

SUPREME COURT OF THE STATE OF MONTANA

Truss Works, Inc. v. Oswood Construction Company

Truss Works, Inc. v. Oswood Construction Co., 2022 MT 42 · No. DA 21-0185 · Decided March 1, 2022

SUMMARY

The Montana Supreme Court affirmed a District Court judgment awarding Truss Works, Inc. unpaid contract amounts and attorney fees in an action to foreclose a construction lien. The Court held that the District Court's express and implied findings sufficiently addressed Oswood Construction Company's counterclaim for delay damages and were supported by substantial evidence. The Court also concluded that Oswood's nonpayment constituted an incidental breach and that the evidence supported findings concerning responsibility for project delays and truss-hanger obligations.

CASE DETAILS

COURT	Supreme Court of the State of Montana
WRITING FOR THE COURT	Justice Beth Baker; Beth Baker; Mike McGrath; Laurie McKinnon; Ingrid Gustafson; Jim Rice
JURISDICTION	Montana
DECIDED	March 1, 2022
DOCKET	DA 21-0185
DISPOSITION	affirmed
PROCEDURAL POSTURE	Oswood Construction Company appealed from a bench-trial judgment in favor of Truss Works, Inc. foreclosing a construction lien and awarding unpaid contract amounts and attorney fees.
STANDARD OF REVIEW	In a bench-trial case, factual findings are reviewed for clear error and legal conclusions for correctness. A finding is clearly erroneous if unsupported by substantial credible evidence, based on a misapprehension of the effect of the evidence, or if the appellate court is left with the definite and firm conviction that the district court made a mistake. The evidence is viewed in the light most favorable to the prevailing party.
PRECEDENTIAL VALUE	published Montana Supreme Court opinion
PARTIES	Oswood Construction Company v. Truss Works, Inc.

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the District Court made sufficient findings of fact and conclusions of law to support judgment for Truss Works despite not expressly ruling on Oswood's counterclaim.
2. Whether the District Court clearly erred in finding that Oswood was largely responsible for delays in the truss-submittal process.
3. Whether the District Court's finding that Oswood 'fully breached' the contract constituted an erroneous finding of material breach.
4. Whether the District Court's implied findings adequately resolved the parties' dispute over responsibility for designing and supplying truss hangers.

HOLDINGS

1. The District Court's express and implied findings were sufficient to permit informed appellate review and implicitly rejected Oswood's counterclaim by finding that Oswood was more responsible for the project delays.
2. The District Court did not clearly err in finding that Oswood failed to cooperate reasonably during the submittal process and was largely responsible for the resulting delays.
3. Oswood's failure to pay the final installment and contract balance was an incidental breach, not a material breach, because it concerned only part of the consideration and did not justify rescission.
4. The omission of an express finding on responsibility for the hangers did not warrant reversal because the District Court's implied finding that Truss Works was not required to supply them was supported by the evidence and was not necessary to disturb the judgment.

KEY QUOTATIONS

“The litmus test [under Rule 52(a)(1)] is whether a district court’s order sets forth reasoning, based upon its findings of fact and conclusions of law, in a manner sufficient to allow informed appellate review.” (¶ 10)

“where a court’s findings are general in terms, any findings not specifically made, but necessary to the judgment, are deemed to have been implied, if supported by the evidence.” (¶ 27)

“A breach is material if it “touches the fundamental purposes of the contract and defeats the object of the parties in making the contract.”” (¶ 30)

“The District Court’s findings of fact and conclusions of law are “sufficient to allow informed appellate review” of its decision in favor of Truss Works.” (¶ 32)

FACTUAL BACKGROUND

Oswood contracted with Truss Works for the design and fabrication of wood trusses for a senior-living apartment project. The parties disputed the requirements for shop-drawing submissions, truss design, and truss hangers, and Oswood withheld the final installment and contract balance. Truss Works filed a construction lien and sued to foreclose it, while Oswood counterclaimed for damages allegedly caused by Truss Works's delays and contract breaches. The District Court found that Oswood was largely responsible for the submission delays, that Truss Works's design error had been corrected and compensated, and that Oswood's nonpayment constituted a breach.

PROCEDURAL HISTORY

Truss Works filed a construction lien against the Voyageur Apartments after Oswood withheld payment under a truss-supply purchase order. Truss Works sued in the Eighth Judicial District Court to foreclose the lien, and Oswood counterclaimed for delay damages. After a four-day bench trial, the District Court entered findings and judgment for Truss Works, implicitly rejecting Oswood's counterclaim. The Montana Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Norwood v. Service Distrib., Inc., 2000 MT 4, ¶¶ 21-22, 29, 297 Mont. 473, 994 P.2d 25
- State v. Baty, 2017 MT 89, ¶¶ 11, 13, 387 Mont. 252, 393 P.3d 187
- Snavelly v. St. John, 2006 MT 175, ¶ 11, 333 Mont. 16, 140 P.3d 492
- Nicholson v. United Pacific Insurance Company, 219 Mont. 32, 710 P.2d 1342 (1984)
- State v. Wetzel, 2005 MT 154, ¶ 11, 327 Mont. 413, 114 P.3d 269
- Brunette v. State, 2016 MT 128, ¶ 36, 383 Mont. 458, 372 P.3d 476