

SUPREME COURT OF MISSISSIPPI

Illinois Cent. R. Co. v. McDaniel

951 So. 2d 523 (Miss. 2006) · No. No. 2005-CA-00389-SCT · Decided August 31, 2006

SUMMARY

The Supreme Court of Mississippi affirmed rulings enforcing a contingent settlement agreement involving asbestos-related claims brought under the Federal Employers' Liability Act. The court held that broad releases signed by Milton McDaniel and Larry McWilliams did not bar their claims, and that McWilliams could change his claim based on a revised diagnosis before payment. The court also affirmed dismissal of Kelly Robinson's claim as barred by the applicable three-year statute of limitations.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | Supreme Court of Mississippi                                                                                                                                                                                                                                                                                                                                          |
| WRITING FOR THE COURT | Smith, Chief Justice; Waller, Presiding Justice; Cobb, Presiding Justice; Diaz, Justice; Easley, Justice; Carlson, Justice; Dickinson, Justice; Graves, Justice; Randolph, Justice                                                                                                                                                                                    |
| JURISDICTION          | Mississippi                                                                                                                                                                                                                                                                                                                                                           |
| DECIDED               | August 31, 2006                                                                                                                                                                                                                                                                                                                                                       |
| DOCKET                | No. 2005-CA-00389-SCT                                                                                                                                                                                                                                                                                                                                                 |
| DISPOSITION           | affirmed                                                                                                                                                                                                                                                                                                                                                              |
| PROCEDURAL POSTURE    | Illinois Central Railroad Company appealed orders enforcing a contingent settlement agreement and denying its motions to dismiss, compel production, permit further discovery, and obtain findings and conclusions. Kelly C. Robinson cross-appealed dismissal of his FELA claim as barred by the statute of limitations.                                             |
| STANDARD OF REVIEW    | The Supreme Court will not disturb the circuit court's findings unless the court below was clearly erroneous or abused its discretion. A circuit judge sitting without a jury receives the same deference for factual findings as a chancellor; abuse of discretion requires a definite and firm conviction that the lower court committed a clear error of judgment. |
| PRECEDENTIAL VALUE    | Published precedential opinion of the Supreme Court of Mississippi                                                                                                                                                                                                                                                                                                    |
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## PARTIES

Illinois Central Railroad Company v. Milton McDaniel, Bettye C. McWilliams, Executrix of the Estate of Larry McWilliams, Deceased

## TOPICS

statute of limitations   breach of contract   civil procedure   appellate procedure   standard of review

## PRACTICE AREAS

civil procedure   contracts   employment law   torts   appellate procedure

## QUESTIONS PRESENTED

1. Whether the circuit court abused its discretion by enforcing the contingent settlement agreement despite omissions in affidavits submitted by McDaniel and McWilliams.
2. Whether the circuit court abused its discretion by denying Illinois Central's motion for reconsideration, requests for further discovery and production, and request for particularized findings and conclusions.
3. Whether McDaniel's broad occupational-injury release barred his later asbestos-related FELA claim under section 5 of FELA.
4. Whether McWilliams's signed release and settlement documents barred his claim when Illinois Central had not paid the settlement and he notified Illinois Central of a changed diagnosis before payment.
5. Whether Robinson's FELA claim was barred by the three-year statute of limitations because he had been diagnosed with pulmonary fibrosis in 1989.

## HOLDINGS

1. The circuit court did not abuse its discretion by finding that the omissions of McNeil and Acuff from the affidavits were inadvertent rather than willful or intentional and by enforcing the settlement agreement.
2. The circuit court did not abuse its discretion by denying Illinois Central's motion to reconsider, requests for further discovery and production, and request for particularized findings and conclusions.
3. A broad general release arising from settlement of a known back injury did not bar McDaniel's later asbestos-related FELA claim because it was not a bargained-for settlement of a known asbestos injury or specifically known risk.
4. McWilliams's signed release did not bar his claim because the release was expressly conditioned on payment, Illinois Central never paid the settlement, and McWilliams notified Illinois Central of his changed diagnosis before payment.
5. Robinson's FELA claim was barred by the three-year statute of limitations because his 1989 diagnosis of pulmonary fibrosis placed him on notice of his injury, and he failed to prove that he commenced the action within three years of accrual.

