Lyle Vs. Rodgers

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SooperKanoon Citation : sooperkanoon.com/78867

Court : US Supreme Court

Decided On : 1820

Appeal No. : 18 U.S. 394

Appellant : Lyle

Respondent : Rodgers

Judgement :

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Lyle v. Rodgers

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ERROR TO THE CIRCUIT COURT

FOR THE DISTRICT OF COLUMBIA

SYLLABUS

Where claims against a party, both in his own right and in a representative character, are submitted to the award of arbitrators, it is a valid objection to the award that it does not precisely distinguish between moneys which are to be paid

by him in his representative character and those for which he is personally bound.

An award may be void in part and good for the residue. But if the part which is void for uncertainty be so connected with the rest as to affect the justice of the case between the parties, the whole is void.

This was an action of debt against the defendant on a bond given by Jerusha Dennison, and the defendant, to the plaintiffs, with a condition to perform the award of certain persons chosen to arbitrate all differences, &c.;, between the plaintiffs and Jerusha Denison, either as administratrix of Gideon Dennison, deceased, or in any other capacity. The condition of the obligation is in these words:

"Whereas the said Jerusha Dennison and the said James Lyle and Joshua B. Bond have agreed to refer all matters in dispute between them to the award and arbitrament of David Winchester and Thomas Tenant of the City of Baltimore, and in case they differ in opinion, then to them and such third person as the said David Winchester and Thomas Tenant shall choose and appoint. Now the condition of the obligation is such that if the above bound Jerusha Dennison, her heirs, executors and administrators, do and shall well and truly stand to, abide by, and keep the award and arbitrament of the said

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David Winchester and Thomas Tenant, arbiters, indifferently named an appointed by them to arbitrate, award, and adjudge of and concerning all actions and causes of actions, debts, dues, controversies, claims or demands whatsoever, both at law and in equity, which the said James Lyle and Joshua B. Bond have, or either of them hath, against her the said Jerusha Dennison, as administratrix of Gideon Dennison or in any other capacity. Or in case the said arbitrators shall differ in opinion, if then the said Jerusha Dennison, her heirs, executors and administrators and every of them do and shall stand to, abide by, perform and keep the award and arbitrament of them the said David Winchester and Thomas Tenant, or either of them, and of such discreet and indifferent person as they shall elect and appoint

as a third person as aforesaid, then this obligation to be void, and of none effect, otherwise to be and remain in full force and virtue."

Upon this submission, the following award was made:

"Whereas certain differences have arisen between Joshua B. Bond and James Lyle, of the City of Philadelphia, in the State of Pennsylvania, of the one part, and Jerusha Dennison, of Harford County, in the State of Maryland, of the other part, and whereas, for the purpose of putting an end to the said differences, the said parties, by their several bonds, bearing date the fifteenth day of November last past, have reciprocally become bound, each to the other, in the penal sum of $12,000 current money of the United States to stand to, abide by, perform, and keep the award of David Winchester

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and Thomas Tenant, arbiters indifferently named and appointed to arbitrate, adjudge, and award of, and concerning all actions or causes of actions, debts, dues or demands whatsoever, both of law and in equity, which the said Joshua B. Bond, and James Lyle, or either of them, have against the said Jerusha Dennison, as administratrix of Gideon Dennison, or in any other capacity: "

"Whereupon we, the above named arbitrators, after having heard the allegations of the parties, proceeded to an examination of the accounts, documents and proofs by them respectively produced, and having maturely considered the same, do adjudge and award in manner and form following: "

"First. We do adjudge and award that there is due from Jerusha Dennison to Joshua B. Bond and James Lyle, the sum of $8,726.41, with interest from this date until paid; upon the payment whereof, all suits at law and in equity between them shall cease and determine. And,"

"Second. We do adjudge and award that upon the payment by the said Jerusha Dennison of the sum above awarded, with interest, as aforesaid, the said Joshua B. Bond and James Lyle shall execute to the said Jerusha Dennison a good and

sufficient release of all claims against her, both in her private capacity and as administratrix of the late Gideon Dennison, and also that they shall reconvey or release, as the case may require, all lands heretofore conveyed or pledged to them by the late Gideon Dennison, as a collateral security, and further that they shall deliver

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to the said Jerusha Dennison or account for on oath all bonds, notes, bills, or other securities heretofore given to them by the late Gideon Dennison as collateral security. And"

"Lastly. We do adjudge and award that this award shall be conclusive between the parties."

