CALIFORNIA COURT OF APPEAL, SECOND DISTRICT, DIVISION THREE

Wynn v. Treasure Co.

146 Cal. App. 2d 69, 303 P.2d 1067 (Cal. Ct. App. 1956) · No. No. 21639 · Decided November 16, 1956

SUMMARY

The California Court of Appeals considered an action involving ownership of participating oil royalty interests, an execution sale, accounting for production proceeds, res judicata, statute of limitations, and alter-ego liability. The court affirmed quiet title and invalidation of the execution sale, but reversed the money judgment against the corporate president individually and remanded for further proceedings concerning the corporate defendant, limitations, and annulment of the cost-judgment satisfaction.

CASE DETAILS

COURT	California Court of Appeal, Second District, Division Three
WRITING FOR THE COURT	Justice Vallée; Presiding Justice Shinn; Justice Wood (Parker)
JURISDICTION	California
DECIDED	November 16, 1956
DOCKET	No. 21639
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Defendants appealed from a judgment quieting title in plaintiff to six participating oil royalty interests, declaring an execution sale of two and one-half percent of the interests void, imposing alter-ego liability on de Bretteville, and awarding plaintiff money damages.
STANDARD OF REVIEW	The opinion does not state a general standard of review. It reviews the res judicata issues as legal questions, the alter-ego and estoppel determination based on the undisputed facts, and the execution-sale ruling for evidentiary and legal support.
PRECEDENTIAL VALUE	published opinion
PARTIES	Treasure Company, G. de Bretteville v. Harry Wynn

TOPICS

title disputes · res judicata · civil procedure · corporate veil piercing · appellate procedure

PRACTICE AREAS

civil procedure · real estate · corporate law · appellate procedure · remedies

QUESTIONS PRESENTED

1. Whether the prior Vickers judgment barred relitigation of de Bretteville's ownership of the leasehold and his duty to account for production proceeds through December 31, 1939.
2. Whether Wynn was estopped from asserting that Treasure Company was de Bretteville's alter ego.
3. Whether the Westover judgment in the federal condemnation proceeding was res judicata as to Wynn's ownership of the six royalty interests.
4. Whether the Westover judgment was res judicata as to Wynn's claim for money received from oil production or as to the statute of limitations.
5. Whether the execution sale of the two-and-one-half-percent royalty interests was void.
6. Whether the trial court erred by vacating the execution sale without annulling the satisfaction of the underlying costs judgment.

HOLDINGS

1. The Vickers judgment was res judicata as to de Bretteville's ownership of the Fletcher leasehold and his duty to account for production proceeds through December 31, 1939; therefore, the money judgment against de Bretteville could not include royalties accruing during that period.
2. Wynn was estopped from asserting that Treasure Company was the alter ego of de Bretteville, and the judgment imposing personal money liability on de Bretteville was erroneous.
3. The Westover judgment was final and res judicata as to Wynn's ownership of six one-percent participating royalty interests and the invalidity of the execution sale, even though the judgment left the manner of distributing the condemnation award open.
4. The Westover judgment did not determine Wynn's right to recover money received from oil production and was not res judicata as to the statute of limitations governing that monetary claim.
5. The execution sale of Wynn's two-and-one-half-percent participating royalty interests was void because the interests were real property but were sold by the sheriff as personal property.
6. The trial court erred by declaring the execution sale void without also ordering annulment of the satisfaction of the costs judgment that had been exchanged for the royalty interests.

KEY QUOTATIONS

> *"The doctrine of res judicata is that an existing final judgment on the merits of a cause rendered by a court of competent jurisdiction is, in all subsequent actions, conclusive of the rights of the parties thereto and of their privies on all material issues which were or might have been determined."* (78)

> *"A decree may be partly final and partly interlocutory; final as to its determination of all issues of fact and law, and interlocutory as to its mode of execution."* (79)

> *"The two and a half 1 per cent participating royalty interests are real property."* (81)

FACTUAL BACKGROUND

Wynn received or was entitled to receive participating royalty interests in oil and gas leaseholds associated with Treasure Well No. 8. After an earlier action resulted in a costs judgment against Wynn and others, de Bretteville caused the sheriff to levy on and sell Wynn's two-and-one-half-percent royalty interests as personal property without notice to Wynn. In a later federal condemnation proceeding, Wynn's ownership of six one-percent royalty interests was adjudicated and he received a share of the condemnation award. The present action sought to quiet title, recover production proceeds, and invalidate the execution sale.

PROCEDURAL HISTORY

The trial court found that Wynn owned six one-percent participating royalty interests, that the execution sale of two and one-half percent of those interests was void, that Treasure Company was de Bretteville's alter ego, and that defendants owed Wynn $13,622.79. The Court of Appeal affirmed the title and execution-sale rulings, reversed the alter-ego finding and money judgment against defendants, and directed the superior court to annul the satisfaction of the prior costs judgment.

DISPOSITION

```
reversed_and_remanded
```

REMAND INSTRUCTIONS

The superior court was directed to annul the satisfaction of the judgment for costs in the Vickers action. The title and execution-sale portions of the judgment were affirmed; the alter-ego determination and the $13,622.79 money judgment against defendants were reversed.

CASES CITED

- United States v. Adamant Co., 197 F.2d 1, 13
- Scoville v. de Bretteville, 50 Cal. App. 2d 622, 123 P.2d 616
- United States v. Certain Parcels of Land, 85 F. Supp. 986, 993
- French v. Rishell, 40 Cal. 2d 477, 479, 254 P.2d 26
- Dillard v. McKnight, 34 Cal. 2d 209, 213, 209 P.2d 387
- Bliss v. Security-First Nat. Bank, 81 Cal. App. 2d 50, 58, 183 P.2d 312
- Bernhard v. Bank of America, 19 Cal. 2d 807, 813, 122 P.2d 892
- Moore v. Wood, 26 Cal. 2d 621, 629, 160 P.2d 772
- Perry v. West Coast Bond etc. Co., 136 Cal. App. 557, 559, 29 P.2d 279
- Klinker v. Klinker, 132 Cal. App. 2d 687, 693, 283 P.2d 83
- Pacific Finance Corp. v. Foust, 44 Cal. 2d 853, 858, 285 P.2d 632
- La Laguna Ranch Co. v. Dodge, 18 Cal. 2d 132, 136-138, 114 P.2d 351

INSTRUCTIONS FOR AN AI ASSISTANT