

SUPREME COURT OF VERMONT

Bischoff v. Bletz, 2008 VT 16

949 A.2d 420 (Vt. 2008) · No. No. 07-001 · Decided February 8, 2008

SUMMARY

The Vermont Supreme Court held that plaintiffs lacked standing to challenge a defendant's deeded right of first refusal because they were strangers to the contract and had not alleged claims against him. The court vacated the trial court's summary-judgment decision declaring the right of first refusal invalid or extinguished and remanded for further proceedings. The court also noted that, even if jurisdiction existed, material factual disputes remained concerning exercise and acceptance of the right of first refusal.

CASE DETAILS

COURT	Supreme Court of Vermont
WRITING FOR THE COURT	Johnson, J.; Reiber, C.J.; Dooley, J.; Skoglund, J.; Burgess, J.
JURISDICTION	Vermont
DECIDED	February 8, 2008
DOCKET	No. 07-001
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Defendant Rodney White appealed from an order granting plaintiffs partial summary judgment and declaring White's deeded right of first refusal to be extinguished.
STANDARD OF REVIEW	The Supreme Court reviewed the standing and subject-matter-jurisdiction issues as questions of law. Standing is jurisdictional, cannot be waived, and may be raised at any time. The court also recognized that summary judgment is improper where material facts remain disputed.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Rodney White v. William Bischoff, David Bischoff, Peter Bischoff

TOPICS

- standing
- subject matter jurisdiction
- summary judgment
- declaratory judgment
- appellate procedure

PRACTICE AREAS

civil procedure

contracts

real estate

remedies

appellate procedure

QUESTIONS PRESENTED

1. Whether plaintiffs had standing to seek declaratory or equivalent relief determining the validity of White's contractual right of first refusal when plaintiffs were strangers to that contract and asserted no claim against White in their complaint.
2. Whether the trial court had subject-matter jurisdiction to adjudicate White's contractual rights based on the asserted community of interest among the parties.
3. Whether disputed material facts concerning notice, the terms of the proposed sale, acceptance, waiver, and the effect of the injunction independently precluded summary judgment.

HOLDINGS

1. Plaintiffs lacked standing to seek a determination that White's right of first refusal was invalid or extinguished because they were strangers to White's contract and could not show a personal injury fairly traceable to White that would likely be redressed by the requested relief.
2. The trial court's reliance on a community of interest among the parties was insufficient to confer standing or subject-matter jurisdiction on plaintiffs.
3. Even if the trial court had jurisdiction, summary judgment would have been improper because the filings revealed disputes of material fact concerning the terms of the proposed sale, White's exercise of the right of first refusal, defendants' acceptance or waiver, and the effect of the preliminary injunction.

KEY QUOTATIONS

“Plaintiffs have no standing to seek the declaratory relief granted by the court because they cannot show that they suffered any personal injury fairly traceable to White's allegedly unlawful conduct that is likely to be redressed by the requested relief.” (425)

“Plaintiffs cannot accomplish through procedural chicanery what they plainly lacked authority to accomplish directly through their complaint.” (427)

“Because the court lacked jurisdiction to grant the relief requested by plaintiffs, we vacate the trial court's decision.” (428)

FACTUAL BACKGROUND

In 1978, Rodney White acquired a deeded right of first refusal in property owned by the predecessors of defendants Bletz and Van Guilder. The right required notice of a bona fide offer and permitted White to accept on the same terms and conditions within specified time periods. Plaintiffs later obtained option contracts concerning the property, and defendants eventually provided White notice of the transactions. White sought to exercise his right of first refusal, while plaintiffs challenged the validity and exercise of that right despite not being parties to White's contract. The trial court granted plaintiffs partial summary judgment against White.

PROCEDURAL HISTORY

Plaintiffs sued Donald Bletz, Sr. and Bruce Van Guilder for breach of contract, breach of warranty, misrepresentation, and negligence, seeking damages and injunctive relief concerning the sale of real property. White was joined as a necessary party under Vermont Rule of Civil Procedure 19(a), although plaintiffs never served him with an amended complaint asserting a claim against him. The trial court granted plaintiffs partial summary judgment against White, denied his motion to lift the injunction and motion to reconsider, and concluded that White had not properly exercised his right of first refusal. White appealed. The Supreme Court of Vermont vacated and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The trial court was directed to conduct additional proceedings on plaintiffs' outstanding claims against defendants. The opinion indicates that disputes concerning White's right of first refusal should be litigated between White and defendants, not between White and plaintiffs.

CASES CITED

- Brod v. Agency of Natural Res., 2007 VT 87, 936 A.2d 1286
- Parker v. Town of Milton, 169 Vt. 74, 77, 726 A.2d 477, 480 (1998)
- Ladd v. Valerio, 2005 VT 81, 178 Vt. 614, 883 A.2d 764 (mem.)
- Town of Charlotte v. Richmond, 158 Vt. 354, 357-58, 609 A.2d 638, 640 (1992)
- Harris v. Evans, 20 F.3d 1118, 1121 (11th Cir. 1994)
- Palmer v. Bahm, 2006 MT 29, 331 Mont. 105, 128 P.3d 1031
- Warth v. Seldin, 422 U.S. 490, 517-18, 95 S. Ct. 2197, 45 L. Ed. 2d 343 (1975)
- Bryant v. Strong, 141 Vt. 244, 245 n. 1, 448 A.2d 142, 143 n. 1 (1982)
- White Hen Pantry, Inc. v. Cha, 214 Ill. App. 3d 627, 158 Ill. Dec. 310, 574 N.E.2d 104, 109 (1991)
- Poulin v. Town of Danville, 128 Vt. 161, 260 A.2d 208 (1969)
- Hinesburg Sand & Gravel Co. v. State, 166 Vt. 337, 341, 693 A.2d 1045, 1048 (1997)
- Miller v. LeSea Broad., Inc., 87 F.3d 224, 227-28 (7th Cir. 1996)