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Idaho Supreme Court
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IN THE SUPREME COURT OF THE STATE OF IDAHO

DEANN C. TURCOTT,

Plaintiff/Appellant,

vs.

THE ESTATE OF CLARENCE D. BATES, CLINTON D. BATES, PERSONAL REPRESENTATIVE, ET AL.,

Respondents.

Supreme Court No: 45920-2018

Kootenai County No. CV-16-6970

Appeal from the District Court of the First Judicial District
Of the State of Idaho, in and for the County of Kootenai

Honorable Rich Christensen, Presiding

APPELLANT'S OPENING BRIEF

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I. STATEMENT OF THE CASE

A. Nature of the Case

Clarence Bates (hereinafter referred to as "Clarence") wanted to give his farm in equal shares to his daughter Deann Turcott (hereinafter referred to as "Deann") and his son Clint Bates (hereinafter referred to as "Clint"). Rather than incur the tax consequences by transferring the farm while Clarence was alive in 2006, the three of them decided to leave Clarence's Will in place which would accomplish the same thing. Based on this understanding, Deann and her husband, Tom began expending a considerable amount of time and money working on the farm, sold their home in Hayden, and constructed a new one on the farm.

At the end of 2014, Clarence changed his Will and cut Deann entirely out of his estate plan.

B. Proceedings Below

Deann filed suit seeking to enforce Clarence's 1996 Will and for damages based on quantum meruit if the 1996 Will could not be specifically enforced. The District Court ruled that Idaho Code § 15-2-701 prevented Deann from specifically enforcing the Will.

After Trial, the District Court ruled that Deann was not entitled to damages measured in quantum meruit because Clarence had not requested that Deann and her husband do any of the work, even though he had full knowledge of and participated in some of the work being done. The District Court ruled that Deann was entitled to damages based on unjust enrichment, but then awarded a mixture of unjust enrichment and quantum meruit sums to compensate Deann for all the work she has done.

C. Facts

Deann and Clint are the children of Clarence. (R. Vol. 1, page 368). Clarence owned approximately 258 acres of timber and agricultural property (hereinafter referred to as "the farm") and he wanted to give that property to his children in 2006 so he and his children went to see Clarence's lawyer. (id). Because of the negative tax consequences of transferring the land while Clarence was still alive, it was determined that Clarence's existing Will, which had his children inheriting the property "share and share alike", should just remain in place. (R. Vol. 1, pages 368-369).

After 2006, Deann and her husband Tom spent a considerable amount of time, effort, and funds performing work on the farm, including remediating weed infested fields, raising hay, raising cattle, fencing, clearing brush, fixing farm equipment and structures. All of this work was performed with Clarence's knowledge. (R. Vol. 1, page 369). In 2009, Deann and her husband sold their home in Hayden, Idaho and moved to the farm. In 2012, Clarence allowed Deann and Tom to build a shop/garage/residence on the farm (R. Vol. 1, page 368) at an expense of $166,526.50. (R. Vol. 2, page 1,212).

Deann and Tom also performed administrative tasks related to the farm. One of those tasks was assisting Clarence with maintaining the timber exemption on the property. In 2007, Kootenai County informed Clarence that in order to continue to enjoy the timber and agricultural exemptions which reduced his taxes, he would be required to come up with management plans for each. The timber management plan submitted by Deann also included the plan for the agricultural exemption. (R. Vol. 2, page 1,046). The District Court found that Clarence benefitted from Deann's efforts to maintain these tax exemptions, but then awarded her the

reasonable value of her time and services, as opposed to the amount by which Clarence was enriched by her efforts. (R. Vol. 1, page 374) and (R. Vol. 2, page 1,186).

The letter is signed by Clarence, dated January 11, 2015, and states, among other things, the following:

> ". . . the County is waiting for me to die so you can find a way to capitalize on this land and tax it out from under my children."
>
> "Well I can assure you that I raised my kids right, and the value they see in my land has NOTHING to do with money. My family will live on my land and farm it for MANY generations to come." (R. Vol. 2, page 1,047).

Just ten months later in November of 2015, Clarence cut Deann out of his estate plan and left his entire estate to his new wife, whom he married in 2014, (R. Vol. 1, page 369) if he passed away before her. (R. Vol. 1, pages 91-96, R. Vol. 2, page 1,427). Clarence passed away on June 23, 2017. (R. Vol. 1, page 316).

