

SUPREME COURT OF ALABAMA

Johnston v. Castles & Crowns, Inc.

259 So. 3d 643 (Ala. 2018) · Decided November 3, 2017

SUMMARY

The Alabama Supreme Court considers whether the trial court erred by refusing to grant a new trial after the jury returned a verdict that was inconsistent with the court's instructions concerning conversion, conspiracy, and unjust enrichment. The court discusses Alabama principles requiring a new trial when a jury verdict is inconsistent or disregards the trial court's instructions. The opinion arises from a dispute over the shipment and resale of children's clothing inventory.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Wise, Justice; Stuart, Chief Justice; Bolin, Justice; Parker, Justice; Murdock, Justice; Shaw, Justice; Main, Justice; Bryan, Justice; Sellers, Justice
JURISDICTION	Alabama
DECIDED	November 3, 2017
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Johnston appealed from a final judgment entered after a jury verdict against her on conversion, civil conspiracy, unjust enrichment, defamation, and tortious-interference claims. She challenged the trial court's denial of her Rule 59 motion for a new trial based on the jury's inconsistent verdict and renewed Rule 50 motion for judgment as a matter of law.
PRECEDENTIAL VALUE	published, precedential
PARTIES	Jami Johnston v. Castles & Crowns, Inc., Delaire Tibbetts

TOPICS

- motion for new trial
- civil procedure
- appellate procedure
- torts
- remedies

PRACTICE AREAS

- civil procedure
- appellate procedure
- torts
- remedies
- commercial litigation

QUESTIONS PRESENTED

1. Whether the jury's verdict was inconsistent with the trial court's instructions when it found Johnston liable for unjust enrichment after finding her liable for conversion and conspiracy, and whether Johnston was therefore entitled to a new trial.
2. Whether the new trial should encompass the claims asserted by Castles against Johnston and Johnston's counterclaims and third-party claims against Castles and Tibbetts.

HOLDINGS

1. When a jury returns a verdict that is inconsistent with the trial court's instructions, the trial court may not cure the inconsistency by selectively setting aside one part of the verdict after discharging the jury. The prejudiced party is entitled to a new trial because reconciling the verdict would require speculation about the jury's intent.
2. The new trial must encompass Castles's conversion, conspiracy, and unjust-enrichment claims against Johnston and Johnston's defamation and tortious-interference claims against Castles and Tibbetts.

KEY QUOTATIONS

“When a jury verdict is inconsistent, the proper remedy is a new trial.” (652)

“Based on the decisions in Clark and Monteleone, Johnston was entitled to a new trial because the jury failed to follow the trial court's instructions.” (653)

FACTUAL BACKGROUND

Castles & Crowns operated a children's clothing business, and Johnston formed a consignment company with her sister, Brandi Stuart, who worked for Castles. Evidence showed that thousands of pounds of Castles clothing were shipped to Johnston or her consignment companies using Castles's shipping account, and Castles received no payment or sales proceeds for the clothing. A jury found Johnston liable for conversion and conspiracy and awarded Castles compensatory and punitive damages, while also finding her liable for unjust enrichment despite instructions to consider that claim only if it rejected the conversion and conspiracy claims.

PROCEDURAL HISTORY

Castles sued Johnston and Brandi Stuart over clothing allegedly converted from Castles and asserted related claims. Johnston asserted counterclaims and third-party claims against Castles, Vickers, and Tibbetts. After trial, the jury found against Johnston on conversion, conspiracy, unjust enrichment, defamation, and tortious interference; the trial court set aside the unjust-enrichment award as inconsistent but entered judgment on the other verdicts. The trial court denied Johnston's postjudgment motions, and Johnston appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Conduct a new trial on Castles's conversion, conspiracy, and unjust-enrichment claims against Johnston and Johnston's defamation and tortious-interference-with-business-and-contractual-relations claims against Castles and Tibbetts.

CASES CITED

- Clark v. Black, 630 So. 2d 1012 (Ala. 1993)
- Louisville & Nashville R.R. v. Atkins, 435 So. 2d 1275 (Ala. 1983)
- Lee v. Gidley, 252 Ala. 156, 40 So. 2d 80 (1949)
- New Hampshire Fire Ins. Co. v. Curtis, 264 Ala. 137, 85 So. 2d 441 (1955)
- Monteleone v. Trail Pontiac, Inc., 395 So. 2d 1003, 1005 (Ala. Civ. App. 1980)
- State Farm Fire & Cas. Co. v. Slade, 747 So. 2d 293, 319 (Ala. 1999)
- City of Bessemer v. Foreman, 678 So. 2d 759, 760 (Ala. 1996)
- Ex parte Alfa Mut. Ins. Co., 799 So. 2d 957, 962 (Ala. 2001)
- Smith v. Richardson, 277 Ala. 389, 171 So. 2d 96, 97 (1965)
- A.L. Williams & Assocs., Inc. v. Williams, 517 So. 2d 596, 598 (Ala. 1987)
- Underwriters Nat'l Assurance Co. v. Posey, 333 So. 2d 815, 817 (Ala. 1976)
- Barnes v. Oswalt, 579 So. 2d 1319, 1323 (Ala. 1991)
- Humana Med. Corp. v. Traffanstedt, 597 So. 2d 667 (Ala. 1992)
- Price-Williams Assocs., Inc. v. Nelson, 631 So. 2d 1016, 1019-20 (Ala. 1994)