

OHIO COURT OF APPEALS, NINTH JUDICIAL DISTRICT

Park Place Estates Neighborhood, L.L.C. v. Oyola

2012-Ohio-908 (Ohio Ct. App. 2012) · No. C.A. No. 25921 · Decided March 7, 2012

SUMMARY

The Ninth District Court of Appeals of Ohio affirmed the Barberton Municipal Court’s judgment rejecting Park Place Estates Neighborhood, LLC’s claims against its treasurer, Tammy Oyola, for breach of fiduciary duty and conversion. The court held that competent, credible evidence supported the finding that a majority of eligible member households approved the transfer of funds to Oyola’s husband for materials used to replace a development light. The court also concluded that the transfer was not wrongful because the funds were not shown to belong exclusively to dissenting households.

CASE DETAILS

COURT	Ohio Court of Appeals, Ninth Judicial District
WRITING FOR THE COURT	Eve V. Belfance, Presiding Judge; Eve V. Belfance; Moore, J.; Dickinson, J.
JURISDICTION	Ohio
DECIDED	March 7, 2012
DOCKET	C.A. No. 25921
DISPOSITION	affirmed
PROCEDURAL POSTURE	Park Place Estates Neighborhood, LLC appealed the Barberton Municipal Court's order overruling its objections to a magistrate's decision and adopting the decision rejecting its breach-of-fiduciary-duty and conversion claims.
STANDARD OF REVIEW	A trial court's action regarding a magistrate's decision is generally reviewed for abuse of discretion, with reference to the nature of the underlying matter. In civil matters, a judgment supported by some competent, credible evidence going to all essential elements will not be reversed as against the manifest weight of the evidence.
PRECEDENTIAL VALUE	Published Ohio Court of Appeals opinion
PARTIES	Park Place Estates Neighborhood, LLC v. Tammy Oyola

TOPICS

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breach of fiduciary duty

conversion

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QUESTIONS PRESENTED

1. Whether the trial court erred in finding that Park Place failed to prove that Tammy Oyola breached her fiduciary duty by transferring company funds to her husband.
2. Whether the trial court's finding that Oyola did not breach her fiduciary duty was against the manifest weight of the evidence.
3. Whether the trial court erred in rejecting Park Place's conversion claim.
4. Whether the trial court's finding that Oyola did not convert Park Place's funds was against the manifest weight of the evidence.

HOLDINGS

1. The transfer was not void or voidable under R.C. 1705.31(A)(1)(b) because the material facts concerning the interested transaction were known or disclosed and the evidence supported a finding that the transaction was approved by a majority of the voting members.
2. The trial court did not abuse its discretion or act against the manifest weight of the evidence in adopting the magistrate's finding that Oyola did not breach her fiduciary duty.
3. Oyola did not convert Park Place's funds because the evidence supported the finding that the transfer was authorized by a majority vote under Park Place's established practice and therefore was not a wrongful exercise of dominion or control.

KEY QUOTATIONS

“Judgments supported by some competent, credible evidence going to all the essential elements of the case will not be reversed by a reviewing court as being against the manifest weight of the evidence.” (¶ 10)

“In order to prevail on a claim for breach of fiduciary duty, a plaintiff must show the existence of a duty that arose from a fiduciary relationship, a breach of that duty, and an injury proximately resulting from the breach of duty.” (¶ 11)

“Conversion is an exercise of dominion or control wrongfully exerted over the personal property of another, in denial of or under a claim inconsistent with his rights.” (¶ 22)

FACTUAL BACKGROUND

Park Place Estates Neighborhood, LLC was a homeowners' limited liability company, and Tammy Oyola served as its treasurer. After the members decided to replace a light, Oyola's husband performed the work and submitted an invoice totaling \$815.37, including \$581.37 in materials and nine hours of labor. Oyola later transferred

\$521.74 from Park Place's account to her husband after determining that five of the nine voting households had approved payment, then resigned as treasurer.

PROCEDURAL HISTORY

Park Place sued Tammy Oyola in the Barberton Municipal Court, seeking restitution, punitive damages, and attorney fees after Oyola transferred company funds to her husband for work performed on a development light. Following a hearing, the magistrate found that Park Place had not established breach of fiduciary duty or conversion. The municipal court overruled Park Place's objections and adopted the magistrate's decision, and the Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Fields v. Cloyd, 9th Dist. No. 24150, 2008-Ohio-5232, ¶ 9
- Tabatabai v. Tabatabai, 9th Dist. No. 08CA0049-M, 2009-Ohio-3139, ¶ 18
- C.E. Morris Co. v. Foley Constr. Co., 54 Ohio St. 2d 279 (1978), syllabus
- Rothschild v. Eckstein, 9th Dist. No. 09CA009733, 2010-Ohio-4285, ¶ 24
- Dayton Supply & Tool Co., Inc. v. Montgomery Cty. Bd. of Revision, 111 Ohio St. 3d 367, 2006-Ohio-5852, ¶ 22
- Bacon v. Donnet, 9th Dist. No. 21201, 2003-Ohio-1301, ¶ 30
- McCartney v. Universal Elec. Power Corp., 9th Dist. No. 21643, 2004-Ohio-959, ¶ 14