DISTRICT OF COLUMBIA COURT OF APPEALS

John Mazor et al. v. Elizabeth Farrell

186 A.3d 829 (D.C. 2018) · No. No. 16-PR-1006 · Decided June 21, 2018

SUMMARY

The District of Columbia Court of Appeals affirmed the denial of prejudgment interest on the Mazor brothers' unjust-enrichment award against Elizabeth Farrell. The court held that the claim did not involve a liquidated debt under D.C. Code § 15-108 because liability and the amount owed depended on equitable circumstances, the recipient's innocent status, and disputed tracing and damages calculations. The court did not address prejudgment interest under the common law or D.C. Code § 15-109.

CASE DETAILS

COURT	District of Columbia Court of Appeals
WRITING FOR THE COURT	McLeese, Associate Judge; Glickman, Associate Judge; Fisher, Associate Judge
JURISDICTION	District of Columbia
DECIDED	June 21, 2018
DOCKET	No. 16-PR-1006
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the Superior Court of the District of Columbia's denial of prejudgment interest under D.C. Code § 15-108 on an unjust-enrichment award.
STANDARD OF REVIEW	The court assumed without deciding that review was de novo.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	John Mazor, William Mazor v. Elizabeth Farrell

TOPICS

estate litigation · remedies · damages · statutory interpretation · appellate procedure

PRACTICE AREAS

probate · trusts · remedies · appellate procedure · statutory interpretation

QUESTIONS PRESENTED

1. Whether an unjust-enrichment claim involving an innocent recipient of misappropriated funds is an action to recover a liquidated debt eligible for mandatory prejudgment interest under D.C. Code § 15-108.

HOLDINGS

1. The claim was not an action to recover a liquidated debt because the existence and amount of Farrell's liability depended on equitable circumstances, the scope of an innocent recipient's liability, and damages amounts that fluctuated during litigation. Prejudgment interest was therefore unavailable under § 15-108.

KEY QUOTATIONS

> *"For the reasons we have explained, we conclude that the amount of the debt in this case was not easily ascertainable at the time it arose."* (at 15)

> *"Importantly, trial courts have discretion to award prejudgment interest under the common law, "even in the absence of a statutory authorization to that effect.""* (at 16)

FACTUAL BACKGROUND

Esther Mazor died in 1993, leaving a residuary estate valued at more than $3 million that was to fund two trusts, one benefiting her son Julian Mazor and the other benefiting Julian's sons, John and William. The trusts were not initially funded; instead, Julian controlled estate funds and used them for himself and his wife, Elizabeth Farrell. Farrell used traceable estate funds for household expenses, a Cape Cod house down payment, and mortgage payments, but the trial court found her an innocent recipient as to most funds and liable for approximately $320,000 associated with the Cape Cod property. The brothers sought prejudgment interest under D.C. Code § 15-108.

PROCEDURAL HISTORY

The Mazor brothers sued Elizabeth Farrell to recover estate funds allegedly misappropriated by their father and transferred to Farrell. The Superior Court granted summary judgment on liability, held a damages trial, and awarded approximately $320,000 based on traceable estate funds but denied other relief. In an earlier appeal, the District of Columbia Court of Appeals remanded for the trial court to address prejudgment interest. On remand, the trial court held that the unjust-enrichment claim was not an action to recover a liquidated debt under § 15-108, and the Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- District of Columbia v. Bassin, 828 A.2d 714, 732 (D.C. 2003)

- Steuart Inv. Co. v. The Meyer Grp., 61 A.3d 1227, 1239-40 (D.C. 2013)
- District of Columbia v. Pierce Assocs., 527 A.2d 306, 310-11 (D.C. 1987)
- District of Columbia v. Potomac Elec. Power Co., 402 A.2d 430, 441 (D.C. 1979)
- Falconi-Sachs v. LPF Senate Square, LLC, 142 A.3d 550, 556 (D.C. 2016)
- Schwartz v. Swartz, 723 A.2d 841, 844 (D.C. 1998)
- Aon Risk Servs., Inc. of Wash., D.C. v. Estate of Coyne, 915 A.2d 370, 379-80 (D.C. 2007)
- News World Commc'ns, Inc. v. Thompsen, 878 A.2d 1218, 1223 (D.C. 2005)
- Vereen v. Clayborne, 623 A.2d 1190, 1194 (D.C. 1993)
- Marsden v. District of Columbia, 142 A.3d 525, 528 (D.C. 2016)
- Boyd v. Kilpatrick Townsend & Stockton, 164 A.3d 72, 79-80 (D.C. 2017)
- District of Columbia v. Campbell, 580 A.2d 1295, 1300-01 (D.C. 1990)
- Washington Investment Partners of Delaware v. Security House, K.S.C.C., 28 A.3d 566, 581-82 (D.C. 2011)
- In re Estate of Green, 912 A.2d 1198, 1212 (D.C. 2006)
- District Cablevision Ltd. Partnership v. Bassin, 828 A.2d 714, 732 (D.C. 2003)
- District of Columbia v. Pierce Associates, 527 A.2d 306, 311 (D.C. 1987)
- Giant Food, Inc. v. Jack I. Bender & Sons, 399 A.2d 1293, 1302 (D.C. 1979)
- Burke v. Groover, Christie & Merritt, P.C., 26 A.3d 292, 306 & n.13 (D.C. 2011)