

SUPREME COURT OF NEBRASKA

Olsen v. Olsen, 265 Neb. 299

657 N.W.2d 1 (2003) · No. S-01-1271 · Decided February 14, 2003

SUMMARY

The Supreme Court of Nebraska considered whether Grace Olsen's action to quiet title to mineral interests omitted or misidentified in a post-divorce mineral deed was barred by the statute of limitations or laches. The court held that Harold Olsen was equitably estopped from asserting the statute of limitations and was barred by unclean hands from asserting laches. It affirmed the quiet-title ruling in part, reversed the limitation of title and accounting to proceeds accruing after February 6, 1990, and remanded with directions to quiet title as of August 15, 1979, and conduct an accounting from that date.

CASE DETAILS

COURT	Supreme Court of Nebraska
WRITING FOR THE COURT	Miller-Lerman, J.; Hendry, C.J.; Wright, J.; Connolly, J.; Gerrard, J.; Stephan, J.; McCormack, J.
JURISDICTION	Nebraska
DECIDED	February 14, 2003
DOCKET	S-01-1271
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Grace Olsen appealed, and Harold Olsen's personal representative cross-appealed, from a district court order quieting title to disputed mineral interests in Grace's favor but limiting the effective date of the title quieting and related accounting to February 6, 1990. The Nebraska Supreme Court reviewed the equitable quiet-title action and the associated statute-of-limitations, laches, and accounting issues.
STANDARD OF REVIEW	Because a quiet-title action sounds in equity, the appellate court tries factual questions de novo on the record, while giving weight to the trial judge's credibility determinations when credible evidence conflicts on a material issue.
PRECEDENTIAL VALUE	published precedential opinion

PARTIES

Grace L. Olsen v. Cherie Olsen, Personal Representative of the Estate of Harold C. Olsen, Deceased

TOPICS

title disputes quiet title minerals remedies appellate procedure

PRACTICE AREAS

family law real estate equitable remedies appellate procedure

QUESTIONS PRESENTED

1. Whether Grace's quiet-title action was barred by the applicable statute of limitations.
2. Whether Harold's representations and conduct equitably estopped him from asserting the statute of limitations.
3. Whether Harold was barred by the unclean-hands doctrine from asserting laches as a defense.
4. Whether the district court erred by quieting title as of February 6, 1990, rather than August 15, 1979, and by excluding proceeds accruing before February 6, 1990, from the accounting.

HOLDINGS

1. The quiet-title action accrued on August 15, 1979, when the erroneous mineral deed was executed, but Harold was equitably estopped from asserting the ten-year statute of limitations because his promises and representations induced Grace to delay filing suit.
2. Harold was barred by the doctrine of unclean hands from asserting laches because his conduct caused or contributed to Grace's delay in filing the action.
3. Title to Grace's share of the disputed mineral interests had to be quieted as of August 15, 1979, and the accounting had to include proceeds earned since that date.

KEY QUOTATIONS

"The evidence indicates that Harold was leading Grace to believe that he planned to sign the correction mineral deed in order to influence her not to file an action prior to the running of the statute of limitations, all the while knowing that he did not intend to sign the deed." (at 9)

"Laches is an equitable defense, and in order to benefit from the operation of laches, a party must come to the court with clean hands." (at 10)

"We remand this cause to the district court with instructions to amend its order to provide that title to Grace's share of the disputed property be quieted in Grace as of August 15, 1979, and to order an accounting for proceeds earned since that date." (at 11)

FACTUAL BACKGROUND

Grace and Harold Olsen were divorced in 1979 under a property settlement agreement providing that each would own an undivided one-half interest in the parties' oil, gas, and other minerals. A mineral deed executed on August 15, 1979, contained inaccurate legal descriptions and omitted some mineral interests. After Grace discovered the errors, Harold repeatedly represented that he would sign a correction deed, including promising to do so in 1988 after Grace assisted him with a federal farm program and loaned him \$60,000. Grace filed suit on February 6, 1990, and the disputed mineral interests generated royalties, including a \$28,795.77 Unocal payment.

PROCEDURAL HISTORY

After a 1979 dissolution decree required an equal division of the parties' mineral interests, the parties executed a mineral deed containing errors and omissions. Grace filed an action in 1990 seeking declaratory relief, quiet title, reformation, and an accounting. The district court quieted title in Grace's favor but applied laches and limited recovery to proceeds accruing after February 6, 1990; after separate accounting proceedings and a procedural dismissal and reinstatement, the matter reached the Nebraska Supreme Court. The Supreme Court affirmed the quiet-title judgment, reversed the laches determination and corresponding accounting, and remanded with directions.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The district court was directed to amend its order to quiet title in Grace to her share of the disputed mineral interests as of August 15, 1979, and to order an accounting for proceeds earned since that date.

CASES CITED

- Olsen v. Olsen, 248 Neb. 393, 534 N.W.2d 762 (1995)
- Burk v. Demaray, 264 Neb. 257, 646 N.W.2d 635 (2002)
- Nemaha Nat. Resources Dist. v. Neeman, 210 Neb. 442, 315 N.W.2d 619 (1982)
- Manker v. Manker, 263 Neb. 944, 644 N.W.2d 522 (2002)