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Fowle Vs. Lawrason's Executor

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Court : US Supreme Court

Decided On : 1831

Appeal No. : 30 U.S. 495

Appellant : Fowle

Respondent : Lawrason's Executor

Judgement :

Fowle v. Lawrason's Executor - 30 U.S. 495 (1831)
U.S. Supreme Court Fowle v. Lawrason's Executor, 30 U.S. 5 Pet. 495 495 (1831)

Fowle v. Lawrason's Executor

30 U.S. (5 Pet.) 495

APPEAL FROM THE EQUITY SIDE OF THE

CIRCUIT COURT OF THE DISTRICT OF COLUMBIA

SYLLABUS

After an arbitrament and award, an action was instituted at law upon the award, and the court being of opinion the award was void for informality, judgment was given for the defendant. A bill was then filed by the plaintiff, on the equity side of

the Circuit Court for the County of Alexandria, to establish the settlement of complicated accounts between the parties, which was made by the arbitrators, and if that could not be done, for a settlement of them under the authority bf a court of chancery. This is not a case proper for the jurisdiction of a court of chancery.

Although the line may not be drawn with absolute precision, yet it may be safely affirmed that a court of chancery cannot draw to itself every transaction between individuals in which an account between parties is to be adjusted. In all cases in which an action of account would be the proper remedy at law, and in all cases where a trustee is a party, the jurisdiction of a court of equity is undoubted. It is the appropriate tribunal.

James Lawrason, the testator of the appellee, filed a bill in the Circuit Court of Alexandria, against the appellant, William Fowle, as surviving partner of Thomas Lawrason, who had died intestate, and who with William Fowle, had carried on business under the firm of Lawrason & Fowle. After the decease of James Lawrason, the suit was prosecuted by his executor.

The bill charges that the complainant, James Lawrason, being seized of one moiety of a wharf and warehouse in the Town of Alexandria, and his son, Thomas Lawrason, of the other moiety, the said Thomas being then a co-partner of Fowle; the complainant agreed to rent to the co-partnership his moiety of the same, and that on or about the day of _____, they entered on the possession and occupied them until the death of the said Thomas; that the complainant understood and supposed that he was to be paid for his moiety the annual rent of $1,600; and that he expects to prove that the said Thomas frequently acknowledged that to be the annual rent. That the complainant's interest in the property was worth that rent. That during the period, the said

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Lawrason & Fowle occupied the premises, dealings, and other matters of account took place between them and the complainant, which not having been settled during the life of Thomas Lawrason; it was agreed after his death that the

accounts between the complainant and the firm should be settled by arbitration, and that arbitrators were accordingly appointed to make the settlement. That the arbitrators awarded the sum of two thousand dollars in favor of the complainant, which award, with the accounts on which it was founded, are exhibited. That the defendant, Fowle, refused to submit to the award, alleging that the arbitrators were under a misapprehension as to the complainant's interest in the rent. That the complainant brought a suit at law on the award, and the court decided on the trial that in consequence of some error in the submission and in the form of the award, it could not be sustained. That the effect of this decision may be to open the accounts between the parties, and if so, they can nowhere be so correctly settled as in the court of chancery. That he considers himself, however, entitled to the benefit of the settlement made by the arbitrators, and that although a suit at law might not be sustained on the award, yet in equity it is valid and binding, that he claims the benefit of it; but if this cannot be obtained, he must submit to another settlement to be made by order of the court. The bill concludes with a prayer for the settlement of accounts and for general relief.

The complainant's bill having been taken *pro confesso* as against the defendant, Fowle, the court at November term 1823, directed an account to be taken by the auditor between the complainant and the defendant, Fowle, as surviving partner, &c.;, as well in relation to the rents claimed of the firm as to all other matters of account between them; and the auditor was authorized to take such legal testimony as should be offered by the parties and to report &c.; At May term, 1824, the complainant having died, Aaron R. Levering, his executor, was made complainant.

From the report of the auditor it appears that there existed

no difficulty in the settlement of the general account (exclusively of rent) between James Lawrason and the defendant Fowle, as surviving partner. The balance on this account in favor of Fowle, being admitted to be $11,769.30. That as to the rents, the only difference that existed between the parties, was, whether the

amount which had been claimed by James Lawrason and admitted by the auditor was to be considered as the rent of the whole of the wharf and warehouse as contended for by the defendant Fowle, or was to be considered as the rent of the warehouse and the complainant's moiety of the wharf only, leaving Fowle still accountable to the representatives of Thomas Lawrason for the rent of his moiety of the wharf. If the latter is correct, there is a balance of $2,638.83, with interest from 21 August, 1819, due the complainant from the defendant Fowle as surviving partner. If the former, there is a balance due from the complainant to the defendant of $1.295.93, with interest, &c.;

From the evidence laid before the auditor, he decides and reports accordingly

"That the amount of rents claimed by the complainant ought to be considered not as his share or dividend, but as a reasonable rent for the whole of the wharf and warehouse, but as the defendant Fowle admitted that Thomas Lawrason had never made nor intimated an intention to make any charge against the company for rent on account of that half of the wharf which had been conveyed to him, this, taken into consideration with his declarations as stated in the depositions of E. and R. Riggs, induced him (the auditor) to believe that it was his (T. Lawrason's) intention that the whole rent of the property should go to his father (the plaintiff) during his life; he therefore reported the balance of $2,638,83 to be due to the complainant from the defendant Fowle."

