

SUPREME COURT OF MISSISSIPPI

Mayor Okoloise, M.D. and Hope Medical Services, LLC v. William Franklin Yost, M.D. and Doctor's Medical Center of Picayune, PLLC

No. 2017-CA-01472-SCT (Miss. Sept. 5, 2019) · No. 2017-CA-01472-SCT · Decided September 5, 2019

SUMMARY

The Mississippi Supreme Court reviewed a business dispute between physicians involving contract, conversion, trade-secret misappropriation, and defamation claims arising from the departure of a physician and staff from a pain-management clinic. The Court held that the chancery court improperly awarded equitable monetary damages without applying a legally supported methodology for calculating damages. The judgment was reversed and rendered.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Griffis, Justice; Randolph, C.J.; Coleman, J.; Maxwell, J.; Beam, J.; Chamberlin, J.; Ishee, J.; Kitchens, P.J.
JURISDICTION	Mississippi
DECIDED	September 5, 2019
DOCKET	2017-CA-01472-SCT
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appellants appealed a chancery-court judgment awarding appellees \$188,622 in equitable damages on claims including trover/conversion, defamation, breach of contract, and misappropriation of trade secrets.
STANDARD OF REVIEW	Chancellor's factual findings are reviewed for manifest error or clear error and for application of an erroneous legal standard; findings supported by substantial evidence are not disturbed. Questions of law are reviewed de novo.
PRECEDENTIAL VALUE	published
PARTIES	Mayor Okoloise, M.D., Hope Medical Services, LLC v. William Franklin Yost, M.D., Doctor's Medical Center of Picayune, PLLC

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QUESTIONS PRESENTED

1. Whether the chancery court used a legally permissible methodology and sufficient evidence to award monetary damages on the trover/conversion, trade-secrets misappropriation, defamation, and breach-of-contract claims.
2. Whether the chancery court's \$188,622 equitable damages award was supported by evidence of losses attributable to appellants.

HOLDINGS

1. A court may not award monetary damages merely as an equitable or generalized compensation award; monetary damages are a legal remedy and must be calculated under a legally recognized methodology supported by evidence.
2. The award on the trover/conversion claim could not stand because the chancellor made no finding concerning the value of the converted property, the causal damages from the conversion, or any legally recoverable lost profits.
3. The award on the trade-secrets claim could not stand because the chancellor made no finding of the actual loss caused by the misappropriation or the unjust enrichment caused by it.
4. The defamation damages award could not stand because the evidence did not show that Okoloise's statement caused concrete or identifiable financial harm.
5. The breach-of-contract damages award could not stand because the appellees failed to present sufficient evidence from which the court could reasonably determine the economic loss proximately caused by the breach.

KEY QUOTATIONS

"No such legal principle permits equitable damages. It is fundamental that monetary damages are a legal remedy." (12-13)

"An award of economic damages must be based on proper economic data, not equity." (19-20)

"The chancellor's findings were based on equitable measures, with no legal basis, and are therefore manifestly wrong." (20)

FACTUAL BACKGROUND

Yost operated pain-management clinics in Louisiana and Mississippi and entered a personal-services contract with Okoloise under which Okoloise practiced at the Picayune clinic. Okoloise resigned on December 19, 2012, after allegedly discovering regulatory and licensing problems, and subsequently opened Hope Medical with several former DMC employees and patient-contact information. Yost and DMC-Picayune sued, and the

chancery court awarded \$188,622 in damages based largely on an equitable estimate tied to the remaining term of the contract and the clinic's estimated income.

PROCEDURAL HISTORY

Yost and Doctors Medical Center of Picayune sued Okoloise, Hope Medical, and former clinic employees in the Pearl River County Chancery Court. After a four-day trial, the chancellor dismissed numerous claims but found liability on several claims and awarded \$188,622, later modifying the judgment on post-trial motions. The Mississippi Supreme Court reversed and rendered the judgment because the damages award lacked a legally supportable methodology and sufficient evidentiary basis.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

None. The Supreme Court reversed and rendered the chancery-court judgment, ending the damages award rather than remanding for recalculation.

CASES CITED

- White v. White, 26 So. 3d 342, 346 (Miss. 2010)
- R.K. v. J.K., 946 So. 2d 764, 772 (Miss. 2007)
- Madden v. Rhodes, 626 So. 2d 608, 616 (Miss. 1993)
- Cooper v. Crabb, 587 So. 2d 236, 239 (Miss. 1991)
- Mullins v. Ratliff, 515 So. 2d 1183, 1189 (Miss. 1987)
- Boyd v. Tishomingo Cty. Democratic Exec. Comm., 912 So. 2d 124, 128 (Miss. 2005)
- In re Municipal Boundaries of Southaven, 864 So. 2d 912, 917 (Miss. 2003)
- Cotton States Life Insurance Co. v. Cunningham, 141 Miss. 474, 106 So. 766, 767 (1926)
- Derr Plantation, Inc. v. Swarek, 14 So. 3d 711, 716 (Miss. 2009)
- Chevron Oil Co. v. Snellgrove, 253 Miss. 356, 364, 175 So. 2d 471, 474 (Miss. 1965)
- Fred's Stores of Miss., Inc. v. M & H Drugs, Inc., 725 So. 2d 902, 915 (Miss. 1998)
- Blake v. Gannett Co., Inc., 529 So. 2d 595, 602 (Miss. 1988)
- Chatham v. Gulf Publishing Co., Inc., 502 So. 2d 647, 649 (Miss. 1987)
- Speed v. Scott, 787 So. 2d 626, 632 (Miss. 2001)
- Cenac v. Murry, 609 So. 2d 1257, 1274 (Miss. 1992)
- Business Communications, Inc. v. Banks, 90 So. 3d 1221, 1225 (Miss. 2012)
- Thomas v. Global Boat Builders & Repairmen, Inc., 482 So. 2d 1112, 1116 (Miss. 1986)
- Lane v. Lampkin, 175 So. 3d 1222, 1229 (Miss. 2015)
- Gutierrez v. Gutierrez, 153 So. 3d 703 (Miss. 2014)
- Singley v. Singley, 846 So. 2d 1004 (Miss. 2002)

- Dedeaux Utility Co., Inc. v. Gulfport, 63 So. 3d 514 (Miss. 2011)
- Richton Bank & Trust v. Bowen, 798 So. 2d 1268 (Miss. 2001)
- Warren v. Derivaux, 996 So. 2d 729, 737 (Miss. 2008)
- Lovett v. E.L. Garner, Inc., 511 So. 2d 1346, 1353 (Miss. 1987)
- Lowenburg v. Klein, 125 Miss. 284, 87 So. 653, 654-55 (1921)
- Price v. Purdue Pharma Co., 920 So. 2d 479, 484 (Miss. 2006)
- Morrissey v. Bologna, 240 Miss. 284, 123 So. 2d 537, 545 (Miss. 1960)
- Smith v. Maryland Casualty Co., 252 Miss. 81, 85, 172 So. 2d 574, 575 (1965)
- J. & S. Goodman v. Swett, 108 Miss. 224, 66 So. 535, 536 (1914)
- Thigpen v. Kennedy, 238 So. 2d 744, 746 (Miss. 1970)
- O'Neill v. O'Neill, 551 So. 2d 228, 233 (Miss. 1989)

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