SUPREME COURT OF UTAH

Bodell Construction Co. v. Robbins

215 P.3d 933 (Utah 2009) · No. No. 20070951 · Decided August 4, 2009

SUMMARY

The Utah Supreme Court held that a settlement agreement between Bodell Construction and Jenson unambiguously operated as a mutual release limited to claims between the parties, rather than as an accord and satisfaction extinguishing claims against third parties. The court reversed summary judgment for Bank One and Mark Robbins on Bodell's third-party claims. It affirmed the exclusion of Bodell's damages expert report because the additional damages theories were disclosed after discovery, would prejudice the defendants, and lacked good cause for the late disclosure.

CASE DETAILS

COURT	Supreme Court of Utah
WRITING FOR THE COURT	Associate Chief Justice Durrant; Chief Justice Durham; Justice Durrant; Justice Nehring; Justice Parrish; Justice Thomas; Judge Willmore
JURISDICTION	Utah
DECIDED	August 4, 2009
DOCKET	No. 20070951
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Bodell appealed from a final district-court judgment granting summary judgment to Bank One and Robbins and striking Bodell's damages expert report.
STANDARD OF REVIEW	Contract interpretation, ambiguity, and summary judgment are reviewed for correctness without deference. Discovery sanctions are reviewed for abuse of discretion.
PRECEDENTIAL VALUE	Published Utah Supreme Court opinion; precedential.
PARTIES	Bodell Construction Company v. Mark H. Robbins, Cherokee & Walker Investment Company, LLC, Cherokee & Walker, LLC, JPMorgan Chase Bank, N.A., successor to Bank One, N.A., Does 1 through 50

TOPICS

contract interpretation | accord and satisfaction | summary judgment | discovery dispute | civil procedure

PRACTICE AREAS

contracts | civil procedure | commercial litigation | construction law

QUESTIONS PRESENTED

1. Whether the settlement agreement unambiguously constituted an accord and satisfaction that extinguished Bodell's claims against nonparty third parties.
2. Whether the district court abused its discretion by striking Bodell's damages expert report for untimely disclosure of new damages theories.

HOLDINGS

1. The settlement agreement unambiguously operated as a mutual release of claims between Bodell and Jenson and did not constitute an accord and satisfaction of Bodell's claims against Bank One or Robbins.
2. The district court acted within its discretion in striking Bodell's damages expert report because Bodell failed to timely disclose the report's new damages theories, failed to show good cause, and prejudiced the defendants.

KEY QUOTATIONS

> *"There is no language to indicate that the parties intended to satisfy all of Bodell's potential tort and contract claims against persons not a party to the agreement."* (215 P.3d at 940)

> *"Thus, the settlement agreement satisfied only Jenson's loan obligation to Bodell. It did not satisfy any claims that Bodell may potentially have against Robbins or Bank One for full satisfaction of the debt owed."* (215 P.3d at 941)

FACTUAL BACKGROUND

Mark Robbins borrowed $8 million through Marc Jenson, using $4 million supplied by Bodell, to buy out Cherokee & Walker's interest in Robbins's bicycle companies. Robbins later defaulted, and Jenson defaulted on his repayment obligation to Bodell. Bodell and Jenson then entered a settlement agreement under which Bodell received $3 million and released Jenson and related MSF parties from claims arising from their transactions. Bodell subsequently sued Bank One and Robbins, who argued that the settlement was an accord and satisfaction extinguishing Bodell's claims against them even though they were not parties to the agreement.

PROCEDURAL HISTORY

Bodell sued Bank One and Robbins for fraud, civil conspiracy, negligent misrepresentation, and unjust enrichment. The district court initially denied summary judgment, but after reassignment and renewed briefing, it ruled that the settlement agreement was an accord and satisfaction benefiting third parties and granted summary judgment on specified claims. The district court also struck Bodell's damages expert report because it disclosed new damages theories after discovery closed, without good cause and to the defendants' prejudice. Bodell timely appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The summary judgment ruling was reversed, and the case was remanded for consideration of the defendants' alternative theories and further proceedings. The order striking the Weight Report remained affirmed.

CASES CITED

- Sackler v. Savin, 897 P.2d 1217, 1220 (Utah 1995)
- Peterson v. Sunrider Corp., 2002 UT 43, 48 P.3d 918
- Arnold Indus., Inc. v. Love, 2002 UT 133, 63 P.3d 721
- Morton v. Cont'l Baking Co., 938 P.2d 271 (Utah 1997)
- R & R Indus. Park, L.L.C. v. Utah Prop. & Cas. Ins. Guar. Ass'n, 2008 UT 80, 199 P.3d 917
- Giusti v. Sterling Wentworth Corp., 2009 UT 2, 201 P.3d 966
- Green River Canal Co. v. Thayn, 2003 UT 50, 84 P.3d 1134
- Deep Creek Ranch, LLC v. Utah State Armory Bd., 2008 UT 3, 178 P.3d 886
- Daines v. Vincent, 2008 UT 51, 190 P.3d 1269
- IFG Leasing Co. v. Gordon, 776 P.2d 607, 614 n.32 (Utah 1989)
- ProMax Dev. Corp. v. Raile, 2000 UT 4, 998 P.2d 254
- Bennion v. LeGrand Johnson Constr. Co., 701 P.2d 1078 (Utah 1985)
- Bd. of Trs. of Wash. County Water Conservancy Dist. v. Keystone Conversions, L.L.C., 2004 UT 84, 103 P.3d 686
- Redwood Gym v. Salt Lake County Comm'n, 624 P.2d 1138 (Utah 1981)
- DeBry v. Cascade Enters., 935 P.2d 499 (Utah 1997)
- Pett v. Autoliv ASP, Inc., 2005 UT 2, 106 P.3d 705
- State v. Ortiz, 1999 UT 84, 987 P.2d 39
- Bailey v. Bayles, 2002 UT 58, 52 P.3d 1158
- Bill Nay & Sons Excavating v. Neeley Constr. Co., 677 P.2d 1120 (Utah 1984)
- Limb v. Federated Milk Producers Ass'n, 23 Utah 2d 222, 461 P.2d 290 (1969)
- Taylor, Cotton & Ridley, Inc. v. Okatie Hotel Group, L.L.C., 372 S.C. 89, 641 S.E.2d 459 (S.C. Ct. App. 2007)
- Casaccio v. Habel, 14 Ill. App. 3d 822, 303 N.E.2d 548 (Ill. App. Ct. 1973)