

SUPREME COURT OF RHODE ISLAND

National Refrigeration, Inc. v. Capital Properties, Inc. et al.

National Refrigeration, Inc. v. Capital Properties, Inc., 88 A.3d 1150 (R.I. 2014) · No. 2011-54-Appeal (PM 09-1033) · Decided April 17, 2014

SUMMARY

The Rhode Island Supreme Court affirmed judgment for the property owner and lessee in a mechanics' lien action brought by a subcontractor. The court held that, under Rhode Island's mechanics' lien statute, posting a bond discharges the lien and requires dismissal of the action as to the owner or lessee, leaving the surety and other parties subject to the remaining dispute. The court also concluded that the subcontractor's summary-judgment appeal was not properly before it as to claims involving a remaining defendant.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Chief Justice Paul A. Suttell; Paul A. Suttell, C.J.; Maureen McKenna Goldberg, J.; Francis X. Flaherty, J.; William P. Robinson III, J.; Gilbert V. Indeglia, J.
JURISDICTION	Rhode Island
DECIDED	April 17, 2014
DOCKET	2011-54-Appeal (PM 09-1033)
DISPOSITION	affirmed
PROCEDURAL POSTURE	Subcontractor appealed from a Rule 54(b) final judgment entered for the property owner and lessee in a mechanics' lien action after the owner and lessee posted a bond and the lien and claims against them were discharged and dismissed.
STANDARD OF REVIEW	The grant of summary judgment is reviewed de novo under the same standards and rules used by the hearing justice. Summary judgment is proper when, viewing admissible evidence in the light most favorable to the nonmoving party, no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law. The Supreme Court does not generally review an interlocutory denial of summary judgment, and the denial was not properly before the Court because Liberty remained a defendant.

PRECEDENTIAL VALUE	published precedential opinion
PARTIES	National Refrigeration, Inc. v. Capital Properties, Inc., Capitol Cove, LLC

TOPICS

mechanics liens construction law statutory interpretation summary judgment appellate procedure

PRACTICE AREAS

mechanics' liens construction law real estate civil procedure statutory interpretation

QUESTIONS PRESENTED

1. Whether Rhode Island General Laws § 34-28-17 permits the owner and lessee to remain defendants after depositing a surety bond, discharging the notice of intention and lis pendens, and obtaining dismissal of the mechanics' lien cause as to them.
2. Whether the Superior Court properly entered Rule 54(b) final judgment for the owner and lessee after the bond replaced the property as security and the remaining dispute concerned the subcontractor, builder, and surety.
3. Whether the denial of National Refrigeration's motion for partial summary judgment was properly reviewable on this appeal.

HOLDINGS

1. Once the owner or lessee deposits the required cash or surety bond, § 34-28-17(a) requires entry of an order discharging the notice of intention and lis pendens and dismissing the cause as to the owner, lessee, or tenant. Section 34-28-17(b)(2) requires the lien plaintiff to amend the complaint to include the surety; it does not permit the owner and lessee to remain defendants after the statutory dismissal.
2. The Superior Court properly entered judgment for Capital Properties and Capitol Cove because, after the statutory bond procedure, National Refrigeration no longer had a claim against the owner or lessee. The remaining dispute was between National Refrigeration and Providence Builders, with Liberty included as surety.
3. The denial of National Refrigeration's motion for summary judgment was not properly before the Supreme Court because it was an interlocutory determination and Liberty remained a defendant, so no final judgment had entered on the motion.
4. Rhode Island courts interpret clear statutory language according to its plain and ordinary meaning, while reading provisions in the context of the entire statutory scheme and avoiding constructions that produce absurd results.

KEY QUOTATIONS

*“To read § 34-28-17(b)(2) as permitting the inclusion of the owner and lessee as defendants after a bond is deposited would nullify § 34-28-17(a) which requires that an ex parte order shall enter “discharging the notice of intention and lis pendens and dismissing the cause as to the owner or lessee or tenant * * * .”” (88 A.3d at 1154)*

“The bond stands as security for any claim made by [plaintiff]; the real property is no longer at risk or encumbered in any way.” (88 A.3d at 1155)

FACTUAL BACKGROUND

Capital Properties owned land in Providence, Capitol Cove held a ground lease, and Capitol Cove contracted with Providence Builders to construct a condominium development. Providence Builders subcontracted with National Refrigeration to install the development's heating, ventilation, and air-conditioning systems. After a payment dispute, National Refrigeration recorded and sought to enforce a mechanics' lien; Capital Properties and Capitol Cove posted a \$400,000 bond, obtained discharge of the lien and dismissal of the action as to them, and Liberty Mutual Insurance Company remained as surety after National amended its complaint.

PROCEDURAL HISTORY

National Refrigeration recorded a mechanics' lien and filed an action against Capital Properties, Capitol Cove, and Providence Builders. The owner and lessee deposited a \$400,000 bond, obtained discharge of the lien and dismissal of the cause as to them, and were later granted Rule 54(b) final judgment after the Superior Court denied National Refrigeration's motion for partial summary judgment. National Refrigeration appealed; the Rhode Island Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- McKinnon v. Rhode Island Hospital Trust National Bank, 713 A.2d 245, 247 (R.I. 1998)
- Carreiro v. Tobin, 66 A.3d 820, 822 (R.I. 2013)
- Great American E & S Insurance Co. v. End Zone Pub & Grill of Narragansett, Inc., 45 A.3d 571, 574 (R.I. 2012)
- Rotelli v. Catanzaro, 686 A.2d 91, 93 (R.I. 1996)
- Greensleeves, Inc. v. Smiley, 942 A.2d 284, 290 (R.I. 2007)
- John's Insulation, Inc. v. L. Addison and Associates, Inc., 156 F.3d 101, 105 (1st Cir. 1998)
- Tilcon Gammino, Inc. v. Commercial Associates, 570 A.2d 1102, 1107 (R.I. 1990)
- Gem Plumbing & Heating Co. v. Rossi, 867 A.2d 796, 803 (R.I. 2005)
- Connecticut v. Doeher, 501 U.S. 1, 11 (1991)
- Keystone Elevator Co. v. Johnson & Wales University, 850 A.2d 912, 923 (R.I. 2004)
- Morel v. Napolitano, 64 A.3d 1176, 1179 (R.I. 2013)

- *Peloquin v. Haven Health Center of Greenville, LLC*, 61 A.3d 419, 425 (R.I. 2013)
- *Mendes v. Factor*, 41 A.3d 994, 1002 (R.I. 2012)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/rhode-island-supreme-court-of-rhode-island/2014/national-refrigeration-inc-v-capital-properties-inc-et-al-753k06ci>