

LOUISIANA COURT OF APPEAL, FOURTH CIRCUIT

Hall v. Malone

104 So. 3d 593 (4th Cir. 2012) · Decided November 7, 2012

SUMMARY

The Louisiana Fourth Circuit affirmed summary judgment in favor of Labor Ready, holding that an indemnification agreement with Resource Recycling did not require Labor Ready to defend or indemnify Southern Scrap for claims arising from the automobile accident involving David Hall. The court concluded that the agreement’s conditions for indemnification were not satisfied because the claims did not arise from Labor Ready’s breach, acts or omissions in performing the agreement, or work performed by Labor Ready. The court also rejected Southern Scrap’s broad interpretation of the indemnity provision.

CASE DETAILS

COURT	Louisiana Court of Appeal, Fourth Circuit
WRITING FOR THE COURT	Dennis R. Bagneris, Sr.; Bonin; Landrieu
JURISDICTION	Louisiana
DECIDED	November 7, 2012
DISPOSITION	affirmed
PROCEDURAL POSTURE	Southern Scrap appealed the trial court's grant of summary judgment to Labor Ready on Southern Scrap's cross-claim seeking contractual defense and indemnification, and the dismissal of that cross-claim with prejudice.
STANDARD OF REVIEW	Summary judgment is reviewed de novo under the same criteria governing the trial court. Summary judgment is proper when the pleadings, depositions, answers to interrogatories, admissions, and affidavits show no genuine issue of material fact and the mover is entitled to judgment as a matter of law. Contract interpretation is generally a legal issue that may be decided on summary judgment.
PRECEDENTIAL VALUE	Published opinion; precedential value under Louisiana appellate law
PARTIES	Southern Scrap Material Co., LLC v. Labor Ready, Inc.

TOPICS

- indemnity
- contract interpretation
- summary judgment
- contracts
- standard of review

PRACTICE AREAS

contract law

civil procedure

indemnity

appellate procedure

QUESTIONS PRESENTED

1. Whether the 1997 Temporary Personnel Supply Agreement required Labor Ready to defend or indemnify Southern Scrap for claims arising from Hall's automobile accident.
2. Whether the indemnity agreement's conditions were satisfied by the fact that Labor Ready supplied Hall as a temporary employee to Southern Scrap.
3. Whether summary judgment was proper despite Southern Scrap's asserted factual dispute concerning the agreement's applicability.

HOLDINGS

1. The agreement did not require Labor Ready to defend or indemnify Southern Scrap because the claims did not arise from Labor Ready's breach of the agreement, acts or failures to act in performing the agreement, or work to be performed by Labor Ready.
2. Summary judgment in favor of Labor Ready was proper because the undisputed contractual language and underlying claims did not establish an obligation to defend or indemnify Southern Scrap.

KEY QUOTATIONS

"However, based on this court's review of the 1997 Agreement, we reject Southern Scrap's expansive interpretation of Labor Ready's duty to defend and indemnify." (597)

"When the words of the contract are clear and explicit and lead to no absurd consequences, no further interpretations may be made in search of the parties' intent." (598)

"Moreover, indemnity agreements are strictly construed and the party seeking to enforce such an agreement bears the burden of proof." (598)

FACTUAL BACKGROUND

David Hall, a Labor Ready temporary employee assigned to Southern Scrap, was injured as a guest passenger in a Southern Scrap vehicle driven by Southern Scrap employee Juan Judy when it collided with a vehicle driven by Clarence Scott Malone on Southern Scrap's property. Southern Scrap sought defense and indemnification from Labor Ready under a 1997 agreement between Labor Ready and Resource Recycling, asserting that Southern Scrap was an affiliate of Resource Recycling. The agreement conditioned Labor Ready's indemnity obligation on claims arising from Labor Ready's breach, acts or omissions in performing the agreement, or work to be performed by Labor Ready.

PROCEDURAL HISTORY

In an underlying automobile-accident tort action, Southern Scrap asserted a cross-claim and third-party demand against Labor Ready based on a 1997 Temporary Personnel Supply Agreement. The trial court granted Labor Ready summary judgment, concluding that the agreement did not apply to Southern Scrap and, alternatively, that

it did not require indemnification for Southern Scrap's alleged negligence. The trial court denied Southern Scrap's motion for new trial, and Southern Scrap appealed.

DISPOSITION

affirmed

CASES CITED

- Dore v. Brignac, 2000-1719, p. 3 (La. App. 4 Cir. 6/20/01), 791 So. 2d 736, 738
- Meloy v. Conoco, Inc., 504 So. 2d 833, 839 (La. 1987)
- Robin v. Wong, 2007-0547, p. 3 (La. App. 4 Cir. 10/24/07), 971 So. 2d 386, 388
- Bartlett Construction Co., Inc. v. St. Bernard Parish Council, 99-1186, p. 5 (La. App. 4 Cir. 5/31/00), 763 So. 2d 94, 98
- Amend v. McCabe, 95-0316 (La. 12/1/95), 664 So. 2d 1183
- Klutz v. New Orleans Public Facility Management, Inc., 2005-0327, p. 4 (La. App. 4 Cir. 12/21/05), 921 So. 2d 1021, 1023
- Kinsinger v. Taco Tico, Inc., 03-622, p. 1 (La. App. 5 Cir. 11/12/03), 861 So. 2d 669, 671
- Robin v. Wong, 2007-0547, p. 4 (La. App. 4 Cir. 10/24/07), 971 So. 2d 386, 388
- David Hall v. Clarence Scott Malone, et al., 2012-C-0031 (La. App. 4 Cir. 6/20/12)