

SUPREME COURT OF RHODE ISLAND

Multi-State Restoration, Inc. v. DWS Properties, LLC

61 A.3d 414 (R.I. 2013) · No. 2011-350-Appeal (PC 11-876) · Decided January 10, 2013

SUMMARY

The Rhode Island Supreme Court held that the Superior Court improperly treated a motion to dismiss as a motion for summary judgment after considering materials outside the complaint without expressly excluding them. The Court concluded that those materials raised genuine issues of material fact concerning the plaintiffs’ contractual claims. It also held that the plaintiffs’ quasi-contract and unjust-enrichment claims were not barred by the Mechanics’ Liens statute, vacated the judgment, and remanded the case.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Justice Francis X. Flaherty; Chief Justice Suttell; Justice Goldberg; Justice Flaherty; Justice Robinson; Justice Indeglia
JURISDICTION	Rhode Island
DECIDED	January 10, 2013
DOCKET	2011-350-Appeal (PC 11-876)
DISPOSITION	vacated
PROCEDURAL POSTURE	Plaintiffs appealed from a final Superior Court judgment dismissing their claims against DWS Properties, LLC. The Supreme Court considered whether the Superior Court improperly treated a Rule 12(b)(6) motion as a motion for summary judgment after considering materials outside the complaint and whether plaintiffs' equitable claims were properly dismissed.
STANDARD OF REVIEW	When a Rule 12(b)(6) motion is converted to a motion for summary judgment because the court considers materials outside the pleadings, appellate review is de novo. Summary judgment is appropriate only when, viewing the evidence in the light most favorable to the nonmoving party, no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published opinion of the Supreme Court of Rhode Island; precedential

PARTIES

Multi-State Restoration, Inc., Performance Adjusting Public Insurance Adjusters, LLC v. DWS Properties, LLC

TOPICS

motions to dismiss

summary judgment

civil procedure

appellate procedure

contracts

PRACTICE AREAS

Civil procedure

Appellate procedure

Contract law

Restitution and unjust enrichment

Construction law

QUESTIONS PRESENTED

1. Whether the Superior Court properly decided DWS's Rule 12(b)(6) motion after considering contracts and bankruptcy materials outside the complaint.
2. Whether conversion of the Rule 12(b)(6) motion to a motion for summary judgment required denial of judgment because genuine issues of material fact existed concerning the work performed, timing, circumstances, and alleged breach.
3. Whether DWS was entitled to judgment as a matter of law on plaintiffs' quasi-contract and unjust-enrichment claims because DWS was not named in the contracts or because the Mechanics' Liens statute provided an adequate remedy at law.

HOLDINGS

1. When a court considers materials outside the pleadings and does not expressly exclude them, Rule 12(b)(6) requires the motion to be treated as one for summary judgment under Rule 56.
2. Summary judgment was inappropriate because the record contained genuine issues of material fact concerning what work Multi-State performed, when and under what circumstances it was performed, and whether the contract was breached.
3. DWS was not entitled to judgment as a matter of law on the equitable claims merely because DWS was not expressly named in the contracts.
4. The Mechanics' Liens statute did not preclude plaintiffs from pursuing quasi-contract and unjust-enrichment remedies because Rhode Island General Laws § 34-28-33 preserves remedies otherwise available under law.

KEY QUOTATIONS

“The ‘sole function of a motion to dismiss is to test the sufficiency of the complaint.’” (61 A.3d 414, analysis section II)

“Thus, because materials outside the four corners of the complaint were considered by the hearing justice, the motion to dismiss under Rule 12(b)(6) was converted to a motion for summary judgment under Rule 56 of the Superior Court Rules of Civil Procedure.” (61 A.3d 414, analysis section III.A)

“Based on this language, it is our opinion that the Mechanics’ Liens statute does not preclude plaintiffs from pursuing their claims in equity.” (61 A.3d 414, analysis section III.B)

FACTUAL BACKGROUND

DWS owned rental property at 25 Andem Street in Providence that was damaged when a sewer pipe burst, causing substantial damage to the basement and foundation. Performance provided public insurance-adjusting services, and Multi-State provided emergency cleanup and restoration services under contracts executed by DWS's sole member, Dustin Shore. Although the insurance claims resulted in settlements and plaintiffs performed services, plaintiffs alleged they were not paid. Shore and his wife later filed personal bankruptcy, and the debts owed to plaintiffs were discharged; plaintiffs then sued DWS, the property-owning LLC.

PROCEDURAL HISTORY

After a sewer pipe burst at DWS's rental property, plaintiffs sued DWS in Providence County Superior Court for book account, breach of contract, quasi-contract, and unjust enrichment. DWS moved to dismiss under Rule 12(b)(6), and plaintiffs opposed and filed a cross-motion for summary judgment. The Superior Court considered contracts and bankruptcy materials outside the complaint, granted DWS's motion, denied plaintiffs' motion for relief or clarification, and entered final judgment for DWS. Plaintiffs timely appealed.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The judgment of the Superior Court was vacated, and the record was remanded to that court for further proceedings consistent with the opinion, including resolution of the genuine factual disputes and plaintiffs' equitable claims.

CASES CITED

- Laurence v. Sollitto, 788 A.2d 455, 456 (R.I. 2002)
- Rhode Island Affiliate, ACLU, Inc. v. Bernasconi, 557 A.2d 1232, 1232 (R.I. 1989)
- Martin v. Howard, 784 A.2d 291, 298 (R.I. 2001)
- DeSantis v. Prella, 891 A.2d 873, 876-77 (R.I. 2006)
- Tanner v. Town Council of East Greenwich, 880 A.2d 784, 791 (R.I. 2005)
- O'Connor v. McKanna, 116 R.I. 627, 633, 359 A.2d 350, 353 (1976)
- Marandola v. Hillcrest Builders, Inc., 102 R.I. 46, 227 A.2d 785 (1967)
- Bowen Court Associates v. Ernst & Young, LLP, 818 A.2d 721, 725-26 (R.I. 2003)
- Bouchard v. Price, 694 A.2d 670, 673 (R.I. 1997)
- R & B Electric Co. v. Amco Construction Co., 471 A.2d 1351, 1355 (R.I. 1984)
- Anthony Corrado, Inc. v. Menard & Co. Building Contractors, 589 A.2d 1201, 1201-02 (R.I. 1991)

- **Wickes Asset Management, Inc. v. Dupuis**, 679 A.2d 314, 322 (R.I. 1996)

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