SUPREME COURT OF MONTANA

Turner v. Wells Fargo Bank, N.A.

2012 MT 213 (Mont. 2012) · No. DA 11-0678 · Decided September 25, 2012

SUMMARY

The Supreme Court of Montana affirmed summary judgment for Wells Fargo in an action seeking release of a deed of trust on property purchased by the plaintiffs. The court held that the plaintiffs lacked standing to enforce the borrowers' credit line agreement because they were not intended third-party beneficiaries. It also held that the plaintiffs failed to establish claims for promissory estoppel or equitable estoppel.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Justice Beth Baker; Beth Baker; Mike McGrath; James C. Nelson; Jim Rice; Brian Morris
JURISDICTION	Montana
DECIDED	September 25, 2012
DOCKET	DA 11-0678
DISPOSITION	affirmed
PROCEDURAL POSTURE	The plaintiffs appealed from an order denying their motion for summary judgment and granting Wells Fargo's motion for summary judgment in an action seeking to quiet title and require release of a deed of trust.
STANDARD OF REVIEW	Summary judgment is reviewed de novo under Montana Rule of Civil Procedure 56(c), applying the same criteria as the district court. Summary judgment is proper when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	published Montana Supreme Court opinion; precedential
PARTIES	John Duncan Turner, Christina Turner, Sandy Couch v. Wells Fargo Bank, N.A.

TOPICS

summary judgment · third party beneficiary · promissory estoppel · equitable relief · quiet title

PRACTICE AREAS

contracts · real estate · remedies · civil procedure · appellate procedure

QUESTIONS PRESENTED

1. Whether the purchasers of the property were intended third-party beneficiaries entitled to enforce the credit-line agreement and require Wells Fargo to release the deed of trust.
2. Whether promissory estoppel required Wells Fargo to release the deed of trust.
3. Whether equitable estoppel required Wells Fargo to release the deed of trust.

HOLDINGS

1. The purchasers were not intended third-party beneficiaries of the credit-line agreement and therefore lacked standing to enforce it or seek release of the deed of trust.
2. The purchasers failed to establish a prima facie claim for promissory estoppel because Wells Fargo made no promise to them and they were not the parties to whom the alleged promise was made.
3. The purchasers failed to establish equitable estoppel because they did not rely to their detriment on Wells Fargo's later statement and had a readily available means of discovering that the deed of trust remained of record.

KEY QUOTATIONS

> *"Because the John Turners do not, and in fact cannot, show from the face of the credit line agreement entered into by Wells Fargo and James and Julie that the contract was intended to benefit them, we hold that they are not third-party beneficiaries and they therefore lack standing to enforce James and Julie's contract with the Bank."* (2012 MT 213, ¶ 19)

> *"Because this Court previously has treated promissory estoppel and equitable estoppel as legally distinct claims, we decline to use this case as a vehicle to merge those claims together under the Restatement (Second) of Contracts § 90."* (2012 MT 213, ¶ 23)

> *"We therefore hold that the District Court correctly concluded that the John Turners were not entitled to judgment requiring Wells Fargo to release the Deed of Trust the bank holds on the Shepherd property."* (2012 MT 213, ¶ 36)

FACTUAL BACKGROUND

James and Julie Turner obtained a Wells Fargo home-equity credit line secured by a deed of trust on the Shepherd property. After the property was sold to John Duncan Turner, Christina Turner, and Sandy Couch, Wells Fargo applied sale proceeds to reduce the credit-line balance to zero but did not formally close the account or release the deed of trust. Julie later borrowed additional funds under the credit-line agreement, and the purchasers subsequently discovered that the deed of trust remained of record. The purchasers sought to compel release of the deed of trust, asserting contractual third-party-beneficiary rights and promissory and equitable estoppel.

PROCEDURAL HISTORY

The Turners filed a complaint to quiet title in the Thirteenth Judicial District Court, Yellowstone County. The District Court denied the Turners' motion for summary judgment and granted summary judgment to Wells Fargo, concluding that the Turners were not intended third-party beneficiaries and had not established prima facie claims for promissory or equitable estoppel. The Montana Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Ternes v. State Farm Fire & Cas. Co., 2011 MT 156, ¶ 18, 361 Mont. 129, 257 P.3d 352
- Parish v. Morris, 2012 MT 116, ¶ 10, 365 Mont. 171, 278 P.3d 1015
- Kurtzenacker v. Davis Surveying, Inc., 2012 MT 105, ¶¶ 20, 22, 365 Mont. 71, 278 P.3d 1002
- Dick Anderson Constr., Inc. v. Monroe Constr. Co., LLC, 2009 MT 416, ¶ 46, 353 Mont. 534, 221 P.3d 675
- Palmer v. Bahm, 2006 MT 29, ¶ 13, 331 Mont. 105, 128 P.3d 1031
- Diaz v. Blue Cross & Blue Shield, 2011 MT 322, ¶¶ 18-19, 363 Mont. 151, 267 P.3d 756
- Klingman v. Mont. Pub. Serv. Comm'n, 2012 MT 32, ¶ 40, 364 Mont. 128, 272 P.3d 71
- C B & F Dev. Corp. v. Culbertson State Bank, 256 Mont. 1, 7, 844 P.2d 85, 89 (1992)
- Northwest Potato Sales, Inc. v. Beck, 208 Mont. 310, 316-17, 678 P.2d 1138, 1141 (1984)
- In re Estate of Stukey, 2004 MT 279, ¶ 38, 324 Mont. 241, 100 P.3d 114
- Keil v. Glacier Park, 188 Mont. 455, 462, 614 P.2d 502, 506 (1980)
- Formicove Inc. v. Burlington Northern, Inc., 207 Mont. 189, 194, 673 P.2d 469, 472 (1983)
- Tynes v. Bankers Life Co., 224 Mont. 350, 362, 730 P.2d 1115, 1123 (1986)
- Cascade Dev., Inc. v. City of Bozeman, 2012 MT 79, ¶ 26, 364 Mont. 442, 276 P.3d 862
- Elk Park Ranch v. Park County, 282 Mont. 154, 166, 935 P.2d 1131, 1138 (1997)
- Dew v. Dower, 269 Mont. 286, 290, 888 P.2d 421, 423 (1994)
- Lodge v. Thorpe, 120 Mont. 226, 229, 181 P.2d 598, 599-600 (1947)
- Gibson v. Morris State Bank, 49 Mont. 60, 72, 140 P. 76, 80 (1914)