SUPREME COURT OF MISSISSIPPI

Huff-Cook, Inc. v. Dale

913 So. 2d 988 (Miss. 2005) · No. No. 2004-CA-00617-SCT · Decided May 5, 2005

SUMMARY

The Supreme Court of Mississippi held that the chancery court erred by sua sponte converting a motion for judgment on the pleadings into a motion for summary judgment without providing the claimants ten days' notice and a reasonable opportunity to present pertinent materials. The court vacated the judgment dismissing the claimants' petition in the insurance liquidation proceeding and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Randolph, Justice; Waller, P.J.; Graves, J.; Randolph, J.
JURISDICTION	Mississippi
DECIDED	May 5, 2005
DOCKET	No. 2004-CA-00617-SCT
DISPOSITION	vacated
PROCEDURAL POSTURE	Claimants appealed a Rule 54(b) final judgment dismissing their petition for declaratory relief after the chancery court sua sponte converted the Liquidator's Mississippi Rule of Civil Procedure 12(c) motion for judgment on the pleadings into a Rule 56 summary-judgment motion and granted judgment for the Liquidator.
STANDARD OF REVIEW	De novo review applies to both Rule 12(c) motions for judgment on the pleadings and Rule 56 motions for summary judgment. The appellate court sits in the same position as the lower court. A Rule 12(c) motion is decided on the face of the pleadings, with allegations taken as true and dismissal improper unless the nonmoving party can prove no set of facts entitling it to relief.
PRECEDENTIAL VALUE	Published Mississippi Supreme Court opinion; precedential.
PARTIES	Huff-Cook, Inc. (Settlers Life Insurance Company), Peoples Benefit Life Insurance Company, Veterans Life Insurance Company v. George Dale, Commissioner of Insurance of the State of Mississippi, in his capacity as Liquidator of First National Life Insurance Company of

America, Mississippi Life and Health Insurance Guaranty Association, National Organization of Life and Health Insurance Guaranty Associations

TOPICS

motion for judgment on the pleadings | summary judgment | civil procedure | appellate procedure | standard of review

PRACTICE AREAS

Civil procedure | Appellate procedure | Insurance liquidation | Equitable remedies

QUESTIONS PRESENTED

1. Whether the chancery court erred by sua sponte converting a Rule 12(c) motion for judgment on the pleadings into a Rule 56 motion for summary judgment without giving the claimants ten days' notice and a reasonable opportunity to present pertinent evidence.
2. Whether the chancery court erred in ruling on the claimants' constructive-trust and secured-creditor theories without addressing those issues.

HOLDINGS

1. When a court converts a motion for judgment on the pleadings into a summary-judgment motion, the requirements of Rule 56 become operative, including notice of the conversion and a reasonable opportunity to present material pertinent to summary judgment. The chancery court committed reversible error by converting the motion without giving the claimants ten days' notice.
2. The applicable review of both a Rule 12(c) judgment on the pleadings and a Rule 56 summary judgment is de novo, not abuse of discretion.

KEY QUOTATIONS

> *“Whenever a motion for judgment on the pleadings is converted into a summary judgment motion, the requirements of Rule 56 become operative; and therefore, it is important for the trial court to give the parties notice of the changed status and a "reasonable opportunity to present all material made pertinent to such motion by Rule 56."”* (at 991)

> *“Finding that the trial judge erred in converting, sua sponte, Commissioner Dale's motion for judgment on the pleadings into a motion for summary judgment without giving Claimants ten-days' notice of this intention, we vacate the judgment of the Chancery Court for the First Judicial District of Hinds County and remand this case for further proceedings consistent with this opinion.”* (at 993)

FACTUAL BACKGROUND

First National Life Insurance Company of America was placed into liquidation after a scheme defrauded companies of hundreds of millions of dollars. Huff-Cook, Peoples Benefit, and Veterans Life filed claims for amounts paid to First National Life, and the liquidation estate classified them as Class 6 claims for ceding insurance companies. The claimants then sought constructive trusts over property allegedly traceable to their transferred funds or, alternatively, classification as secured creditors.

PROCEDURAL HISTORY

The appellants filed claims in the liquidation estate of First National Life Insurance Company and later sought declaratory relief, including constructive trusts over traceable property or classification as secured creditors. The Liquidator moved for judgment on the pleadings. Without prior notice or an opportunity to submit evidence, the chancery court converted the motion into one for summary judgment and dismissed the petition. The Supreme Court of Mississippi vacated the judgment and remanded.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The judgment of the Chancery Court for the First Judicial District of Hinds County is vacated, and the case is remanded for further proceedings consistent with the opinion.

CASES CITED

- Hartford Cas. Ins. Co. v. Halliburton Co., 826 So. 2d 1206, 1209–10 (Miss. 2001)
- Bridges ex rel. Bridges v. Park Place Entm't, 860 So. 2d 811, 813 (Miss. 2003)
- Williams v. State, 708 So. 2d 1358, 1362–63 (Miss. 1998)
- Palmer v. Biloxi Reg'l Med. Ctr., Inc., 649 So. 2d 179, 181–83 (Miss. 1995)

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