COURT OF APPEALS OF GEORGIA

Mize v. Woodall, 291 Ga. App. 349

662 S.E.2d 178 (2008) · No. A08A0720 · Decided May 1, 2008

SUMMARY

The Georgia Court of Appeals held that a promissory note expressly forgave the remaining debt upon the lender's death, notwithstanding differing language in the related security deed. The court affirmed judgment for the borrowers, ordered cancellation of the recorded security deed, and declined to impose sanctions for a frivolous appeal. The court also held that the transaction was not a gift causa mortis because the parties' rights and obligations vested when the deed, note, and security deed were executed.

CASE DETAILS

COURT	Court of Appeals of Georgia
WRITING FOR THE COURT	Johnson, Presiding Judge; Barnes, Chief Judge; Phipps, Judge
JURISDICTION	Georgia
DECIDED	May 1, 2008
DOCKET	A08A0720
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from an order granting appellees' motion for judgment on the pleadings, denying appellant's motion for judgment on the pleadings, and directing cancellation of a recorded deed to secure debt. Because the trial court relied on evidence outside the pleadings, the Court of Appeals treated the motions as motions for summary judgment.
STANDARD OF REVIEW	The court treated the pleadings motions as summary-judgment motions because the trial court relied on evidence outside the pleadings; the decision was reviewed for error.
PRECEDENTIAL VALUE	Published Georgia Court of Appeals opinion
PARTIES	Pierce E. Mize, as administrator of the estate of James Kenneth Woodall, Sr. v. James Kenneth Woodall, Jr., Veronica Woodall

TOPICS

contract interpretation · contracts · mortgages · probate procedure · appellate procedure

PRACTICE AREAS

contract law · real property · probate and estate administration · appellate procedure

QUESTIONS PRESENTED

1. Whether the promissory note and deed to secure debt required forgiveness of the remaining debt upon James Kenneth Woodall, Sr.'s death.
2. Whether the trial court properly ordered the estate's representative to execute and deliver a recordable cancellation of the deed to secure debt.
3. Whether the appeal was frivolous and warranted sanctions.

HOLDINGS

1. The clear and unequivocal language of the promissory note forgave the remaining balance upon James Kenneth Woodall, Sr.'s death. Because the note governed as the principal obligation and the debt was extinguished, no indebtedness remained to be secured by the security deed.
2. The trial court properly ordered Mize to execute and deliver to Woodall a cancellation in recordable form of the deed to secure debt.
3. The appeal was not frivolous, and sanctions were properly denied.
4. When a trial court relies on evidence outside the pleadings in ruling on motions for judgment on the pleadings, the motions are treated as motions for summary judgment.

KEY QUOTATIONS

> *"The clear and unequivocal language in the promissory note shows the note is to be forgiven upon the death of James Kenneth Woodall, Sr."* (at 350)

> *"Litigation resulting in a court order does not give notice to the public that the security deed has been cancelled."* (at 351)

FACTUAL BACKGROUND

On April 19, 2004, James Kenneth Woodall, Sr. conveyed approximately 57 acres to James Kenneth Woodall, Jr. and Veronica Woodall, reserving a life estate. At the same time, the grantees executed a promissory note and deed to secure debt requiring monthly payments but expressly providing that the balance would be forgiven upon the grantor's death. Woodall, Sr. died on May 14, 2005, while a balance remained due.

PROCEDURAL HISTORY

Mize, as administrator of the decedent's estate, filed a declaratory-judgment action alleging that a promissory note and deed to secure debt were estate property and seeking payment of the note's balance. Woodall answered that the note forgave any balance remaining at the decedent's death. The trial court ruled for Woodall, ordered cancellation of the security deed, and declined to sanction Mize for a frivolous appeal. The Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Johnson v. Allstate Ins. Co., 241 Ga. 234, 235(1), 244 S.E.2d 851 (1978)
- Hague v. Kennedy, 205 Ga. App. 586, 588, 423 S.E.2d 283 (1992)
- Finlay v. Oxford Constr. Co., 139 Ga. App. 801, 802(1), 230 S.E.2d 69 (1976)
- Icard v. Harbuck, 137 Ga. App. 570, 571(1), 224 S.E.2d 532 (1976)

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