

## SUMMARY STATEMENT

*Taylor v. Taylor*  
Docket No. 44833

This appeal arose out of the Nez Perce County district court and concerned Donna Taylor's redemption of her shares in AIA Services Corporation. In 1987, Donna received 200,000 Series A Preferred Shares in AIA as part of a divorce settlement. Between 1987 and 1996, Donna, AIA, and other relevant parties entered into various stock redemption agreements with differing terms and interest rates. One such agreement was challenged in *Taylor v. AIA Servs. Corp.*, 151 Idaho 552, 563, 261 P.3d 829, 840 (2011). While the *Taylor* case was being litigated, AIA discontinued paying Donna for the redemption of her shares, prompting her to file suit. Donna alleged several causes of action against AIA, with the primary issue being whether Donna was entitled to have her shares redeemed at the prime lending rate plus one-quarter percent. On reconsideration, the district court determined Donna's share redemption was governed by AIA's amended articles of incorporation, and thus was subject to the prime lending rate minus one-half percent.

On appeal, the Idaho Supreme Court reversed in part and remanded. The Supreme Court determined one of the stock redemption agreements, the 1995 Letter Agreement, was an ultra vires act rather than an illegal one. Thus, the district court's determination that the agreement was unenforceable was reversed. The Supreme Court also reversed the district court's dismissal of Donna's fraud claims, holding that the economic loss rule did not bar her claims for fraud. The Court affirmed the district court's other determinations, and awarded attorney fees to Donna on appeal, limited to enforcing the 1995 Letter Agreement.