

SUPREME COURT OF RHODE ISLAND

Anthony J. Dellagrotta et al. v. Cynthia A. Dellagrotta

873 A.2d 101 (R.I. 2005) · No. No. 2002-0046-Appeal · Decided May 19, 2005

SUMMARY

The Supreme Court of Rhode Island reviewed cross-appeals arising from a dispute over a house purchased by the defendant's former in-laws for the defendant and their son to occupy. The court rejected the defendant's claims for ownership based on promissory estoppel and constructive trust, but addressed restitution for improvements and held that the Residential Landlord and Tenant Act did not apply because no rental agreement or landlord-tenant relationship existed. The opinion also considered use-and-occupancy damages, unjust enrichment, and attorney's fees.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Goldberg, Justice; Williams, C.J.; Goldberg, J.; Flaherty, J.; Suttell, J.; Robinson, J.
JURISDICTION	Rhode Island
DECIDED	May 19, 2005
DOCKET	No. 2002-0046-Appeal
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Cross-appeals from a Superior Court nonjury judgment involving possession of residential property, unjust enrichment, promissory estoppel, constructive trust, use and occupancy, attorney's fees, and litigation costs.
STANDARD OF REVIEW	Findings of a trial justice sitting without a jury are reviewed deferentially and will not be disturbed unless clearly erroneous, based on a misconception or overlooking of material evidence, or failing to do substantial justice. Questions of law are reviewed de novo.
PRECEDENTIAL VALUE	Published Rhode Island Supreme Court opinion; precedential.
PARTIES	Anthony J. Dellagrotta, Audrey M. Dellagrotta, Cynthia A. Dellagrotta v. Anthony J. Dellagrotta, Audrey M. Dellagrotta, Cynthia A. Dellagrotta

TOPICS

unjust enrichment

constructive trust

landlord tenant

remedies

appellate procedure

PRACTICE AREAS

real estate

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trusts

remedies

appellate procedure

QUESTIONS PRESENTED

1. Whether Cynthia established a clear and unambiguous promise sufficient to support promissory estoppel and an ownership interest in the house.
2. Whether Cynthia established the fiduciary or confidential relationship and fraud or breach necessary to impose a constructive trust.
3. Whether the Rhode Island Residential Landlord and Tenant Act applied to Cynthia's occupancy and authorized attorney's fees, litigation costs, or statutory rent damages.
4. Whether plaintiffs could recover the fair rental value of Cynthia's use and occupancy after they demanded possession.
5. Whether Cynthia was entitled to recover under unjust enrichment for improvements to the property and, if so, how the award should be measured.

HOLDINGS

1. Cynthia could not establish promissory estoppel because Anthony Sr.'s statements were not a clear and unambiguous promise to convey the property. The statements lacked a definite time frame, savings amount, or proof that the stated condition had been satisfied.
2. Cynthia was not entitled to a constructive trust because she failed to prove by clear and convincing evidence a fiduciary or confidential relationship with the plaintiffs and either a breach of fiduciary duty or fraud.
3. The Residential Landlord and Tenant Act did not apply because Cynthia's occupancy was not governed by a rental agreement and the plaintiffs were not her landlords.
4. The awards of plaintiffs' attorney's fees and litigation costs had to be vacated because the Residential Landlord and Tenant Act did not apply and there was no general equitable right to attorney's fees absent statutory or contractual authorization.
5. Although the Residential Landlord and Tenant Act did not apply, plaintiffs were entitled to recover \$13,750 representing the fair rental value of Cynthia's use and occupancy from July 1 through November 2001, after plaintiffs demanded possession.
6. Cynthia was entitled to recover under unjust enrichment because plaintiffs received and retained the benefit of improvements made while she reasonably believed that she and her husband were equitable owners, but the award had to be limited to one-half of the property's increased value attributable to the improvements, not the improvement costs plus appreciation.