At November term 1825, Hugh Smith and Nehemiah Carson, administrators of Thomas Lawrason, were made defendants. At April term following, the complainant filed his amended bill against them, calling on them to answer to his original bill as if they had been originally made parties to it

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and praying that they may be bound by any decree the court may make in the same manner and to the same extent as if they had been parties originally. At April term, 1827, the answers of the defendant Fowle and of the administrators of Thomas Lawrason were filed.

The answer of Fowle admits the co-partnership commencing in 1804 and terminating by the death of T. Lawrason in 1819. That the wharf and warehouse were rented from the complainant, then the sole owner, in, 1804 at $450 per annum, which rent was placed to the complainant's credit, on the books of the firm until the year 1808. That about that time, great improvements were made, and the property became more valuable, but as no contract was made and no sum named by the complainant for the rent, after that time no further credits were given him. That during the existence of the co-partnership, the amount to be paid for the annual rent never was fixed. That after the death of his partner he called on the plaintiff for his account. That the account was rendered, and admitted by the defendant Fowle, except as to the rate of rent for one year only. That the account on its face purported to be for the rent of the whole of the wharf and warehouse, and was so understood by him when he admitted it. That no claim for rent had ever been made by his deceased partner, and that he expected the complainant and the representatives of his deceased partner would settle between themselves the proportion the latter was to receive. That some difference having arisen between the complainant and him relative to the account of the firm against the complainant, this, with the difference as to the amount of one year's rent, was submitted to arbitration. That the arbitrators made an award with which the defendant was perfectly satisfied, believing the credits allowed the complainant for rent were for the entire rent of the premises, that they were so understood to be by one of the two arbitrators. That on the award's being returned, he communicated it to one of the administrators of his deceased partner and requested him to call on the complainant and adjust with him the proportion of rent to be allowed to the estate of his deceased partner, that he might charge it to the complainant and credit the administrators of his partner with it; and then for the first time learnt that the

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complainant claimed the whole amount of credits allowed, not as the entire rent of the premises nor under any contract or engagement with his son, but as his share of the rent, leaving the defendant Fowle, as surviving partner, still liable to the

claims of the administrators of his deceased partner, for his share of the rent. That he endeavored to prevail on the complainant to open the award on this point and to consent to a valuation or estimate of his share of the rent, but failed in his attempt. That the complainant sued on this award, and that judgment was rendered in the defendant's favor. This judgment he pleads and relies on as a bar to all claims on the award.

He professes to be still willing to make the complainant a fair allowance for his share or proportion of rent, which he avers will fall far below the sum he claims. He charges, that in 1812, the complainant sold and conveyed one moiety of the wharf to his son T. Lawrason.

The answer of the administrators of Thomas Lawrason charges that in 1812 the complainant sold and conveyed to him one moiety of the wharf; they exhibit the deed of conveyance made in consideration of the sum of $6,500; they deny the complainant's right to the whole rent, and deny that their intestate ever relinquished his share to the complainant. They aver that although he survived his son for many years, he never made any such pretension, and that he makes none such in his bill. They require proof of the complainant's right to the rent of his son's share of the wharf if a decree is asked in his favor on that ground.

The deposition of Elisha Riggs, returned by the auditor, states a conversation between the witness and Thomas Lawrason in 1817 in which the latter said that the firm of Lawrason & Fowle were paying the complainant $1,600 a year for the rent of the wharf and warehouse. Romulus Riggs testifies to the same conversation.

Thomas Irwin and Phineas Janney testify on their examination before the auditor that they were well acquainted with the premises the rent of which forms the subject of controversy, and that they consider the sums which the complainant has charged, and which are allowed by the auditor, as a full rent for the whole of the wharf and warehouse.

The court on hearing decided that the defendant Fowle, as surviving partner, should pay to the complainant the sum of $2,638.88, with interest from 23 August, 1819, and costs. But without prejudice to any claims which the representatives of Thomas Lawrason, deceased, may make on the estate of the said James Lawrason for any portion of the rents thereby decreed against the defendant Fowle.

No disposition was made of the case as to the administrators of Thomas Lawrason. From this decree Fowle and the administrators of T. Lawrason appealed to this Court.

