

SUPREME COURT OF NORTH DAKOTA

Louis Tornabeni v. Cammie Wold, Roadrunner Hotshot & Services, LLC

Tornabeni v. Cammie Wold, Roadrunner Hotshot & Servs., LLC, 2018 ND 253 (N.D. 2018) · No. 20180164 · Decided December 6, 2018

SUMMARY

The North Dakota Supreme Court affirmed a judgment awarding Louis Tornabeni damages against Chance Innis for breach of an oral contract and against Cammie Wold and Roadrunner Hotshot & Services, LLC, for unjust enrichment. The court held that the oral contract was enforceable, the unjust-enrichment findings and damages were not clearly erroneous, and Wold waived a defense based on limited liability protections.

CASE DETAILS

COURT	Supreme Court of North Dakota
WRITING FOR THE COURT	Jon J. Jensen, Justice; Jon J. Jensen; Lisa Fair McEvers; Daniel J. Crothers; Jerod E. Tufte; Gerald W. VandeWalle, Chief Justice
JURISDICTION	North Dakota
DECIDED	December 6, 2018
DOCKET	20180164
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants appealed a district court judgment awarding damages to Tornabeni for breach of an oral contract and unjust enrichment.
STANDARD OF REVIEW	The existence and terms of an oral contract and the underlying factual findings supporting unjust enrichment are reviewed under the clearly erroneous standard. The determination whether the facts support unjust enrichment is fully reviewable on appeal. A finding is clearly erroneous if induced by an erroneous view of the law, unsupported by evidence, or if the reviewing court is left with a definite and firm conviction that a mistake has been made. Credibility determinations in a bench trial are not second-guessed.
PRECEDENTIAL VALUE	Published North Dakota Supreme Court opinion; precedential.

PARTIES

Cammie Wold, Roadrunner Hotshot & Services, LLC, Chance Innis,
Noble Casing Incorporated v. Louis Tornabeni

TOPICS

unjust enrichment

contract formation

statute of frauds

limited liability companies

appellate procedure

PRACTICE AREAS

contracts

unjust enrichment

limited liability companies

commercial litigation

appellate procedure

QUESTIONS PRESENTED

1. Whether the district court clearly erred in finding that Innis and Tornabeni entered into an enforceable oral contract and in determining the contract's terms.
2. Whether the alleged oral contract was unenforceable because it had an unlawful object or violated the statute of frauds.
3. Whether the district court clearly erred in finding that Wold and RHS were unjustly enriched and in awarding Tornabeni one-half of RHS's net rental profits.
4. Whether Wold waived the defense that RHS's limited-liability status shielded her from individual liability.

HOLDINGS

1. The district court did not clearly err in finding that Innis and Tornabeni entered into an oral contract requiring Innis to pay Tornabeni ninety percent of the rental profits from equipment rentals.
2. The oral contract was not shown to be unenforceable under N.D.C.C. § 9-08-01 based on an alleged conflict of interest or violation of a separate agreement with Continental Resources.
3. The oral contract was not barred by N.D.C.C. § 9-06-04(1) because it could have been performed within one year.
4. The oral contract was not unenforceable under N.D.C.C. § 9-06-04(4) because the record did not establish that it was a loan of more than \$25,000.
5. The district court did not err in finding that Wold and RHS were unjustly enriched and in holding them jointly and severally liable for one-half of RHS's net rental profits.
6. Wold waived any defense based on RHS's limited-liability status by failing to raise it before entry of judgment.

KEY QUOTATIONS

“A district court’s finding of fact is clearly erroneous if it is induced by an erroneous view of the law, if there is no evidence to support it, or if, although there is some evidence to support it, on the entire record, a reviewing court is left with a definite and firm conviction a mistake has been made.” (¶ 9)

“To recover under a theory of unjust enrichment, the plaintiff must prove: (1) an enrichment, (2) an impoverishment, (3) a connection between the enrichment and the impoverishment, (4) the absence of a justification for the enrichment and impoverishment, and (5) the absence of a remedy provided by law.” (¶ 17)

FACTUAL BACKGROUND

Innis operated a sole proprietorship known as Roadrunner Hotshot until he transferred the business to his sister, Wold, in April 2011, when she reorganized it as Roadrunner Hotshot & Services, LLC. Tornabeni testified that he and Innis orally agreed that Tornabeni would provide equipment for rental to Continental Resources and receive ninety percent of the rental profits, with Innis receiving ten percent. Tornabeni continued providing equipment and arranging rentals after the transfer to Wold, while payments were made to RHS, and his involvement ended in January 2013. The district court found that Tornabeni owned much of the rental equipment, generated nearly all of the rental income, and was not compensated for the use of his equipment and work.

PROCEDURAL HISTORY

Tornabeni sued Innis for breach of an oral contract and sued Wold and RHS for unjust enrichment. After a bench trial, the district court found an enforceable oral contract between Tornabeni and Innis, awarded Tornabeni \$145,536.53 against Innis, and held Wold and RHS jointly and severally liable for \$477,521.49 in unjust-enrichment damages. The North Dakota Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Edward H. Schwartz Constr., Inc. v. Driessen, 2006 ND 15, ¶ 6, 709 N.W.2d 733
- Knorr v. Norberg, 2015 ND 284, ¶ 7, 872 N.W.2d 323
- Kohanowski v. Burkhardt, 2012 ND 199, ¶ 9, 821 N.W.2d 740
- Estate of Moore, 2018 ND 221, ¶ 9, 918 N.W.2d 69
- KLE Constr., LLC v. Twalker Dev., LLC, 2016 ND 229, ¶¶ 5-6, 13-17, 887 N.W.2d 536
- McColl Farms, LLC v. Pflaum, 2013 ND 169, ¶ 18, 837 N.W.2d 359
- Flaten v. Couture, 2018 ND 136, ¶ 34, 912 N.W.2d 330