KEY QUOTATIONS

“The defendant's own testimony illustrates that Anthony Sr.'s statements did not amount to a "clear and unambiguous promise" to make a gift of the property, notwithstanding Audrey's silence.” (873 A.2d at 110)

“Confidential or fiduciary relationships do not inherently exist between family members.” (873 A.2d at 112)

“We are convinced that there was no rental agreement between plaintiffs and defendant, implied or otherwise.” (873 A.2d at 113)

“The benefit defendant conferred upon plaintiffs was an improved house; plaintiffs realized the difference between the fair market value of the house in its unimproved state and with the improvements, amounting to \$106,000.” (873 A.2d at 114)

FACTUAL BACKGROUND

Anthony and Audrey Dellagrotta purchased a house for \$185,000 shortly before their son Anthony Jr. married Cynthia, and the couple moved into the property and substantially improved it with money and labor from both families. Cynthia believed the house was intended as a wedding gift and that title eventually would be placed in the couple's names, while Anthony and Audrey retained record title. After Anthony Jr. moved out and the marriage deteriorated, the plaintiffs demanded that Cynthia vacate, and the parties disputed her ownership, compensation for improvements, and liability for use of the property.

PROCEDURAL HISTORY

Plaintiffs obtained title to the house and later brought a District Court action seeking possession and damages after Cynthia continued living there. The District Court denied transfer of Cynthia's equitable counterclaims, dismissed those counterclaims, and entered judgment for plaintiffs; Cynthia appealed to Superior Court. After a Superior Court bench trial, the court denied Cynthia's claims for ownership and a constructive trust, awarded her \$61,865.08 for unjust enrichment, awarded plaintiffs \$13,750 for use and occupancy, and awarded plaintiffs attorney's fees and costs. Both parties appealed, and the Supreme Court affirmed in part, reversed in part, vacated specified awards, and remanded for entry of a new judgment.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Vacate the judgment awarding plaintiffs attorney's fees and litigation costs and awarding Cynthia unjust enrichment in the original amount. Direct entry of a new judgment awarding Cynthia one-half of the \$106,000 increased value of the house, or \$53,000, less \$13,750 for use and occupancy from July 1 through November 2001, and reimburse her \$105 paid for District Court litigation costs. Affirm the judgment in all other respects and remand the papers to the Superior Court.

CASES CITED

- Vigneaux v. Carriere, 845 A.2d 304, 306 (R.I. 2004)

- Rhode Island Depositors Economic Protection Corp. v. Bowen Court Associates, 763 A.2d 1005, 1007 (R.I. 2001)
- Filippi v. Filippi, 818 A.2d 608, 625-26 (R.I. 2003)
- Alix v. Alix, 497 A.2d 18, 21 (R.I. 1985)
- Black v. Wiesner, 112 R.I. 261, 267, 308 A.2d 511, 515 (1973)
- Wetherill v. Moore, 73 R.I. 140, 144, 54 A.2d 388, 390 (1947)
- Renaud v. Ewart, 712 A.2d 884, 885 (R.I. 1998) (mem.)
- Simpson v. Dailey, 496 A.2d 126, 128-29 (R.I. 1985)
- Cahill v. Antonelli, 120 R.I. 879, 881, 883-84, 390 A.2d 936, 938-39 (1978)
- Errico v. LaMountain, 713 A.2d 791, 794 (R.I. 1998)
- Marshall Contractors, Inc. v. Brown University, 692 A.2d 665 (R.I. 1997)
- Jem Co. v. Fairway Capital Corp., 678 A.2d 1247, 1247 (R.I. 1996) (mem.)
- Toupin v. Laverdiere, 729 A.2d 1286 (R.I. 1999)
- Bouchard v. Price, 694 A.2d 670, 673 (R.I. 1997)
- Eastern Motor Inns, Inc. v. Ricci, 565 A.2d 1265, 1267-73 (R.I. 1989)
- Morra v. Harrop, 791 A.2d 472, 477 (R.I. 2002)
- State v. Vorgongsa, 670 A.2d 1250, 1257 (R.I. 1996)
- R & B Electric Co. v. Amco Construction Co., 471 A.2d 1351, 1356 (R.I. 1984)