

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Universal Minerals, Inc. v. C. A. Hughes & Co.

669 F.2d 98 (3d Cir.) · Decided December 30, 1981

SUMMARY

The Third Circuit reviewed a district court decision reversing a bankruptcy court’s determination that a coal-refuse pile had been abandoned. The court held that abandonment is a mixed question of law and fact, requiring plenary review of legal issues but clearly erroneous review of historical facts and factual inferences. It reversed the district court and directed it to affirm the bankruptcy court’s judgment for Universal Minerals.

CASE DETAILS

COURT	United States Court of Appeals for the Third Circuit
WRITING FOR THE COURT	Aldisert, Circuit Judge
JURISDICTION	Federal
DECIDED	December 30, 1981
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Universal Minerals appealed from the district court's reversal of a bankruptcy court judgment in an adversary proceeding concerning abandonment of title to a coal-refuse pile.
STANDARD OF REVIEW	The court exercises plenary review over the district court's legal determinations and its choice and application of legal standards. Historical or narrative facts, including factual inferences concerning intent, are reviewed for clear error. Abandonment is a mixed question of law and fact, requiring plenary review of the legal component and clear-error review of the historical-factual component.
PRECEDENTIAL VALUE	Published precedential opinion of the United States Court of Appeals for the Third Circuit
PARTIES	Universal Minerals, Inc. v. C. A. Hughes & Co.

TOPICS

- bankruptcy
- appellate procedure
- standard of review
- appellate jurisdiction
- minerals

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Third Circuit had jurisdiction to review the district court's judgment despite the district court's remand to the bankruptcy court for an accounting.
2. What standard of appellate review applies to a bankruptcy court's determination that personal property was abandoned.
3. Whether the district court erred by substituting its own inferences concerning Hughes's intent for the bankruptcy court's permissible factual inference that Hughes intended to abandon the Cassandra Pile.

HOLDINGS

1. The district court's judgment was final for purposes of 28 U.S.C. § 1293(b), notwithstanding its remand to the bankruptcy court for an accounting, because the judgment conclusively determined possession of the property and nothing remained for the district court to do concerning the adjudicated controversy.
2. Abandonment of title to personal property is an ultimate fact and therefore a mixed question of law and fact. Historical facts and factual inferences are reviewed for clear error, while the selection, interpretation, and application of legal principles are reviewed plenary.
3. The bankruptcy court's inference that Hughes intended to abandon the Cassandra Pile was a factual inference subject to clear-error review, and the district court erred by substituting its own contrary inferences where the bankruptcy court's finding had rational evidentiary support.

KEY QUOTATIONS

“Abandonment is not a question of narrative or historical fact but an ultimate fact, a legal concept with a factual component.” (at 103)

“We must accept the trial court’s findings of historical or narrative facts unless they are clearly erroneous, but we must exercise a plenary review of the trial court’s choice and interpretation of legal precepts and its application of those precepts to the historical facts.” (at 103)

“A reviewing court may not substitute its own findings for those of the primary tribunal merely because it finds other inferences more likely.” (at 105)

FACTUAL BACKGROUND

Hughes held title to a coal seam and surface-use rights on the Tiley Tract and operated a deep mine there until 1954, creating a large coal-refuse pile known as the Cassandra Pile. Universal acquired the surface estate in 1975 and began salvaging coal from the pile in 1978. After a bankruptcy proceeding was commenced, the bankruptcy court found that Hughes had abandoned the pile, relying on facts including Hughes's removal of mining infrastructure, failure to advertise the refuse for sale, failure to prevent the pile from burning, and omission of the pile from a 1970 asset list.

PROCEDURAL HISTORY

Hughes sued Universal in state court for an injunction, accounting, and damages concerning the Cassandra Pile. After Universal filed a Chapter XI bankruptcy petition, the state proceedings were stayed and Hughes commenced an adversary proceeding in bankruptcy court. The bankruptcy court found that Hughes had abandoned the pile and entered judgment for Universal. The district court found the abandonment determination clearly erroneous, enjoined Universal's salvage operations, and remanded for an accounting. The Third Circuit reversed the district court and directed it to affirm the bankruptcy court's judgment.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The cause was remanded to the district court with directions to enter an order affirming the judgment of the bankruptcy court.

CASES CITED

- Cox Broadcasting Corp. v. Cohn, 420 U.S. 469, 482-83, 486 (1975)
- Radio Station WOW v. Johnson, 326 U.S. 120, 126 (1945)
- Edward J. Sweeney & Sons, Inc. v. Texaco Inc., 637 F.2d 105, 116 (3d Cir. 1980)
- Smith v. Harris, 644 F.2d 985, 990 n.1 (3d Cir. 1981) (Aldisert, J., concurring)
- United States v. United States Gypsum Co., 333 U.S. 364, 394 (1948)
- Llewellyn v. Philadelphia & Reading C. & I. Co., 308 Pa. 497, 502, 162 A. 429, 430 (1932)
- Gilberton Coal Co. v. Schuster, 403 Pa. 226, 228-29, 169 A.2d 44, 45 (1961)
- Gilberton Contracting Co. v. Hook, 255 F. Supp. 687 (E.D. Pa. 1966)
- Fidelity-Philadelphia Trust Co. v. Lehigh Valley Coal Co., 294 Pa. 47, 143 A. 474 (1928)
- Helvering v. Tex-Penn Oil Co., 300 U.S. 481, 491 (1937)
- Townsend v. Sain, 372 U.S. 293, 309 n.6 (1963)
- Fleer Corp. v. Topps Chewing Gum, Inc., 658 F.2d 139, 154 (3d Cir. 1981)
- Cuyler v. Sullivan, 446 U.S. 335, 341-42 (1980)
- United States v. Yellow Cab Co., 338 U.S. 338 (1949)
- Krasnov v. Dinan, 465 F.2d 1298, 1299-1303 (3d Cir. 1972)
- In re Pioch, 235 F.2d 903, 905 (3d Cir. 1956)
- Altman v. Altman, 653 F.2d 755, 758-59 (3d Cir. 1981)
- McNeil v. McDonough, 648 F.2d 178, 180-81 (3d Cir. 1981) (per curiam)
- Ostapowicz v. Johnson Bronze Co., 541 F.2d 394, 400 (3d Cir. 1976)
- Asphalt Industries, Inc. v. C.I.R., 384 F.2d 229, 233 (3d Cir. 1967)
- Smith v. Onyx Oil & Chemical Co., 218 F.2d 104, 108 & n.2 (3d Cir. 1955)
- Fine Fashions, Inc. v. Gross, 290 F.2d 871, 875 (3d Cir.)

- In re Ginsburg, 255 F.2d 358, 364 (3d Cir. 1958)

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