

SUPREME COURT OF VERMONT

Towslee v. Callanan

190 Vt. 622 (2011) · Decided September 8, 2011

SUMMARY

The Vermont Supreme Court affirmed a family court’s interpretation of a divorce decree provision allowing the wife to deduct both principal and interest payments on specified mortgages before dividing sale proceeds from the marital home. The Court held that the phrase “capital contributions (mortgage)” was ambiguous and that the family court’s construction of the provision was reasonable and not clearly erroneous.

CASE DETAILS

COURT	Supreme Court of Vermont
WRITING FOR THE COURT	Per Curiam
JURISDICTION	Vermont
DECIDED	September 8, 2011
DISPOSITION	affirmed
PROCEDURAL POSTURE	Husband appealed a family court ruling enforcing the parties' final divorce order and determining the amount, if any, owed to him from the sale of the marital home.
STANDARD OF REVIEW	The Supreme Court interprets the explicit terms of a divorce decree de novo to determine ambiguity; it defers to the family court's factual findings unless clearly erroneous and affirms a construction of ambiguous language if reasonable and supported by the evidence.
PRECEDENTIAL VALUE	published
PARTIES	Husband v. Wife

TOPICS

- family law procedure
- dissolution of marriage
- contract interpretation
- equitable distribution

PRACTICE AREAS

- family law
- contracts
- real estate

QUESTIONS PRESENTED

1. Whether the phrase "capital contributions (mortgage)" in the parties' divorce decree was unambiguous and limited wife's reimbursement to mortgage principal payments.
2. If the phrase was ambiguous, whether the family court reasonably construed it to permit wife to deduct both principal and interest payments on the original mortgages.

HOLDINGS

1. The phrase was ambiguous because reasonable people could differ as to whether it referred only to mortgage principal or to the full mortgage payments, including interest.
2. The family court reasonably construed "capital contributions (mortgage)" to permit wife to deduct both principal and interest payments on the original mortgages, and that construction was not clearly erroneous.

KEY QUOTATIONS

"But if 'reasonable people could differ as to its interpretation,' a provision is ambiguous and the court should look beyond the plain language to discern the parties' intent." (624)

"Accordingly, the family court was not clearly wrong to construe the ambiguous provision against husband." (626)

FACTUAL BACKGROUND

The parties' 1997 divorce decree awarded wife the marital home until their youngest child turned eighteen and required her to assume the home's costs, including the current mortgage. The decree provided that sale proceeds would be divided equally after specified deductions, including "the cost of all capital improvements and capital contributions (mortgage)." When wife attempted to sell the home in 2008, the parties disputed whether she could deduct both principal and interest paid on the original mortgages. The family court construed the ambiguous provision to permit deduction of the entirety of the principal and interest payments on those mortgages.

PROCEDURAL HISTORY

The parties divorced in 1997, and their stipulation was incorporated into the final divorce order. After wife sought to sell the marital home in 2008, the parties filed competing motions to enforce the order. Following a hearing, the family court found the phrase "capital contributions (mortgage)" ambiguous, considered extrinsic evidence, and ruled that wife could deduct the principal and interest portions of the original mortgage payments before dividing any remaining proceeds. The Supreme Court of Vermont affirmed.

DISPOSITION

affirmed

CASES CITED

- Sumner v. Sumner, 2004 VT 45, , 176 Vt. 452, 852 A.2d 611

- John A. Russell Corp. v. Bohlig, 170 Vt. 12, 16, 739 A.2d 1212, 1216 (1999)
- Isbrandtsen v. N. Branch Corp., 150 Vt. 575, 580-81, 556 A.2d 81, 85 (1988)
- O'Brien Bros.' P'ship v. Plociennik, 2007 VT 105, , 182 Vt. 409, 940 A.2d 692
- Main St. Landing, LLC v. Lake St. Ass'n, 2006 VT 13, , 179 Vt. 583, 892 A.2d 931 (mem.)
- Willey v. Willey, 2006 VT 106, 11, 180 Vt. 421, 912 A.2d 441
- Ward v. Ward, 155 Vt. 242, 249-50, 583 A.2d 577, 582-83 (1990)
- N. Sec. Ins. Co. v. Mitec Elecs., Ltd., 2008 VT 96, 24, 184 Vt. 303, 965 A.2d 447
- State v. Spitsyn, 174 Vt. 545, 547, 811 A.2d 201, 204 (2002) (mem.)
- Trustees of Net Realty Holding Trust v. AVCO Fin. Servs. of Barre, Inc., 147 Vt. 472, 475-76, 520 A.2d 981, 983 (1986)