

SUMMARY STATEMENT

E. James Burke, power of attorney for Diane Burke Walker, an incapacitated person v. Jeffrey Baugh and Janice Ormsby Baugh, husband and wife
Docket No. 52429

Diane Burke Walker owns real property with direct access to Lake Pend Oreille in Hope, Idaho. Jeffrey Baugh and Janice Ormsby Baugh (the “Baughs”), long-term neighbors of Walker, own real property adjacent to Walker’s property. In early May 2023, Walker, then eighty-four years old, was admitted to a skilled nursing facility based upon her diminished mental capacity and physical capabilities. In June, the Baughs drove approximately 140 miles from their home to the nursing facility and had Walker sign two easements. The first easement granted the Baughs permission to construct a pump house on Walker’s property and install a pump to draw water from the lake. The second easement granted the Baughs permission to construct a dock for shared lake access on Walker’s property.

When E. James Burke, Walker’s nephew and Power of Attorney, discovered the easements, he requested that the Baughs release the easements because Walker did not possess the mental capacity to legally grant the easements. The easements were not released and Burke filed suit against the Baughs seeking to have the easements rescinded on the grounds that: (1) Walker lacked the mental capacity to grant the easements; (2) the easements were the result of undue influence from the Baughs; (3) enforcement of the easements would be unconscionable; and (4) the easements unjustly enrich the Baughs. The Baughs filed a counterclaim alleging unjust enrichment.

Burke filed a motion for summary judgment. At that hearing, Burke admitted evidence that Walker had been evaluated by a licensed psychologist, who concluded Walker lacked capacity at the time the easements were executed and was not expected to regain competency. Additionally, Burke submitted an affidavit from a local real estate agent estimating that the shared dock would decrease the value of Walker’s property by 50 percent. The Baughs did not submit evidence as to the psychologist’s findings. The district court granted summary judgment in favor of Burke, finding that Walker lacked capacity to grant the easements and/or that the Baughs exercised undue influence over Walker. The easements were deemed void, and all remaining causes of action were dismissed as moot. The Baughs appealed.

On appeal, the Baughs argued that: (1) the district court had insufficient evidence to conclude there was no genuine issue of material fact and thus, the burden of proof never shifted to the Baughs to provide any evidence to establish the existence of a genuine issue of material fact; (2) the district court erred in granting summary judgment because Burke did not address all of the claims listed in the complaint in his motion for summary judgment; (3) the district court erred in ruling as a matter of law that Burke was entitled to summary judgment because Burke did not establish that Walker was incapacitated or that the Baughs exercised undue influence over Walker to obtain her signature on the easements; and (4) the district court erred in granting Burke's request for attorney fees and costs that were in excess of the statutory maximum. Burke responded that the district court's decision to grant summary judgment was supported by the record.

The Court of Appeals held the district court did not err in granting summary judgment in favor of Burke because the record established that at the time the easements were executed (1) Walker lacked capacity; and (2) the Baughs exercised undue influence over Walker. The Court also held that the district court properly granted summary judgment on the Baughs' counterclaim and properly dismissed the remaining causes of action as moot. The Court affirmed the district court's grant of attorney fees and costs to Burke and awarded attorney fees and costs 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.