The sum awarded by the arbitrators not having been paid, this suit was instituted. The defendant, after praying oyer of the bond and of the condition, pleaded no award. The plaintiffs, in their replication, set forth the award, and assigned as a breach of it the nonpayment of the sum of $8,726.46, with interest, awarded to be due to them from the said Jerusha Dennison. The defendant rejoined that among the matters in dispute between the parties was a dispute relating to certain lands conveyed in fee simple by Gideon Dennison, the intestate of the said Jerusha Dennison, to the plaintiffs, in his lifetime, without any condition or defeasance expressed therein, but with an understanding and agreement between them that the same should be held by the plaintiffs as a collateral security for the payment of whatever debt was due from the said Gideon Dennison to the plaintiffs. And also as to certain other lands and land titles, pledged in like manner as a collateral security for the said debt. But because the said matters in dispute are left unsettled by the said award, and for other causes appearing on the face of the said submission and award, the arbitrators made thereon no award &c.;

To this rejoinder the plaintiffs demurred, and the defendants joined in demurrer. It was, however,

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afterwards agreed between the parties, that instead of arguing the demurrer, the matter contained in the foregoing pleadings and the law arising thereon should be subject to the opinion of the court on a statement of facts made by the parties, and the questions stated as arising thereon.

This statement admits the submission, the appearance of the parties before the arbitrators, the award, due notice thereof, a demand of the sum awarded to be due, and a refusal to pay the same. The statement also contains certain letters which passed between the plaintiffs and Jerusha Dennison, and Samuel Hughes, acting for and in behalf of the said Jerusha, dated in 1799 and 1800, and also a letter from the plaintiffs dated in 1800, addressed to Mr. Hollingsworth, a lawyer of Baltimore, containing a copy of the correspondence above mentioned and transmitting him a note for $5,568, drawn by Gideon Dennison in his lifetime, of which the plaintiffs were holders and which had been regularly protested. On this note, Mr. Hollingsworth was requested to take the proper means to obtain payment. The correspondence admitted that "grants of lands in North Carolina and Tennessee had been given as security, without any acknowledgment or receipt for the same," but contained no information whatever ascertaining what grants were so given, although full information on that subject had been requested on the part of Jerusha Dennison.

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MR. CHIEF JUSTICE MARSHALL delivered the opinion of the Court.

The questions submitted to the

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Court on the statement of facts made by the parties were

"1st. Whether the said letters so offered by the defendants, or any of them, are competent and sufficient evidence to prove what matters of dispute or controversy were submitted to the said arbitrators under the said bond?"

"2d. Whether the said award in the terms aforesaid, or taken in connection with the evidence so offered by the defendant (if such evidence be decided by the court to be competent and admissible) is valid, and sufficient in law?"

The matter contained in the letters was pleaded by the defendant in his rejoinder as being part of the subject in controversy, and is consequently, confessed by the demurrer. Had the demurrer been argued, therefore, the first question could not have arisen. But as a statement of facts has been substituted for the demurrer, we presume, the question respecting the admissibility of the evidence offered by the defendant is to be considered as if issue had been joined on the fact stated in the rejoinder. So considering it, there is, we think, no doubt of the admissibility of the testimony, nor of its competency, taken in connection with the award itself, to prove, that a dispute existed respecting the lands mentioned in those letters, which was brought before the arbitrators.

We proceed to the second question, which respects the validity of the award.

The first exception taken to this award is that it omits to state, whether the sum due from Jerusha Dennison was due from her in her own right or as

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administratrix of Gideon Dennison. The claims upon her in both characters are submitted to the referees, and they ought to have decided upon all, and to have distinguished between those which she was required to pay in her representative character and those for which she was bound personally. Had this case been depending in chancery, where alone the two claims could have been united in one suit, the Chancellor would unquestionably have discriminated between them, and would, in his decree, have ascertained in what character the whole sum was to be paid, or how much was to be paid in each. If this award was made against Mrs. Dennison as administratrix, she would not only be deprived by its form, of the right to plead a full administration (a defense which might have been made before the arbitrators, and on which their award does not show certainly, that they have decided), but also of the right to use it in the settlement of her accounts as

conclusive evidence, that the money was paid in her representative character. If this objection to the award is to be overruled, it must be on the supposition that it is made against her personally; yet the statement of facts shows the claim against her to be in her representative character. There is certainly a want of precision in this part of the award, which exposes it to solid objection and might subject Mrs. Dennison to serious inconvenience.

