowa 2005)
- Estate of Long ex rel. Smith v. Broadlawns Med. Ctr., 656 N.W.2d 71, 79 (Iowa 2002)
- Crookham v. Riley, 584 N.W.2d 258, 265 (Iowa 1998)
- Yates v. Iowa W. Racing Ass'n, 721 N.W.2d 762, 774 (Iowa 2006)
- Berte v. Bode, 692 N.W.2d 368, 372 (Iowa 2005)
- Ruden v. Jenk, 543 N.W.2d 605, 611-12 (Iowa 1996)
- In re Marriage of Branstetter, 508 N.W.2d 638, 642 (Iowa 1993)
- In re Marriage of Sullins, 715 N.W.2d 242, 248-50 (Iowa 2006)
- In re Marriage of Benson, 545 N.W.2d 252, 255-56 (Iowa 1996)