

COURT OF APPEALS OF GEORGIA

Dabbs v. Key Equipment Finance, Inc., 303 Ga. App. 570

694 S.E.2d 161 (2010) · No. No. A10A0825 · Decided April 7, 2010

SUMMARY

The Georgia Court of Appeals held that Pamela Dabbs's guaranty was unenforceable under the statute of frauds because it did not identify the debt, principal debtor, or promisee. The court rejected the argument that one of several contemporaneous leases could supply the missing information because parol evidence was required to connect that lease to the guaranty. The court reversed the grant of summary judgment to Key Equipment and directed that summary judgment be granted to Dabbs.

CASE DETAILS

COURT	Court of Appeals of Georgia
WRITING FOR THE COURT	Blackburn, Presiding Judge; Barnes, Judge; Bernes, Judge
JURISDICTION	Georgia
DECIDED	April 7, 2010
DOCKET	No. A10A0825
DISPOSITION	reversed
PROCEDURAL POSTURE	Appeal from an order granting Key Equipment Finance, Inc. summary judgment and denying Pamela Dabbs summary judgment in an action to collect on a guaranty.
STANDARD OF REVIEW	Summary judgment is reviewed de novo. The evidence and all reasonable conclusions and inferences are viewed in the light most favorable to the nonmovant.
PRECEDENTIAL VALUE	Published Georgia Court of Appeals opinion
PARTIES	Pamela Dabbs v. Key Equipment Finance, Inc.

TOPICS

statute of frauds contract interpretation parol evidence rule summary judgment commercial litigation

PRACTICE AREAS

Contracts Commercial litigation Evidence Civil procedure

QUESTIONS PRESENTED

1. Whether the separate guaranty satisfied the statute of frauds when it failed to identify the debt, principal debtor, and promisee.
2. Whether contemporaneous lease documents could be construed with the guaranty to supply the missing essential terms.
3. Whether parol evidence could establish that the guaranty and Lease No. 1 were executed in the course of the same transaction when multiple similar leases existed.

HOLDINGS

1. The guaranty was unenforceable because it failed to identify the debt, the principal debtor, and the promisee, as required for a promise to answer for another's debt.
2. The lease could not be construed with the guaranty to supply the missing terms because Key Equipment could not establish from the writings themselves that the guaranty and Lease No. 1 were executed in the course of the same transaction.
3. Parol evidence could not be used to establish which of several leases the guaranty secured or to supply the missing connection between the writings in this statute-of-frauds case.

KEY QUOTATIONS

“Even where the intent of the parties is manifestly obvious, where any of these names is omitted from the document, the agreement is not enforceable because it fails to satisfy the statute of frauds.” (164)

“In any case, where the statute of frauds is applicable, a party may not rely on parol evidence to establish that the documents were executed in the course of the same transaction.” (166)

FACTUAL BACKGROUND

Dabbs signed a separate, single-page guaranty that referred only to an unidentified "Agreement," "customer," and "we" or "us." Her employer had executed three similar leases concerning the same equipment, two with Key Equipment and one with another owner, and the guaranty was not attached to or accompanied by any lease when Dabbs signed it. After the employer defaulted on Lease No. 1, Key Equipment sought to enforce the guaranty, relying on parol evidence to connect that lease to Dabbs's guaranty.

PROCEDURAL HISTORY

Key Equipment sued Dabbs and two other guarantors to collect obligations allegedly guaranteed under Lease No. 1. Both Key Equipment and Dabbs moved for summary judgment. The trial court granted Key Equipment's motion and denied Dabbs's motion, and Dabbs appealed.

DISPOSITION

reversed

CASES CITED

- Matjoulis v. Integon General Insurance Corp., 226 Ga. App. 459, 486 S.E.2d 684 (1997)
- John Deere Co. v. Haralson, 278 Ga. 192, 599 S.E.2d 164 (2004)
- Johnson v. Rycroft, 4 Ga. App. 547, 61 S.E. 1052 (1908)
- Roden Electrical Supply v. Faulkner, 240 Ga. App. 556, 524 S.E.2d 247 (1999)
- Sysco Food Services v. Coleman, 227 Ga. App. 460, 489 S.E.2d 568 (1997)
- Schroeder v. Hunter Douglas, Inc., 172 Ga. App. 897, 324 S.E.2d 746 (1984)
- Caves v. Columbus Bank & Trust Co., 264 Ga. App. 107, 589 S.E.2d 670 (2003)
- Gatins v. NCR Corp., 180 Ga. App. 595, 349 S.E.2d 818 (1986)
- Sawyer v. Roberts, 208 Ga. App. 870, 432 S.E.2d 610 (1993)
- Fontaine v. Gordon Contractors Building Supply, 255 Ga. App. 839, 567 S.E.2d 324 (2002)
- Capital Color Printing v. Ahern, 291 Ga. App. 101, 661 S.E.2d 578 (2008)
- Baker v. Jellibbeans, Inc., 252 Ga. 458, 314 S.E.2d 874 (1984)
- C.L.D.F., Inc. v. The Aramore, LLC, 290 Ga. App. 271, 659 S.E.2d 695 (2008)
- L. Henry Enterprises v. Verifone, Inc., 273 Ga. App. 195, 614 S.E.2d 841 (2005)
- Duke v. KHD Deutz of America Corp., 221 Ga. App. 452, 471 S.E.2d 537 (1996)
- Harris v. Distinctive Builders, 249 Ga. App. 686, 549 S.E.2d 496 (2001)
- Martinez v. DaVita, Inc., 266 Ga. App. 723, 598 S.E.2d 334 (2004)
- Quintanilla v. Rathur, 227 Ga. App. 788, 490 S.E.2d 471 (1997)
- Clark v. Peck, 134 Ga. App. 868, 216 S.E.2d 687 (1975)
- Manry v. Hendricks, 66 Ga. App. 442, 18 S.E.2d 97 (1941)
- The Marietta Savings Bank v. Janes, 66 Ga. 286 (1881)
- Peacock v. Horne, 159 Ga. 707, 126 S.E. 813 (1925)
- Turner v. Lorillard Co., 100 Ga. 645, 28 S.E. 383 (1897)
- Lester v. Heidt, 86 Ga. 226, 12 S.E. 214 (1890)
- Smith v. Jones, 66 Ga. 338 (1881)
- Stonecypher v. Georgia Power Co., 183 Ga. 498, 189 S.E. 13 (1936)