

SUPREME COURT OF WYOMING

Ekberg v. Sharp

76 P.3d 1250 (Wyo. 2003) · No. No. 02-227 · Decided September 30, 2003

SUMMARY

The Supreme Court of Wyoming reviewed a dispute arising from a lease with an option to purchase real property. The court upheld the denial of the plaintiff's second motion to amend the complaint because it was untimely, lacked good cause, and would have prejudiced the defendant. The court also affirmed the district court's assessment of damages and offsets in connection with specific performance, including rental income, property expenses, and interest on escrowed purchase funds.

CASE DETAILS

COURT	Supreme Court of Wyoming
WRITING FOR THE COURT	Lehman, Justice; Hill, C.J.; Golden, J.; Lehman, J.; Kite, J.; Voigt, J.
JURISDICTION	Wyoming
DECIDED	September 30, 2003
DOCKET	No. 02-227
DISPOSITION	affirmed
PROCEDURAL POSTURE	Ekberg appealed from a district court judgment following a bench trial on damages and cross-claims after the district court had granted him partial summary judgment for specific performance of a real-property purchase option.
STANDARD OF REVIEW	A district court's denial of leave to amend pleadings is reviewed for abuse of discretion, which requires clear evidence and occurs when the decision is arbitrary, capricious, shocks the conscience, or is so unfair and inequitable that a reasonable person could not abide it. In a bench trial, factual findings are reviewed for clear error, with due regard for the trial judge's credibility determinations and without reweighing disputed evidence; legal conclusions are reviewed de novo. When supported by substantial evidence, factual findings are not disturbed unless against the great weight of the evidence.
PRECEDENTIAL VALUE	Published Wyoming Supreme Court opinion; precedential.
PARTIES	Charles A. Ekberg v. Edward C. Sharp

TOPICS

specific performance real estate

specific performance remedy

damages

motion to amend

appellate procedure

PRACTICE AREAS

Contracts

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QUESTIONS PRESENTED

1. Whether the district court abused its discretion by denying Ekberg's motion for leave to file a second amended complaint adding claims for loss of business income, loss of use and enjoyment, and other damages.
2. Whether the evidence supported the district court's findings concerning lost rental income and Sharp's entitlement to offsets for property expenses and interest on the purchase proceeds.
3. Whether the district court erred in finding that Ekberg was not barred from entering the property after September 15, 2001, and in denying hotel-expense damages.
4. Whether the district court properly assessed equitable compensation incident to specific performance by accounting for rents, property expenses, and interest on the purchase money.

HOLDINGS

1. The district court did not abuse its discretion in denying Ekberg's second motion to amend because the motion was filed after the discovery deadline and shortly before trial, Ekberg failed to show good cause for the delay, and the amendment would have caused undue prejudice and delay.
2. The district court's findings concerning lost rental income and offsets for Sharp's property expenses and interest on the purchase money were supported by sufficient evidence and were not clearly erroneous.
3. The district court properly found that Ekberg was not barred from his legal right to enter the property after September 15, 2001, and properly denied damages for hotel expenses.
4. When specific performance of a real-property purchase option is granted, the court should relate performance back to the contract date and use an accounting to place the party without fault as nearly as possible in the position that party would have occupied absent the default, including appropriate offsets for the seller's interest on the purchase money and necessary property expenses.

KEY QUOTATIONS

“As such, we hold that Ekberg failed to show good cause for his motion to amend under either W.R.C.P. 15 or 16.” (1255)

“The process is more like an accounting between the parties than an assessment of damages.” (1258)

“Had the district court granted Ekberg the damages he requested, which are at issue in this appeal, Ekberg would have been placed in a position that was better than he would have been placed had there been no default on the option to purchase real property.” (1258)

FACTUAL BACKGROUND

Sharp and Ekberg entered into a lease with an option to purchase a furnished apartment property in Sheridan, Wyoming. Ekberg exercised the option and tendered the purchase money, but Sharp refused to honor the option, leading Ekberg to sue for specific performance and damages. The district court ordered specific performance, then denied Ekberg's late request to add business-income and loss-of-use damages after the discovery deadline. Following a damages trial, the court offset rental income against property expenses and purchase-money interest and denied hotel-related damages because Ekberg retained access to and continued to use the apartment.

