

SUPREME COURT OF TENNESSEE

Ken Smith Auto Parts v. Michael F. Thomas

No. E2018-00928-SC-R11-CV (Tenn. Sept. 5, 2019) · No. E2018-00928-SC-R11-CV · Decided April 17, 2020

SUMMARY

The Tennessee Supreme Court addressed the procedure required when an original defendant appeals an adverse general sessions judgment to circuit court but fails to appear for the de novo trial. It held that the circuit court should enter its own default judgment for the amount of the general sessions judgment, rather than dismissing the appeal and remanding for execution in general sessions court. The court also held that the circuit court retained subject matter jurisdiction under Tennessee Rules of Civil Procedure 59 and 60 to consider a timely post-judgment motion.

CASE DETAILS

COURT	Supreme Court of Tennessee
WRITING FOR THE COURT	Holly Kirby, Justice; Holly Kirby, J.; Jeffrey S. Bivins, C.J.; Cornelia A. Clark, J.; Sharon G. Lee, J.; Roger A. Page, J.
JURISDICTION	Tennessee
DECIDED	April 17, 2020
DOCKET	E2018-00928-SC-R11-CV
DISPOSITION	affirmed
PROCEDURAL POSTURE	Ken Smith Auto Parts sought review by permission of a Tennessee Court of Appeals decision reversing a circuit court order that held it lacked subject matter jurisdiction to consider Michael F. Thomas's post-judgment motion. The Tennessee Supreme Court affirmed the Court of Appeals.
STANDARD OF REVIEW	Questions involving subject matter jurisdiction and statutory interpretation are reviewed de novo without a presumption of correctness.
PRECEDENTIAL VALUE	Published Tennessee Supreme Court opinion; binding precedent in Tennessee, subject to the stated overruling of contrary intermediate-appellate authority.
PARTIES	Ken Smith Auto Parts v. Michael F. Thomas

TOPICS

default judgment

appellate procedure

subject matter jurisdiction

motion for reconsideration

statutory interpretation

PRACTICE AREAS

civil procedure

appellate procedure

statutory interpretation

remedies

QUESTIONS PRESENTED

1. Whether a circuit court may dismiss an original defendant's appeal from a general sessions judgment and remand the case to general sessions court when the defendant fails to appear and prosecute the de novo appeal.
2. Whether the circuit court retains subject matter jurisdiction under the Tennessee Rules of Civil Procedure to consider a timely motion to set aside or alter or amend its dismissal and remand order.
3. Whether the circuit court has discretion to grant or deny the defendant's post-judgment motion under Tennessee Code Annotated sections 27-5-106 and -107 and Tennessee Rules of Civil Procedure 59 and 60.

HOLDINGS

1. When an original defendant appeals a general sessions judgment to circuit court and fails to appear and prosecute the appeal, Tennessee Code Annotated sections 27-5-106 and -107 require the circuit court to enter its own default judgment in favor of the plaintiff in the amount of the general sessions judgment, plus costs, rather than dismissing the appeal and remanding the matter to general sessions court.
2. A circuit court retains subject matter jurisdiction under Tennessee Rules of Civil Procedure 59 and 60 to consider a timely motion to set aside or alter or amend its order dismissing a de novo appeal and remanding the case to general sessions court.
3. The circuit court had discretion to grant or deny Thomas's timely motion to set aside its dismissal order, and the circuit court erred by later vacating its order granting that motion for lack of subject matter jurisdiction.

KEY QUOTATIONS

“Under sections 27-5-106 and -107, the proper action for the circuit court is to enter its own default judgment in favor of the plaintiff/appellee in the amount of the general sessions judgment, a circuit court judgment subject to execution in circuit court.” (at 15)

“Rules 59 and 60 of the Tennessee Rules of Civil Procedure are applicable to de novo appeals from general sessions court to circuit court under Rule 1(2) of the Tennessee Rules of Civil Procedure.” (at 18)

“The Circuit Court had jurisdiction to set aside its October 17, 2017 order dismissing Mr. Thomas’s appeal from the General Sessions Court, pursuant to Rule 59 of the Tennessee Rules of Civil Procedure; the decision to grant or deny the motion to set aside was within the Circuit Court’s discretion.” (at 19)

FACTUAL BACKGROUND

Michael F. Thomas, president and owner of CCW Systems, signed an open-account application, after which Ken Smith Auto Parts supplied auto parts to CCW. The account became delinquent and CCW was administratively dissolved. Ken Smith obtained a default judgment against Thomas in Hamilton County General Sessions Court after Thomas failed to appear. Thomas timely appealed for a de novo circuit court trial, but failed to appear after traffic from an overturned tractor-trailer caused a two-hour delay while he traveled from Knoxville to Chattanooga.

PROCEDURAL HISTORY

Ken Smith sued Thomas and CCW Systems in Hamilton County General Sessions Court. After Thomas failed to appear, the General Sessions Court entered a default judgment. Thomas appealed for a de novo trial in circuit court but failed to appear because of traffic caused by an interstate collision. The Circuit Court dismissed the appeal with prejudice and remanded the case to General Sessions Court for execution. The Circuit Court initially granted Thomas's motion to set aside that order, but later vacated its ruling for lack of subject matter jurisdiction. The Court of Appeals reversed, reinstated, and affirmed the order granting relief. The Tennessee Supreme Court affirmed the Court of Appeals.

DISPOSITION

affirmed

CASES CITED

- Coffee County Board of Education v. City of Tullahoma, 574 S.W.3d 832, 838 (Tenn. 2019)
- Cox v. Lucas, 576 S.W.3d 356, 359 (Tenn. 2019)
- Northland Insurance Co. v. State, 33 S.W.3d 727, 729 (Tenn. 2000)
- Ware v. Meharry Medical College, 898 S.W.2d 181, 184 (Tenn. 1995)
- Anderson v. Moore, 63 Tenn. (4 Baxt.) 15 (1874)
- C.B. Donaghy & Co. v. McCorkle, 98 S.W. 1050 (Tenn. 1907)
- Steve Frost Agency v. Spurlock, 859 S.W.2d 337 (Tenn. Ct. App. 1993)
- Nix v. Sutton, No. M2006-00960-COA-R3-CV, 2007 WL 1541331, at *3 (Tenn. Ct. App. May 25, 2007)
- Memphis Area Teachers Credit Union v. Jones, No. W2009-01419-COA-R3-CV, 2010 WL 2349202, at *3 (Tenn. Ct. App. June 14, 2010)
- Cantrell v. Tolley, No. W2010-02019-COA-R3-CV, 2011 WL 3556988, at *6-7 (Tenn. Ct. App. Aug. 11, 2011)
- Nguyen v. Watson, No. E2008-02690-COA-R3-CV, 2009 WL 1812428, at *3 (Tenn. Ct. App. June 25, 2009)
- Pratcher v. Methodist Healthcare Hospitals, 407 S.W.3d 727, 736 (Tenn. 2013)
- Spires v. Simpson, 539 S.W.3d 134, 145 (Tenn. 2017)
- State v. Flemming, 19 S.W.3d 195, 197 (Tenn. 2000)
- In re Kaliyah S., 455 S.W.3d 533, 552 (Tenn. 2015)

