

SUMMARY STATEMENT

Dorsey v. Dorsey

Docket Nos. 49342 & 49417

In 2019, Matt Dorsey sued his father, Tom Dorsey, seeking formal accounting, dissolution, and winding up of their joint dairy operation, Dorsey Organics, LLC. The district court appointed a Special Master to preside over the proceedings. The Special Master subsequently recommended to the district court that it grant partial summary judgment to Tom Dorsey on Counts Four (breach of contract) and Five (constructive fraud) of Matt Dorsey's complaint. Without receiving a definitive ruling from the district court on the recommendations regarding the motions for summary judgment, the case then proceeded to a four-day hearing presided over by the Special Master. The district court adopted, with almost no changes, the Special Master's Proposed Findings of Fact and Conclusions of Law. The district court also denied Tom Dorsey's request for attorney fees under Idaho Code section 12-120(3).

Matt Dorsey appealed, raising multiple issues. Tom Dorsey also appealed the district court's denial of his request for attorney fees. This Court consolidated the two appeals and issued several holdings.

First, the Idaho Supreme Court held that the district court erred in its method of adopting the Special Master's Proposed Findings of Fact and Conclusions of Law because it did not conduct its own independent review of the record. Second, this Court determined that the district court erred when it failed to follow the terms of the Operating Agreement and to adequately address the ambiguities in Tom's Option, a document that attempted to further memorialize the agreement between Matt and Tom. In so holding, the Idaho Supreme Court also vacated the judgment dismissing Matt's fourth and fifth claims for relief because the record contained no analysis for the district court's apparent decision to grant summary judgment. Third, this Court concluded that the district court erred when it placed the burden of proof on Matt to prove fraud regarding Tom's proposed accounting, rather than placing the burden of proof on Tom to show that he was entitled to his claimed reimbursements. Fourth, this Court further concluded that the district court erred when it failed to analyze whether Matt's contribution to the production of crops on the Holton Place, a parcel of land equally owned by the Tom and Matt, altered the presumption of equal ownership in the crops produced on the Holton Place. Fifth, the Idaho Supreme Court remanded the question of whether Tom's company, Dorsey Farms, owed money to Matt's Company, Sunnyslope, because the district court failed to consider all the evidence concerning this issue. Sixth, the Supreme Court concluded that the district court erred when it applied Idaho Code section 30-25-405 because its findings were internally contradictory on this issue. Seventh, this Court held that the district court erred in concluding that Tom did not wrongfully dissociate from Dorsey Organics.

Regarding Tom's appeal of attorney fees, this Court affirmed the district court's denial of an award of attorney fees to Tom because he was not the prevailing party. Finally, this Court concluded that neither party was entitled to attorney fees on appeal—Tom was not eligible because he did not prevail and Matt was not eligible because he did not prove that Tom brought, pursued, or defended this appeal frivolously, unreasonably, or without foundation. However, as the prevailing party, Matt was awarded costs as a matter of right.

******This summary constitutes no part of the Court's opinion. It has been prepared by court staff for the convenience of the public.******