PROCEDURAL HISTORY

Ekberg sued Sharp for specific performance of an option to purchase real property and related damages after Sharp refused to honor the option. The district court granted partial summary judgment requiring specific performance, denied Ekberg's second motion to amend his complaint, and after a bench trial offset property expenses and interest against lost rental income, denied additional damages, and awarded interest on the escrowed purchase money to Sharp. The Wyoming Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Dynan v. Rocky Mountain Fed. Sav. & Loan, 792 P.2d 631 (Wyo. 1990)
- Bush v. Duff, 754 P.2d 159 (Wyo. 1988)
- Robertson v. TWP, Inc., 656 P.2d 547 (Wyo. 1983)
- Elder v. Jones, 608 P.2d 654 (Wyo. 1980)
- Rose v. Rose, 576 P.2d 458 (Wyo. 1978)
- Breazeale v. Radich, 500 P.2d 74 (Wyo. 1972)
- In re Worker's Compensation Claim of Shryack, 3 P.3d 850 (Wyo. 2000)
- Vaughn v. State, 962 P.2d 149 (Wyo. 1998)
- Hall v. Hall, 2002 WY 30, 40 P.3d 1228 (Wyo. 2002)
- Everheart v. S & L Industrial, 957 P.2d 847 (Wyo. 1998)
- Goddard v. Colonel Bozeman's Restaurant, 914 P.2d 1233 (Wyo. 1996)
- Sinclair Oil Corp. v. Public Service Commission, 2003 WY 22, 63 P.3d 887 (Wyo. 2003)
- Carroll v. Bergen, 2002 WY 166, 57 P.3d 1209 (Wyo. 2002)
- Springer v. Blue Cross and Blue Shield of Wyoming, 944 P.2d 1173 (Wyo. 1997)
- Saulcy Land Co. v. Jones, 983 P.2d 1200 (Wyo. 1999)
- Avery v. State, 2002 WY 87, 47 P.3d 973 (Wyo. 2002)
- Nollen v. State, 12 P.3d 682 (Wyo. 2000)
- Rodriguez v. State, 962 P.2d 141 (Wyo. 1998)
- Williams v. State, 986 P.2d 855 (Wyo. 1999)

- Hopper v. All Pet Animal Clinic, Inc., 861 P.2d 531 (Wyo. 1993)
- Stroup v. Oedekoven, 995 P.2d 125 (Wyo. 1999)
- McNeiley v. Ayres Jewelry Co., 886 P.2d 595 (Wyo. 1994)
- Leavell v. Linn, 884 P.2d 1364 (Wyo. 1994)
- Williams v. Collins Communications, Inc., 720 P.2d 880 (Wyo. 1986)
- McCoy Farms, Inc. v. J & M McKee, 263 Ark. 20, 563 S.W.2d 409 (Ark. 1978), cert. denied, 439 U.S. 862 (1978)
- Duane Sales, Inc. v. Carmel, 57 A.D.2d 1003, 394 N.Y.S.2d 307 (N.Y. App. Div. 1977), reversed on other grounds, 49 N.Y.2d 862, 427 N.Y.S.2d 930, 405 N.E.2d 175 (N.Y. 1980)
- Bravo v. Buelow, 168 Cal. App. 3d 208, 214 Cal. Rptr. 65 (Cal. Ct. App. 1985)
- Hutton v. Gliksberg, 128 Cal. App. 3d 240, 180 Cal. Rptr. 141 (Cal. Ct. App. 1982)
- Pillsbury v. J.B. Streeter, Jr. Co., 15 N.D. 174, 107 N.W. 40 (N.D. 1906)
- Ellis v. Mihelis, 60 Cal. 2d 206, 32 Cal. Rptr. 415, 384 P.2d 7 (Cal. 1963)
- Meyer v. Benko, 55 Cal. App. 3d 937, 127 Cal. Rptr. 846 (Cal. Ct. App. 1976)