II. ISSUES ON APPEAL

A. Did the District Court commit an error when it refused to award Deann damages based on Quantum Meruit because Clarence had not requested the work be done, even though he was aware that it was being done?

B. Did the District Court commit an error if it refused to award Deann damages based on Quantum Meruit for farm work because the work was done for her benefit?

C. Did the District Court commit an error when it found that Deann's efforts to maintain Clarence's tax exemptions benefitted Clarence, but then awarded damages based on Quantum Meruit for those efforts?

III. ARGUMENT

A. It was an Error for the District Court to Refuse to Award Deann Damages Based on Quantum Meruit Because Clarence did not Request the Work be Done. According to Prior Idaho Law, it Need Only be Shown that Clarence was Aware the Work was Being Done and the District Court Found that Clarence was Aware.

The District Court ruled that Deann was not entitled to damages based on quantum meruit because Clarence had not requested that Deann and her husband perform all the work that they had, even though he had full knowledge that it was occurring. (R. Vol. 1, page 370). This is an error because prior Idaho precedent holds that the person receiving the benefit of work need only know that it is occurring for quantum meruit to apply.

A claim for compensation based on quantum meruit is a claim based on a contract implied at law. "To recover on a contract implied in law, the claimant must show that the services were rendered with the reasonable expectation that the person who benefited from them would pay for them." *Barth v. Canyon Cty.*, 128 Idaho 707, 710, 918 P.2d 576, 579 (1996) citing *Nagele v. Miller*, 73 Idaho 441, 444, 253 P.2d 233, 235 (1953). Although this recitation and many others regarding quantum meruit imply that the person who received the services must have "benefitted" from those services, the law of Idaho is to the contrary. Whether or not the person who allowed the work to be performed "benefitted" from the work is not relevant. "Quantum meruit permits recovery of the reasonable value of the services rendered or the materials provided, regardless of whether the Defendant was enriched." *Farrell v. Whiteman*, 146 Idaho 604, 612, 200 P.3d 1153, 1161 (2009).

Whether or not the recipient of the work provided specifically requested the work is likewise not relevant. "It is not necessary that the person receiving the benefits expressly request that they be done, only that the person has knowledge of the fact that the work is being done."

Barth v. Canyon Cty., 128 Idaho 707, 710, 918 P.2d 576, 579 (1996). *Barth* cites to *Nagele v. Miller*, 73 Idaho 441, 253 P.2d 233 (1953) which holds the following.

> However, although the services were not rendered at the request of the deceased, if they were knowingly and voluntarily accepted, a promise would arise to pay their reasonable worth. In 58 *Am.Jur., Work and Labor*, Sec. 6, p. 514, it is said:
>
> 'The general rule is that where services are rendered by one person for another, which are knowingly and voluntarily accepted, without more, the law presumes that such services were given and received in the expectation of being paid for, and implies a promise to pay their reasonable worth.'"
>
> *Nagele v. Miller*, 73 Idaho 441, 444, 253 P.2d 233, 235 (1953).

Similar to the rule that the recipient need not request the work be done, an express or implied agreement on the part of the recipient to pay compensation need not even exist for quantum meruit to apply. All that must be shown to be entitled to quantum meruit is the work was done and the reasonable value of it is proven.

> Appellant charges that the evidence is insufficient to sustain the verdict, in that there was no competent evidence whatever of any express or implied agreement on the part of deceased to pay compensation. Proof of the performance and value of the services by respondent being substantially uncontradicted, it necessarily follows that she is entitled to the presumption of an obligation to pay on the part of the deceased, and the implied contract arose without further proof.
>
> *Hartley v. Bohrer*, 52 Idaho 72, 11 P.2d 616, 618 (1932).

In this case, the District Court found the work was done with Clarence's knowledge, but refused to award damages based on quantum meruit because Clarence had not specifically requested the work to be done. This is directly contrary to existing Idaho precedent and an error.

A claim for quantum meruit does not require that the recipient of the work specifically request that the work be done and it was, therefore, an error for the District Court to refuse to calculate Deann's damages based on quantum meruit due to this fact. This Court should remand

this matter with instructions to vacate the existing judgment and recalculate Deann's claim for damages based on quantum meruit.

B. To the Extent the District Court Held that Deann is not Entitled to Quantum Meruit because the Work was for her Future Benefit, that is an Error because the Existence of any Benefit from the Work is not Relevant to a Claim for Quantum Meruit.

