SUPREME COURT OF CONNECTICUT

Toro Credit Co. v. Zeytoonjian

Toro Credit · No. SC 20534 · Decided February 8, 2022

SUMMARY

The Connecticut Supreme Court held that an order determining the method of foreclosure and the amount of the debt was a final judgment for appellate purposes, even though further details of the sale remained to be decided. The court further held that the trial court did not abuse its discretion in ordering foreclosure by sale of both parcels rather than strict foreclosure of only one parcel. The trial court properly considered the parties' contractual remedies provision as one factor in balancing the equities under General Statutes § 49-24.

CASE DETAILS

COURT	Supreme Court of Connecticut
WRITING FOR THE COURT	D'Auria, J.; McDonald, J.; Mullins, J.; Kahn, J.; Ecker, J.
JURISDICTION	Connecticut
DECIDED	February 8, 2022
DOCKET	SC 20534
DISPOSITION	affirmed
PROCEDURAL POSTURE	The defendants appealed from the Superior Court's order directing foreclosure by sale of two parcels securing a mortgage. The appeal was transferred from the Appellate Court to the Connecticut Supreme Court.
STANDARD OF REVIEW	The Supreme Court reviewed the trial court's exercise of equitable powers in foreclosure matters for abuse of discretion, making every reasonable presumption in favor of the correctness of the trial court's action.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Betty Anne Zeytoonjian, Trustee, Three Z Limited Partnership, Mark A. Zeytoonjian, substituted defendant v. Toro Credit Company

TOPICS

foreclosure · mortgages · appellate jurisdiction · remedies · commercial

PRACTICE AREAS

real estate · foreclosure · mortgages · commercial litigation · appellate procedure · remedies

QUESTIONS PRESENTED

1. Whether the trial court's order determining the method of foreclosure and the amount of the debt was a final judgment appealable under Connecticut law despite leaving details of the sale for later orders.
2. Whether the trial court abused its discretion by ordering foreclosure by sale of both parcels rather than strict foreclosure of parcel A alone.
3. Whether the trial court properly considered the mortgage's remedies provision as one factor in balancing the equities under General Statutes § 49-24.

HOLDINGS

1. An order of foreclosure by sale is a final judgment for purposes of appellate jurisdiction when the trial court has determined both the method of foreclosure and the amount of the debt, even if the court has left details of the sale for later orders.
2. The trial court did not abuse its discretion by ordering foreclosure by sale of both parcels rather than strict foreclosure of parcel A alone.
3. The trial court properly considered the parties' bargained-for remedies provision as one factor in balancing the equities, although the provision was not treated as binding or determinative.

KEY QUOTATIONS

> *"The first determination is deemed final if the trial court has determined the method of foreclosure and the amount of the debt."* (Part I)

> *"whether to order a strict foreclosure or a foreclosure by sale is a matter committed to the sound discretion of the trial court, to be exercised with regard to all the facts and circumstances of the case."* (Part II)

> *"due consideration of the parties' bargained-for remedies provision is appropriate in the balancing of [the] parties' competing interests"* (Part II)

> *"We therefore conclude that the trial court did not abuse its wide discretion in arriving at an equitable result."* (Part II)

FACTUAL BACKGROUND

The defendants operated Turf Products, LLC, and had a long-term commercial relationship with Toro Credit involving approximately $14 million in restructured debt. As security for a portion of that debt, the defendants granted Toro Credit a blanket mortgage on two adjacent undeveloped parcels in Enfield, identified as parcel A and parcel B, securing a promissory note with a principal amount of $1,662,500. After the defendants defaulted, the parties did not dispute Toro Credit's entitlement to foreclosure, but disputed whether the remedy should be strict foreclosure or foreclosure by sale. The debt was approximately $902,447.12, while the appraised values were approximately $950,000 for parcel A and $840,000 to $850,000 for parcel B.

PROCEDURAL HISTORY

Toro Credit brought a mortgage foreclosure action in the Superior Court for the judicial district of Tolland after the defendants defaulted on a promissory note. Following a trial concerning the appropriate form of foreclosure, the trial court ordered foreclosure by sale of both parcels, either together or sequentially at the defendants' choice. The defendants appealed, and the appeal was transferred to the Supreme Court of Connecticut. The Supreme Court held that the order was a final judgment for appellate-jurisdiction purposes and affirmed.

DISPOSITION

affirmed

CASES CITED

- Abreu v. Leone, 291 Conn. 332, 339, 968 A.2d 385 (2009)
- Saunders v. KDFBS, LLC, 335 Conn. 586, 592-94, 239 A.3d 1162 (2020)
- Benvenuto v. Mahajan, 245 Conn. 495, 501, 715 A.2d 743 (1998)
- Bank of New York Mellon v. Mazzeo, 195 Conn. App. 357, 362 n.6, 225 A.3d 290 (2020)
- Willow Funding Co., L.P. v. Grencom Associates, 63 Conn. App. 832, 836-38, 779 A.2d 174 (2001)
- Moran v. Morneau, 129 Conn. App. 349, 357, 19 A.3d 268 (2011)
- JPMorgan Chase Bank, National Assn. v. Essaghof, 336 Conn. 633, 639-40, 249 A.3d 327 (2021)
- Deutsche Bank National Trust Co. v. Angle, 284 Conn. 322, 326, 933 A.2d 1143 (2007)
- New England Savings Bank v. Lopez, 227 Conn. 270, 277-84, 630 A.2d 1010 (1993)
- Bugg v. Guilford-Chester Water Co., 141 Conn. 179, 182, 104 A.2d 543 (1954)
- National City Mortgage Co. v. Stoecker, 92 Conn. App. 787, 793-94, 888 A.2d 95, cert. denied, 277 Conn. 925, 895 A.2d 799 (2006)
- Saunders v. KDFBS, LLC, 335 Conn. 586, 594, 239 A.3d 1162 (2020)
- Issler v. Issler, 250 Conn. 226, 235, 737 A.2d 383 (1999)
- Olean v. Treglia, 190 Conn. 756, 768, 463 A.2d 242 (1983)
- Mack Financial Corp. v. Crossley, 209 Conn. 163, 168, 550 A.2d 303 (1988)
- New Milford Savings Bank v. Jajer, 244 Conn. 251, 261 & n.14, 708 A.2d 1378 (1998)
- Amresco New England II, L.P. v. Colossale, 63 Conn. App. 49, 50-56, 774 A.2d 1083 (2001)
- Farmers & Mechanics Savings Bank v. Sullivan, 216 Conn. 341, 354, 579 A.2d 1054 (1990)
- JP Morgan Chase Bank, N.A. v. Winthrop Properties, LLC, 312 Conn. 662, 671, 94 A.3d 622 (2014)
- US Bank National Assn. v. Christophersen, 179 Conn. App. 378, 394, 180 A.3d 611, cert. denied, 328 Conn. 928, 182 A.3d 1192 (2018)
- Voluntown v. Rytman, 27 Conn. App. 549, 555, 607 A.2d 896, cert. denied, 223 Conn. 913, 614 A.2d 831 (1992)
- Voluntown v. Rytman, 21 Conn. App. 275, 280-81, 573 A.2d 336, cert. denied, 215 Conn. 818, 576 A.2d 548 (1990)

- Central Bank for Savings v. Heggelund, 23 Conn. App. 266, 270, 579 A.2d 598, cert. granted, 217 Conn. 804, 584 A.2d 471 (1990)

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