UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Firestone Financial LLC v. Meyer

881 F.3d 545 (7th Cir. 2018) · No. 17-1611; 17-1712 · Decided February 1, 2018

SUMMARY

The Seventh Circuit affirmed summary judgment for Firestone Financial in its action against John Meyer as guarantor of defaulted loans. The court held that Meyer could not establish any element of his promissory-estoppel defense and counterclaim under Massachusetts law, including an unambiguous promise, reasonable reliance, or damages. The court also rejected his challenge to the commercial reasonableness of Firestone's collateral sale and dismissed a duplicative appeal.

CASE DETAILS

COURT	United States Court of Appeals for the Seventh Circuit
WRITING FOR THE COURT	Per curiam; Barrett; Bauer; Kanne
JURISDICTION	Federal
DECIDED	February 1, 2018
DOCKET	17-1611; 17-1712
DISPOSITION	dismissed
PROCEDURAL POSTURE	Meyer appealed the district court's grant of summary judgment to Firestone on Firestone's breach-of-guaranty claim and on Meyer's promissory-estoppel defense and counterclaim. He also filed a second, amended notice of appeal concerning the denial of a post-judgment motion; the appeals were consolidated.
STANDARD OF REVIEW	Summary judgment is reviewed for whether the record permits a reasonable jury to find for the nonmoving party on the elements of the claim or defense. The court also reviewed the duplicative-appeal issue as a matter of appellate procedure.
PRECEDENTIAL VALUE	published precedential federal appellate opinion
PARTIES	John R. Meyer v. Firestone Financial LLC

TOPICS

promissory estoppel · appellate procedure · commercial litigation · secured transactions · contracts

PRACTICE AREAS

contracts | commercial litigation | appellate procedure | secured transactions

QUESTIONS PRESENTED

1. Whether the district court properly entered summary judgment against Meyer's promissory-estoppel defense and counterclaim under Massachusetts law.
2. Whether Meyer presented evidence of an unambiguous promise, reasonable reliance, and damages sufficient to create a triable issue on promissory estoppel.
3. Whether Meyer rebutted the presumption that Firestone's disposition of secured collateral was commercially reasonable.
4. Whether appeal 17-1712 was duplicative of appeal 17-1611.

HOLDINGS

1. The second appeal was duplicative because Meyer raised no arguments concerning the post-judgment motion and did not need a second appeal to raise such arguments.
2. Summary judgment for Firestone was proper because no reasonable jury could find that Meyer satisfied any of the three elements of promissory estoppel: an unambiguous promise, reasonable reliance, and resulting damages.
3. Meyer failed to rebut the presumption that Firestone's disposition of the collateral was commercially reasonable.

KEY QUOTATIONS

> *"To get past summary judgment on this defense and counterclaim, Meyer needs evidence that (1) Firestone made an unambiguous promise to Meyer for unlimited funding, (2) he took or refrained from action in reasonable reliance on the promise, and (3) he suffered damage as a result."*

> *"Because all three elements of Meyer's defense and counterclaim fail, we AFFIRM the district court's judgment in appeal 17-1611 and DISMISS appeal 17-1712 as duplicative."*

FACTUAL BACKGROUND

Firestone financed JHM Equipment Leasing Company's commercial laundry-equipment business with four loans totaling approximately $250,000, secured by a security interest in JHM's assets. Meyer and related companies guaranteed the loans. Meyer alleged that Firestone's vice president promised that Firestone would provide additional equipment financing on the same terms as earlier loans until a $500,000 line of credit was established, and he claimed that reliance on this promise caused millions of dollars in losses when later financing was not provided. Firestone eventually sold more than 300 laundry machines serving buildings owned by Pangea Ventures for $40,000, and Meyer challenged that disposition as commercially unreasonable.

PROCEDURAL HISTORY

Firestone sued Meyer as guarantor of defaulted loans. After Meyer's counsel withdrew, the district court entered default judgment against the corporate defendants, dismissed Meyer's counterclaim, and entered judgment for Firestone. In an earlier appeal, the Seventh Circuit reversed dismissal of the counterclaim. On remand, the district court again entered summary judgment for Firestone and denied Meyer's Rule 52(b) motion, alternatively stating that the motion would fail on the merits if construed under Rule 59(e). The Seventh Circuit affirmed the judgment in appeal 17-1611 and dismissed appeal 17-1712 as duplicative.

DISPOSITION

dismissed

CASES CITED

- Firestone Fin. Corp. v. Meyer, 796 F.3d 822 (7th Cir. 2015)
- Ashcroft v. Iqbal, 556 U.S. 662, 129 S. Ct. 1937, 173 L. Ed. 2d 868 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 127 S. Ct. 1955, 167 L. Ed. 2d 929 (2007)
- Borrero v. City of Chicago, 456 F.3d 698, 699-700 (7th Cir. 2006)
- Dumas v. Infinity Broadcasting Corp., 416 F.3d 671, 677 (7th Cir. 2005)
- Neuhoff v. Marvin Lumber & Cedar Co., 370 F.3d 197, 203-04 (1st Cir. 2004)
- Anzalone v. Administrative Office of the Trial Court, 457 Mass. 647, 932 N.E.2d 774, 786 (2010)
- Lambert v. Fleet National Bank, 449 Mass. 119, 865 N.E.2d 1091, 1097 (2007)
- Coolidge Bank & Trust Co. v. First Ipswich Co., 9 Mass. App. Ct. 369, 401 N.E.2d 165, 165-66 (1980)