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

James Lawrason in his lifetime filed his bill in the Circuit Court of the United States, sitting in chancery for the County of Alexandria, stating, that being seized of a warehouse and one moiety of a wharf in the Town of Alexandria, of which his son Thomas Lawrason was seized of the other moiety, he agreed to rent the premises to Lawrason & Fowle, a commercial house in the said town, of which the defendant William Fowle is the surviving partner; the said Lawrason & Fowle entered into the premises under the contract and retained possession thereof several years. The plaintiff says, he understood and supposed that he was to receive $1,600 each year for the property, and that it was reasonably worth that sum, but that no express stipulation was entered into fixing the amount of rent. The plaintiff also had other dealings with Lawrason & Fowle, and the account remained unsettled until the death of Lawrason, who was the son of the plaintiff.

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The bill states that the parties agreed to leave the whole subject to arbitration and that the arbitrations reported a large sum in his favor. A suit was instituted on this award, and the court being of opinion that it was void in law for informality, gave judgment for the defendant. This suit is brought to establish the settlement of the

accounts between the parties, which was made by the arbitrators, or if that cannot be done, for a settlement of them under the authority of a court of chancery.

The suit abated by the death of the plaintiff, and was revived in the name of his executor. It appearing, that the representatives of Thomas Lawrason, the son, who owned a moiety of the wharf occupied by Lawrason & Fowle, were interested in the controversy; they were made parties. The answers were then filed. The defendant Fowle admits the occupation of the premises without any specific agreement as to the amount of rent, and admits the reference to arbitrators after the death of his partner.

He understood that the whole rent payable both for the warehouse and wharf was claimed by James Lawrason until after the award was made, and the arbitrators, he is satisfied, made the award under this impression. On understanding that Thomas Lawrason's executors asserted a right to so much of the rent as was equivalent to his interest in the wharf, the defendant requested that it might be apportioned between them, and then discovered that James Lawrason claimed the whole rent awarded as being for his interest, leaving the defendant liable to the executors of Thomas Lawrason. Every effort to adjust this difference having proved unavailing, the defendant refused to perform the award, and the suit instituted thereon by James Lawrason was decided against the plaintiff.

The answer of Thomas Lawrason's administrators asserts the right of their intestate to so much of the rent as will be a just compensation for his interest in the wharf.

The accounts were referred to a commissioner who reported the sum of $2,638.83, with interest from 26 August, 1819, to be due to the executors of James Lawrason should he be entitled to the whole rent accruing on the

demised premises; should the rent on the moiety of the wharf owned by Thomas Lawrason be deducted, the plaintiffs were entitled to nothing.

The court decreed the sum reported by the commissioner, without prejudice to any claim which the representatives of Thomas Lawrason, deceased, may make upon the estate of James Lawrason, deceased, for any portion of the rents decreed to be paid by the defendant Fowle.

From this decree the defendants appealed to this Court. Two errors have been assigned.

1. The party complaining had a plain and adequate remedy at law.

2. The decree ought to have settled finally the rights of Thomas Lawrason's executor.

That a court of chancery has jurisdiction in matters of account cannot be questioned, nor can it be doubted that this jurisdiction is often beneficially exercised; but it cannot be admitted that a court of equity may take cognizance of every action, for goods, wares and merchandize sold and delivered, or of money advanced, where partial payments have been made, or of every contract, express or implied, consisting of various items, on which different sums of money have become due and different payments have been made. Although the line may not be drawn with absolute precision, yet it may be safely affirmed that a court of chancery cannot draw to itself every transaction between individuals in which an account between parties is to be adjusted. In all cases in which an action of account would be the proper remedy at law and in all cases where a trustee is a party, the jurisdiction of a court of equity is undoubted. It is the appropriate tribunal. But in transactions not of this peculiar character, great complexity ought to exist in the accounts, or some difficulty at law should interpose, some discovery should be required, in order to induce a court of chancery to exercise jurisdiction. 1 Mad.Chan. 86; 6 Ves. 136; 9 Ves. 437. In the case at bar, these difficulties do not occur. The plaintiff sues on a contract by which real property is leased to the defendant, and admits himself to be in full possession of all the testimony he requires to support his action. The defendant opposes to this claim as an offset, a sum of money

due to him for goods sold and delivered, and for money advanced, no item of which is alleged to be contested. We cannot think such a case proper for a court of chancery. We are therefore of opinion that the decree of the circuit court ought to be

Reversed and the cause remanded with directions to dismiss the bill, the court having no jurisdiction.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the District of Columbia holden in and for the County of Alexandria and was argued by counsel, on consideration whereof it is considered, ordered, and decreed by this Court that the decree of the said circuit court in this cause be and the same is hereby reversed and that this cause be and the same is hereby remanded to the said circuit court with directions to dismiss the bill, the court having no jurisdiction.

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