The second exception to which the Court will advert affects still more deeply the merits of the award, as well as its justice.

It is apparent from the pleadings in the cause,

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from the facts stated, and from the award itself that titles to land were deposited by Gideon Dennison in his lifetime with the plaintiffs as collateral security for the debt claimed by them, and that the conveyances purported to be absolute. Not only was there uncertainty as to the right of redemption, but it was, so far as the Court can discover, absolutely uncertain what lands had been so conveyed.

This subject appears to have been brought before the arbitrators, and they have awarded upon it. Is their award sufficiently certain to give Jerusha Dennison the benefit they intended her? They have awarded

"that the said Joshua B. Bond and James Lyle shall reconvey or release, as the case may require, all lands heretofore conveyed or pledged to them by the late Gideon Dennison as a collateral security."

The award does not determine what lands were so conveyed. If the arbitrators had directed that all the lands conveyed or pledged by Gideon Dennison should be reconveyed, there would have been some difficulty in ascertaining what lands had been conveyed or pledged, from the uncertainty where deeds might have been recorded, and whether grants might not have been deposited without a conveyance; but they have directed that those lands only shall be reconveyed, which had been conveyed or pledged as collateral security. No one of these deeds

exhibited on its face any mark of its being made as a collateral security. The question whether a conveyance was absolute or as a security only was a material question which ought to have been decided by the arbitrators. They have not decided

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it, but have left it open to be decided by the parties themselves or by some other tribunal. This is a very important part of the award, and with respect to this subject it is incomplete. It is obviously as uncertain now as it was before the award was made what lands had been conveyed or pledged to Gideon Dennison as collateral security. This part of the award, then, is void, and the question is whether that part which directs the payment of money be void also.

That an award may be void in part and good for the residue will be readily admitted; but if that part which is void be so connected with the rest as to affect the justice of the case between the parties, the whole is void. There is great good sense in this distinction. If A. be directed to pay B. $100, and also to do some other act not well enough defined to be obligatory, there is no reason why B. should not have his $100, because he cannot also get that other thing which was intended for him. But if A. be directed to pay B. $100, and B. to do something for the benefit of A., which is not so defined as to enable A. to obtain it, there is much reason why A. should not pay the $100, since he cannot obtain that which the arbitrators as much intended he should receive, as that he should pay the sum awarded against him.

The cause in 2 Saunders 292 is in point. In that case the arbitrators awarded that William Pope

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should be satisfied and paid by John Brett, the money due and payable to the said William Pope, as well for task work as for day work, and then the said William should pay to the said John the sum of 25 lawful money of England. Mutual releases were also awarded.

It was admitted that so much of the award as directed payment to be made for task work and day work was void for uncertainty inasmuch as the arbitrator had not ascertained how much was to be paid on those accounts, but it was contended that the award was good for the residue, inasmuch as enough remained to make it mutual. But the court said

"that if the clause of task work and day work be void, as it is admitted to be, the whole award is void, for it appears that William Pope was awarded to pay the 25, and to give a general release, upon a supposition by the arbitrator, that he should be paid the task work and day work by virtue of that award; and that not being so, it was not the intention of the arbitrators, as appears by the award itself, that he should pay the money and give a general release and yet receive nothing for the task work and day work, as by reason of the uncertainty of the award in that part he could not."

The application of this case to that under consideration is complete. The award to reconvey all lands heretofore conveyed or pledged to the plaintiffs by Gideon Dennison, in his lifetime, as collateral security, is as uncertain as the award to pay for task work and day work already performed; it was as much

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the intention of the arbitrators that the parts of their award which were favorable to the different parties should be dependent on each other in this case, as in the case of *Pope v. Brett.* The arbitrators never could have designed that Bond and Lyle should get their money, and retain their deposits.

In his note upon this case, Sergeant Williams says

"If by the nullity of the award in any part, one of the parties cannot have the advantage intended him as a recompense or consideration, for that which he is to do to the other, the award is void in the whole."

This just principle must always remain a part of the law of awards.

The objection to the part of the award which has been considered applies equally to that part of it which respects bonds, notes, bills, or other securities.

Judgment affirmed.