

SUPREME COURT OF NORTH DAKOTA

John Finstad and Lorie Finstad v. James Gord and Wendy Gord,
Beresford Bancorporation, Inc., People’s Holding Company, and all
other persons unknown claiming any estate or interest in, or lien or
encumbrance upon, the property described in the Complaint

Finstad v. Gord, 2014 ND 72 (2014) · No. No. 20130342 · Decided April 8, 2014

SUMMARY

The North Dakota Supreme Court affirmed summary judgment declaring James and Wendy Gord owners of farmland in Ransom County. The court held that the Finstads’ delivered and recorded quitclaim deed to Beresford unambiguously conveyed all of their rights, title, and interest, and that parol evidence could not be used to vary the deed. Because the Gords were subsequent third-party purchasers entitled to rely on the record title, the Finstads lacked standing to challenge the deed from Beresford to the Gords.

CASE DETAILS

COURT	Supreme Court of North Dakota
WRITING FOR THE COURT	Sandstrom, Justice; Dale V. Sandstrom; Daniel J. Crothers; Lisa Fair McEvers; William A. Herauf, District Judge, sitting in place of Kapsner, J.; Gerald W. VandeWalle, Chief Justice
JURISDICTION	North Dakota
DECIDED	April 8, 2014
DOCKET	No. 20130342
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a summary judgment declaring James and Wendy Gord owners of farmland and dismissing the Finstads’ quiet title action.
STANDARD OF REVIEW	Summary judgment is reviewed de novo, with the evidence viewed in the light most favorable to the party opposing summary judgment. Standing and the admission of parol evidence are questions of law reviewed de novo.
PRECEDENTIAL VALUE	Published North Dakota Supreme Court opinion; precedential
PARTIES	John Finstad, Lorie Finstad v. James Gord, Wendy Gord

TOPICS

quiet title deeds title disputes evidence appellate procedure

PRACTICE AREAS

real estate property law civil procedure evidence bankruptcy

QUESTIONS PRESENTED

1. Whether the Finstad-Beresford quitclaim deed clearly and unambiguously conveyed all of the Finstads' right, title, and interest in the farmland.
2. Whether the parol evidence rule barred the Finstads from introducing extrinsic evidence to show that the quitclaim deed was intended only as security for a continuing mortgage relationship.
3. Whether the Finstads had standing to challenge the subsequent Beresford-Gord quitclaim deed after the court concluded they no longer had an interest in the property.

HOLDINGS

1. The Finstad-Beresford quitclaim deed clearly and unambiguously conveyed all of the Finstads' right, title, and interest in the farmland to Beresford upon delivery.
2. The parol evidence rule barred consideration of extrinsic evidence offered to contradict or vary the terms of the complete, unambiguous, delivered, and recorded quitclaim deed.
3. The Finstads lacked standing to challenge the Beresford-Gord deed because they no longer had an estate, interest, lien, or encumbrance in the property.

KEY QUOTATIONS

"Thus, where the grantor makes a manual delivery to the grantee of a deed, absolute in form, intending to part with all authority and dominion over the instrument, the delivery is absolute and title passes immediately in accordance with the terms of the deed, notwithstanding any intention or understanding to the contrary between the parties." (§ 16)

"the public is entitled to rely upon the record title to property, not the unknown intentions of the individual conveyor of the property." (§ 20)

FACTUAL BACKGROUND

The Finstads owned 400 acres of farmland securing loans from Beresford. During foreclosure and Chapter 12 bankruptcy proceedings, they executed and delivered a quitclaim deed conveying the land to Beresford; the deed was recorded and expressly conveyed all of their right, title, and interest, including possession, rental rights, and equity of redemption. Beresford later executed a quitclaim deed conveying its interest to the Gords after the Gords paid the balance owed on the Beresford mortgages. The Finstads then sought to quiet title, contending the first deed was merely part of a financing arrangement and that extrinsic evidence showed no actual transfer of ownership.

PROCEDURAL HISTORY

The Finstads sued the Gords, Beresford Bancorporation, Inc., People's Holding Company, and unknown claimants, seeking quiet title and damages. The district court dismissed Beresford, denied the Finstads' motion for summary judgment as to the Gords, and granted the Gords' motion for summary judgment, declaring them owners of the land and dismissing their fraud counterclaim. The Finstads appealed.

DISPOSITION

affirmed

CASES CITED

- Am. Family Ins. v. Waupaca Elevator Co., Inc., 2012 ND 13, ¶ 8, 809 N.W.2d 337
- Tarnavsky v. Rankin, 2009 ND 149, ¶ 7, 771 N.W.2d 578
- Myaer v. Nodak Mut. Ins. Co., 2012 ND 21, ¶ 20, 812 N.W.2d 345
- Bye v. Elvick, 336 N.W.2d 106, 112 (N.D. 1983)
- Bolyea v. First Presbyterian Church, 196 N.W.2d 149, 159-60 (N.D. 1972)
- Estate of Duemeland, 528 N.W.2d 369, 371 (N.D. 1995)
- State ex rel. Sathre v. Moodie, 65 N.D. 340, 358, 258 N.W. 558, 566 (1935)
- Myers v. Eich, 2006 SD 69, 720 N.W.2d 76
- Standorf v. Shockley, 16 N.D. 73, 111 N.W. 622 (1907)
- Myhra v. Rustad, 58 N.D. 258, 225 N.W. 796, 797-98 (1929)
- Schulz v. Hauck, 312 N.W.2d 360, 362 (N.D. 1981)
- Basin Elec. Power Coop. v. Miller, 310 N.W.2d 715, 718 (N.D. 1981)
- Dakota Res. Council v. Stark Cnty. Bd. of Cnty. Comm'rs, 2012 ND 114, ¶ 5, 817 N.W.2d 373
- Woodland v. Woodland, 147 N.W.2d 590, 602 (N.D. 1966)