

SUMMARY STATEMENT

AgStar Financial Services v. Northwest Sand & Gravel, Inc.
Docket No. 47140

In 2007 and 2008, AgStar Financial Services (AgStar), now known as Compeer Financial Services FLCA (Compeer), loaned \$10 million to Northwest Sand and Gravel, Inc., Gordon Paving Company, Inc., and Blackrock Land Holdings, LLC. (The three indebted entities are collectively referred to as Gordon Paving.) In 2012, Gordon Paving defaulted on its \$10 million obligation, which resulted in AgStar obtaining a judgment of foreclosure on several parcels of real property owned by Gordon Paving. The district court also entered an order allowing the sale of virtually all of Gordon Paving's business equipment to further satisfy the debt.

In *AgStar Financial Services, ACA v. Northwest Sand & Gravel, Inc.*, 161 Idaho 801, 391 P.3d 1271 (2017) (*AgStar I*), the Idaho Supreme Court reversed the district court's order allowing the sale of Gordon Paving's business equipment; however, Gordon Paving's business equipment had already been sold at auction. On remand, the district court determined that the correct remedy for Gordon Paving was an award of restitution in the amount of the gross proceeds of the auction plus prejudgment interest from the date of the auction.

The Idaho Supreme Court affirmed in part, vacated in part, and reversed in part the district court's decision. First, the Court held that Gordon Paving's recovery was limited to the amount that Compeer had been unjustly enriched and that Gordon Paving was only entitled to the *net* proceeds of the auction reducing the amount owed by Compeer to Gordon Paving by the amount charged Compeer by the auction service. The Court next held that Compeer was not entitled to an offset for expenses it claimed it paid to a repair shop in preparation for the auction. The Court further held that Gordon Paving was entitled to prejudgment interest running from the date that Gordon Paving's claim became liquidated. Finally, the Court held that neither party was entitled to attorney fees on appeal.

This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.