

SUPREME JUDICIAL COURT OF MAINE

Estate of Gordan, 2004 ME 23

842 A.2d 1270 (Me. 2004) · Decided February 26, 2004

SUMMARY

The Maine Supreme Judicial Court held that a divorce judgment and settlement agreement did not immediately sever the parties' joint tenancy in real estate because the agreement contemplated a future quitclaim deed and was silent on immediate severance. The surviving former spouse therefore retained the property by survivorship but remained personally obligated to fulfill the settlement agreement. The court also vacated a default judgment against the estate, finding good cause for the failure to appear and a meritorious defense to the creditor's deficiency claim based on the commercial reasonableness of the collateral sale.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	Calkins, J.; Alexander; Calkins; Clifford; Dana; Levy; Rudman
JURISDICTION	Maine
DECIDED	February 26, 2004
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from a Cumberland County Probate Court order of instruction concerning ownership of jointly held real estate and denial of a motion for relief from default and default judgment on a creditor's deficiency claim.
STANDARD OF REVIEW	The denial of relief from default and default judgment is reviewed for abuse of discretion. The opinion does not state a separate standard of review for the legal interpretation of the divorce judgment and settlement agreement.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Elizabeth Wilson, individually and as personal representative of the Estate of Donald F. Gordan v. Banknorth, N.A., Douglas, Denham, Buccina & Ernst, P.A.

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QUESTIONS PRESENTED

1. Whether the divorce judgment and incorporated settlement agreement immediately severed the parties' joint tenancy in the Raymond real estate.
2. Whether the estate showed good cause for relief from the default and default judgment entered on Banknorth's deficiency claim.

HOLDINGS

1. A divorce judgment and settlement agreement providing for a future sale or disposition of real estate, while silent regarding whether the property remains in joint tenancy pending that disposition, do not presumptively effect an immediate severance of the joint tenancy. The divorce judgment here did not transform title from joint tenancy to tenancy in common.
2. The estate demonstrated good cause to set aside the default and default judgment because it had a good excuse for failing to appear and presented a meritorious defense to the deficiency claim.

KEY QUOTATIONS

“The divorce judgment in imposing that personal duty upon both parties was completely blind to the exact status of the legal title to the premises; it made no difference whether either one was the sole title holder or they held it as tenants in common or joint tenants.” (842 A.2d at 1274)

“A low price suggests that a court should scrutinize carefully all aspects of a disposition to ensure that each aspect was commercially reasonable.” (842 A.2d at 1276)

FACTUAL BACKGROUND

Elizabeth Wilson and Donald F. Gordan owned marital real estate in Raymond as joint tenants and were divorced in 2001. Their settlement agreement provided for a survey, division of the property into two parcels, a future quitclaim deed from Gordan to Wilson for the parcel containing the marital home, and sale and division of the remaining land. Gordan died before the property was divided, and creditors of his estate sought to enforce rights against the property. Separately, Banknorth obtained a default judgment for a deficiency after repossessing and selling Gordan's automobile, and Wilson later sought relief from that judgment after becoming personal representative.

PROCEDURAL HISTORY

The Probate Court concluded that the parties' divorce judgment and settlement agreement severed the joint tenancy in Raymond real estate and denied the estate's motion to set aside a default and default judgment entered on Banknorth's deficiency claim. Wilson appealed both rulings. The Supreme Judicial Court of Maine vacated both orders and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for further proceedings consistent with the opinion, including reconsideration of the petition for instruction and relief from the default and default judgment.

CASES CITED

- Poulson v. Poulson, 145 Me. 15, 70 A.2d 868 (1950)
- Fitts v. Stokes, 841 So. 2d 229 (Ala. 2002)
- Zulk v. Zulk, 502 N.W.2d 116 (S.D. 1993)
- Estate of Estelle, 122 Ariz. 109, 593 P.2d 663 (1979)
- Bradley v. Mann, 34 Colo. App. 135, 525 P.2d 492 (1974)
- Estate of Coleman, 77 Ill. App. 3d 397, 32 Ill. Dec. 828, 395 N.E.2d 1209 (1979)
- Fitzgerald v. Trueworthy, 476 A.2d 183 (Me. 1984)
- Stotler v. Wood, 687 A.2d 636 (Me. 1996)
- Truman v. Browne, 2001 ME 182, 788 A.2d 168 (Me. 2001)
- Hart v. Terry L. Hopkins, Inc., 588 A.2d 1187 (Me. 1991)