As set forth above, When discussing the farming work Deann did, the District Court acknowledged that a specific request for the work is not required, but then continued on to imply that quantum meruit does not apply because the work was done for Deann and her husband's benefit because Deann was going to inherit the property.

> However, the Court finds the farming was neither expressly nor impliedly requested by Clarence Bates but instead was done for the benefit of Plaintiff and her husband. There is ample testimony that Plaintiff believed she would be inheriting half of her father's property and therefore she acted in reliance of what came to be an inaccurate belief. (R. Vol. 1, pages 374-375).

First, there was nothing inaccurate or unreasonable about Deann's belief that she would inherit half the farm. It is undisputed that when Deann and her husband were doing all this work, everyone, including Clarence, understood that she was to inherit half the property and her father knew that was why she was doing all this work.

Second, none of the work was done for Deann's benefit because she did not inherit the property. Deann and her husband spent a considerable amount of money and time and uprooted their life in reliance on her father's promise to leave her the land and then he yanked it out from under her. But for the tax consequences of inter vivos transfer, this lawsuit would never have ensued as Deann would have owned the property the entire time she was doing all this work.

Lastly, the existence of any benefit to anyone is not relevant to a claim for quantum meruit. If the person receiving the work is enriched thereby, then they have received a benefit,

but Idaho law is clear that whether the person be enriched is irrelevant to a claim for quantum meruit. *Farrell v. Whiteman*, 146 Idaho 604, 612, 200 P.3d 1153, 1161 (2009).

The majority of the work Deann and her husband were doing was for the future benefit of herself and her brother Clint who also was to inherit the property and this fact is wholly irrelevant to a claim for quantum meruit.[1] Her father, Clarence knew that Deann expected to be compensated for all this work by way of her inheriting half the property and he allowed her to perform the work. Clarence was free to change his mind on how Deann would be compensated for the work, but his estate must answer in damages based on quantum meruit.

To the extent that the District Court ruled that quantum meruit does not apply to Deann's claims based on farming improvements because the work was for Deann, that is an error and this Court should remand this matter with instructions to calculate Deann's damages based on quantum meruit.

C. If Unjust Enrichment Applies, the District Court Should Have Awarded Deann Damages in an Amount by Which Clarence Benefitted from Her Efforts.

Quantum meruit is the proper measure of damages in this case, however, if this Court finds that unjust enrichment was the proper measure of damages, it should remand this matter to the District Court with instructions to award Deann the amount of money she saved Clarence in property taxes by her efforts to maintain his property tax exemptions.

Compensation based on unjust enrichment is not "…the value of the money, labor and materials provided by the Plaintiff, but the value of the benefit actually realized by the Defendant which, in good conscience, it would be unfair to retain without making remuneration to the Plaintiff." *Matter of Estate of Keeven*, 126 Idaho 290, 297, 882 P.2d 457, 464 (Ct. App. 1994).

[1] As set forth below, Clarence received a direct tax benefit from Deann's work while he was still alive.

The District Court found that Deann took the necessary steps to maintain the timber and agricultural exemptions on Clarence's property and that Clarence benefitted from these steps. Instead of awarding Deann the amount by which Clarence was enriched by these efforts, the Court awarded Deann her claim for the reasonable value of her services. (R. Vol. 1, page 374, R. Vol. 2, page 1,186). The proper measure of damages would be the amount by which Clarence was enriched by Deann's efforts, not the reasonable value of her services.

If this Court determines that unjust enrichment is the proper measure of damages, then it should remand this matter with instructions for the District Court to award Deann a sum of money for the tax benefits conferred upon Clarence by her efforts to maintain his tax exemptions.

IV. CONCLUSION

The evidence is undisputed that Deann and her husband Tom performed considerable work on Clarence's property based on her, her brother and her father's understanding that Clarence would not change his Will. Clarence was aware that Deann was doing all this work and why – because she would be compensated for doing so when she received one-half (1/2) his property after he died. Clarence was free to change his estate plan to deprive Deann of her expected compensation, but his estate must answer by paying Deann the reasonable value of the goods and services she provided.

It was an error for the District Court to conclude that unjust enrichment was the proper measure of damages and this Court should remand this matter with instructions that Deann's damages be calculated based on quantum meruit.

DATED this 10th day of October, 2018.

/s
ARTHUR M. BISTLINE
Attorney for Appellant

CERTIFICATE OF SERVICE

I hereby certify that on the 10th of September, 2018, I served a true and correct copy of the following APPELLANTS' OPENING BRIEF by the method indicated below, and addressed to the following:

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