

SUPREME COURT OF RHODE ISLAND

Carney v. Kardinal Land, Inc.

813 A.2d 50 (R.I. 2003) · Decided January 7, 2003

SUMMARY

The Rhode Island Supreme Court affirmed summary judgment against Kathleen E. Carney Page on her fraud counterclaim arising from a dispute over ownership of Kardinal Land, Inc. The court held that the ten-year statute of limitations for civil actions barred the claim because Page knew or reasonably should have known of the alleged fraudulent conduct more than ten years before filing her counterclaim. The court also rejected tolling based on Page’s alleged reliance on her half-brother’s representations, finding that her reliance and lack of diligence were unreasonable.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Per Curiam
JURISDICTION	Rhode Island
DECIDED	January 7, 2003
DISPOSITION	affirmed
PROCEDURAL POSTURE	Page appealed from the Superior Court's entry of summary judgment for DeVere on Page's fraud counterclaim.
STANDARD OF REVIEW	Summary judgment is reviewed de novo, applying the same rules and analysis as the trial justice; the evidence is viewed in the light most favorable to the nonmoving party, and summary judgment is proper when no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published opinion
PARTIES	Kathleen E. Carney Page v. DeVere V. Carney, Jr.

TOPICS

- statute of limitations
- summary judgment
- standard of review
- civil procedure
- appellate procedure

PRACTICE AREAS

- Civil procedure
- Appellate procedure
- Torts
- Statute of limitations

QUESTIONS PRESENTED

1. Whether summary judgment was proper on Page's fraud counterclaim under the ten-year statute of limitations.
2. Whether Page presented evidence creating a genuine issue of material fact that the statute of limitations was tolled by reasonable reliance on DeVere's alleged representations and affirmative deception.
3. Whether Page exercised reasonable diligence to discover the alleged fraudulent conduct.

HOLDINGS

1. Summary judgment was proper because no genuine issue of material fact existed concerning whether Page should have known of her fraud cause of action more than ten years before filing the counterclaim.
2. To toll the statute of limitations, a plaintiff's reliance on the defendant's conduct must be reasonable and must involve some form of affirmative deception.
3. The limitations period begins when the plaintiff discovers, or with reasonable diligence should have discovered, the wrongful conduct and resulting injury.

KEY QUOTATIONS

"This Court reviews de novo a trial justice's decision to grant summary judgment, applying the same rules and analysis as those applied by the trial justice." (53)

"This Court recently held that for a statute of limitations to be tolled, 'the plaintiffs reliance on the defendant's conduct must be reasonable, and there must be some form of affirmative deception by the defendant.'" (53)

"It is our opinion that, even assuming arguendo that Page's initial reliance on DeVere's alleged promise was reasonable, her failure to confirm its fulfillment for twelve years was not." (54)

FACTUAL BACKGROUND

The dispute concerned ownership of stock in Kardinal Land, Inc., a Rhode Island corporation owned by the parties' deceased father. Page claimed that her father had transferred the stock to her before his death, but the estate treated the stock as an estate asset and distributed it to other family members between 1984 and 1988. Page received a draft estate inventory in 1984, discussed the stock with DeVere, and relied on his alleged assurance that it would be removed from the inventory. In 1986, she signed a waiver and consent relating to the estate distribution, whose appendix listed Kardinal Land among the distributed assets, but she did not bring her fraud claim until 1998.

PROCEDURAL HISTORY

The Carneys sued Page and Kardinal Land for a declaratory judgment concerning ownership of Kardinal Land stock. Page counterclaimed against DeVere for fraud. The Superior Court granted summary judgment to the Carneys on the declaratory judgment claim without prejudice to the counterclaim, then granted DeVere summary judgment on the fraud counterclaim as barred by the ten-year statute of limitations. The Rhode Island Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Accent Store Design, Inc. v. Marathon House, Inc., 674 A.2d 1223, 1225 (R.I. 1996)
- Bourdon's, Inc. v. Ecin Industries, Inc., 704 A.2d 747, 753 (R.I. 1997)
- Jones v. Moretti, 711 A.2d 1156, 1157 (R.I. 1998) (mem.)
- Lee v. Morin, 469 A.2d 358, 360 (R.I. 1983)
- Martin v. Howard, 784 A.2d 291, 303 (R.I. 2001)
- Martin v. Howard, 784 A.2d 291, 300 (R.I. 2001)
- Supreme Bakery, Inc. v. Bagley, 742 A.2d 1202, 1204 (R.I. 2000) (per curiam)
- Benner v. J.H. Lynch & Sons, Inc., 641 A.2d 332, 337 (R.I. 1994)