## KEY QUOTATIONS

*“To be valid, a release must reflect a bargained-for settlement of a known claim for a specific injury, as contrasted with an attempt to extinguish potential future claims the employee might have arising from injuries known or unknown by him.” (951 So. 2d at 531)*

*“The language found in the McDaniel release is clearly an overbroad list of generic hazards, rather than the specific risks of asbestos McDaniel faced.” (951 So. 2d at 532)*

*“Pursuant to the settlement agreement between the parties, McWilliams was allowed to change his type of claim because he notified ICRR of his change of diagnosis prior to payment.” (951 So. 2d at 533)*

*“The action accrues when the injury first manifests itself to the plaintiff.” (951 So. 2d at 534)*

## FACTUAL BACKGROUND

Illinois Central entered into a contingent settlement agreement concerning asbestos-related FELA claims, conditioned on production of specified medical and claim documentation and subject to defenses including limitations, prior release, and lack of employment. McDaniel and McWilliams submitted affidavits that omitted references to other asbestos cases, but the circuit court found the omissions inadvertent rather than intentional and found no prejudice. McDaniel had signed a broad release arising from a back-injury settlement before his asbestos injury was known, while McWilliams withdrew his asbestos claim and notified Illinois Central of a changed diagnosis before receiving payment. Robinson had been diagnosed with pulmonary fibrosis in 1989, more than three years before the action was filed.

## PROCEDURAL HISTORY

Plaintiffs brought asbestos-related personal-injury claims under FELA in the Circuit Court of Jefferson County, Mississippi. After the parties entered a contingent settlement procedure, the circuit court granted in part and denied in part motions to enforce the settlement, rejected Illinois Central's dismissal and discovery-related motions, found releases ineffective as to McDaniel and McWilliams, and dismissed Robinson's claim as untimely. The Supreme Court of Mississippi affirmed all rulings.

## DISPOSITION

affirmed

## CASES CITED

- Howard v. TotalFina E & P USA, Inc., 899 So. 2d 882, 888 (Miss. 2005)
- Hill v. Southeastern Floor Covering Co., Inc., 596 So. 2d 874, 877 (Miss. 1992)
- Bell v. Parker, 563 So. 2d 594, 597 (Miss. 1990)
- Kight v. Sheppard Building Supply, Inc., 537 So. 2d 1355, 1358 (Miss. 1989)
- Hardy v. First National Bank of Vicksburg, 505 So. 2d 1021, 1023 (Miss. 1987)
- Caracci v. International Paper Co., 699 So. 2d 546, 556 (Miss. 1997)
- Century 21 Deep South Props. Ltd. v. Corson, 612 So. 2d 359, 366-67 (Miss. 1992)
- Babbitt v. Norfolk & Western Ry. Co., 104 F.3d 89, 93 (6th Cir. 1997)

- Philadelphia, Baltimore, & Washington R.R. Co. v. Schubert, 224 U.S. 603, 612 (1912)
- Wicker v. Consolidated Rail Corp., 142 F.3d 690, 701-02 (3d Cir. 1998)
- Callen v. Pennsylvania R. Co., 332 U.S. 625, 626-27 (1948)
- Emmons v. Southern Pacific Transportation Co., 701 F.2d 1112, 1117-19 (5th Cir. 1983)
- Gulf, Colorado & Santa Fe R.R. Co. v. McClelland, 355 F.2d 196, 197 (5th Cir. 1966)
- Carpenter v. Erie R.R. Co., 132 F.2d 362, 363 (3d Cir. 1942), cert. denied, 318 U.S. 788 (1943)
- Urie v. Thompson, 337 U.S. 163, 170 (1949)
- Williams v. Southern Pacific Transportation Co., 813 F. Supp. 1227, 1232 (S.D. Miss. 1992)
- Fries v. Chicago & Northwestern Transportation Co., 909 F.2d 1092, 1095 (7th Cir. 1990)
- Albert v. Maine Central R.R. Co., 905 F.2d 541, 544 (1st Cir. 1990)
- Townley v. Norfolk & Western Ry. Co., 887 F.2d 498, 501 (4th Cir. 1989)