

SUPREME COURT OF APPEALS OF WEST VIRGINIA

Mangus Coal Co. v. Christopher Jennings

No. 16-0199 (Preston County 12-C-63) · No. No. 16-0199 (Preston County 12-C-63) · Decided November 18, 2016

SUMMARY

The West Virginia Supreme Court of Appeals affirmed summary judgment dismissing derivative claims arising from corporate transactions, including a real-property conveyance, based on the applicable two-year statute of limitations. The court rejected petitioners' arguments that fraudulent concealment and adverse domination tolled the limitations period, concluding that they had sufficient information to pursue litigation more than two years before filing suit.

CASE DETAILS

COURT	Supreme Court of Appeals of West Virginia
WRITING FOR THE COURT	Chief Justice Menis E. Ketchum; Justice Robin Jean Davis; Justice Brent D. Benjamin; Justice Margaret L. Workman; Justice Allen H. Loughry II
JURISDICTION	West Virginia
DECIDED	November 18, 2016
DOCKET	No. 16-0199 (Preston County 12-C-63)
DISPOSITION	affirmed
PROCEDURAL POSTURE	Petitioners appealed the Circuit Court of Preston County's order granting respondents' renewed motion for summary judgment and dismissing the remaining derivative claims as barred by the statute of limitations.
STANDARD OF REVIEW	Summary judgment is reviewed de novo. Summary judgment is proper when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Nonprecedential memorandum decision
PARTIES	Mangus Coal Co., Jesse A. Jennings, Franklin M. Jennings v. Christopher Jennings, Doris Jennings, Darlene Murray

TOPICS

statute of limitations

summary judgment

fiduciary duty

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the circuit court properly granted summary judgment on the remaining derivative claims after determining that the claims were barred by the two-year statute of limitations.
2. Whether alleged fraudulent concealment or adverse domination created a genuine issue of material fact sufficient to toll the statute of limitations.

HOLDINGS

1. Summary judgment was proper because there was no genuine issue of material fact regarding petitioners' discovery of the alleged wrongdoing, and the remaining claims were barred by West Virginia's two-year statute of limitations.
2. A circuit court's entry of summary judgment is reviewed de novo, and summary judgment is appropriate when no genuine issue of material fact exists and factual inquiry is unnecessary to apply the law.

KEY QUOTATIONS

“Upon careful review of the record, we agree with the circuit court that there is no genuine issue of material fact regarding the discovery of the alleged wrongdoing, and that petitioners’ remaining claims are barred by the statute of limitations as contained in West Virginia Code § 55-2-12.” (at 3)

“Having reviewed the order entered on February 4, 2016, we hereby adopt and incorporate the circuit court’s well-reasoned findings and conclusions as to the assignment of error raised in this appeal.” (at 3)

FACTUAL BACKGROUND

Petitioners were minority shareholders of Mangus Coal Company, while respondents were majority shareholders and officers. The claims arose from, among other matters, an October 3, 2007, sale of Preston County real property, an alleged breach of fiduciary duty, and related corporate transactions. Petitioners knew of the property conveyance by 2008 or 2009, and one petitioner threatened litigation at a January 5, 2009, stockholders meeting, but they did not file suit until March 15, 2012.

PROCEDURAL HISTORY

Petitioners, minority shareholders of Mangus Coal Company, filed an original complaint in 2012 asserting derivative and individual claims arising from several corporate transactions. After discovery, the circuit court dismissed the individual claims and several counts, then granted respondents' renewed motion for summary judgment on the remaining derivative claims, concluding that the claims were barred by the two-year statute of limitations. The Supreme Court of Appeals of West Virginia affirmed by memorandum decision.

DISPOSITION

affirmed

CASES CITED

- Painter v. Peavy, 192 W. Va. 189, 451 S.E.2d 755 (1994)
- Aetna Casualty & Surety Co. v. Federal Insurance Co. of New York, 148 W. Va. 160, 133 S.E.2d 770 (1963)
- Andrick v. Town of Buckhannon, 187 W. Va. 706, 421 S.E.2d 247 (1992)
- Clark v. Milam, 192 W. Va. 398, 452 S.E.2d 714 (1994)

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