

Payne Vs. Hook

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Court : US Supreme Court

Decided On : 1868

Appeal No. : 74 U.S. 425

Appellant : Payne

Respondent : Hook

Judgement :

Payne v. Hook - 74 U.S. 425 (1868)

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Payne v. Hook

74 U.S. (7 Wall.) 425

ERROR TO THE CIRCUIT COURT OF

THE UNITED STATES FOR MISSOURI

SYLLABUS

1. The equity jurisdiction and remedies conferred by the Constitution and statutes of the United States cannot be limited or restrained by state legislation, and are uniform throughout the different states of the Union. Hence the circuit court for any

district embracing a particular state will have jurisdiction of an equity proceeding against an administrator (if according to the received principles of equity a case for equitable relief is stated), notwithstanding that by a peculiar structure of the state probate system such a proceeding could not be maintained in any court of the state.

2. In a bill in equity in the circuit court, by one distributee of an intestate's estate against an administrator, it is not indispensable that such distributees make the other distributees parties if the court is able to proceed to a decree, either through a reference to a master or some other proper way, to do justice to the parties before it without injury to absent parties equally interested.

3. The sureties of an administrator on his official bond may properly be joined with him in an equity proceeding for an erroneous and fraudulent administration of the estate by him, and where, if a balance should be found against the administrator, those sureties would be liable.

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4. A bill involving but a single matter and affecting all defendants alike is not multifarious, although it may seek both to open settlements and to cancel receipts as fraudulent

Ann Payne, a citizen of Virginia, exhibited her bill in the Circuit Court of the United States for Missouri against Zadoc Hook, Public Administrator of Calloway County in that state, and his sureties on his official bond, all citizens of Missouri, to obtain her distributive share in the estate of her brother, Fielding Curtis, who died intestate in 1861 and whose estate was committed to the charge of the public administrator by order of the County Court of Calloway County. It appeared that Curtis never married and that his nearest of kin were entitled to distribution of his estate. The bill, without mentioning of what state they were citizens and without making them complainants, set forth the names of the distributees, brothers or sisters, like the complainant, of the intestate, or their children. The bill charged gross misconduct on the part of the administrator; that he had made false

settlements with the Court of Probate; withheld a true inventory of the property in his hands; used the money of the estate for his private gain; and obtained from the claimant, by fraudulent representations, a receipt in full for her share of the estate, on the payment of a less sum than she was entitled to receive. The object of the bill was to obtain relief against these fraudulent proceedings and to compel a true account of administration in order that the real condition of the estate can be ascertained and the complainant paid what justly belongs to her. It appeared from the bill that Hook had not yet made his final settlement.

The defendant demurred generally, and without assigning any specific grounds for the demurrer. On the argument of the demurrer below, the demurrer was endeavored to be supported,

1. Because, in Missouri, exclusive jurisdiction over all disputes concerning the duties or accounts of administrators, until final settlement, is given to the local county court, which is the court of probate, and because, as the administration complained of was still in progress in the County

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Court of Calloway County, resort was to be had to that court to correct the accounts of the administrator, if fraudulent or erroneous.

2. Because the other distributees were not made parties, and so that the case was without proper parties.

3. Because the sureties of the administrator were joined in the proceeding.

4. Because the bill was multifarious.

The court below sustained the demurrer, and the complainant electing to abide by her pleading, the bill was dismissed, and the case brought here by appeal.

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MR. JUSTICE DAVIS delivered the opinion of the Court.

The jurisdiction of the Circuit Court for Missouri to hear this cause is denied because in that state, exclusive jurisdiction over all disputes concerning the duties or accounts of administrators until final settlement is given to the local county court, which is the court of probate, and as the administration complained of is still in progress in the County Court of Calloway County, resort must be had to that court to correct the errors and frauds in the accounts of the administrator.

The theory of the position is this, that a federal court of chancery sitting in Missouri will not enforce demands against an administrator or executor if the court of the state having general chancery powers could not enforce similar demands. In other words, as the complainant, were she a citizen of Missouri, could obtain a redress of her grievances only through the local court of probate, she has no better or different rights because she happens to be a citizen of Virginia.

If this position could be maintained, an important part of the jurisdiction conferred on the federal courts by the Constitution and laws of Congress would be abrogated. As the citizen of one state has the constitutional right to sue a citizen of another state in the courts of the United States instead of resorting to a state tribunal, of what value would that right be if the court in which the suit is instituted

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could not proceed to judgment and afford a suitable measure of redress? The right would be worth nothing to the party entitled to its enjoyment, as it could not produce any beneficial results. But this objection to the jurisdiction of the federal tribunals has been heretofore presented to this Court and overruled.

We have repeatedly held

"that the jurisdiction of the courts of the United States over controversies between citizens of different states cannot be impaired by the laws of the states which prescribe the modes of redress in their courts or which regulate the distribution of their judicial power. [[Footnote 1](#)]"

If legal remedies are sometimes modified to suit the changes in the laws of the states, and the practice of their courts, it is not so with equitable. The equity jurisdiction conferred on the federal courts is the same that the High Court of Chancery in England possesses, is subject to neither limitation or restraint by state legislation, and is uniform throughout the different states of the Union. [[Footnote 2](#)]

The Circuit Court of the United States for the District of Missouri, therefore, had jurisdiction to hear and determine this controversy, notwithstanding the peculiar structure of the Missouri probate system, and was bound to exercise it, if the bill, according to the received principles of equity, states a case for equitable relief. The absence of a complete and adequate remedy at law, is the only test of equity jurisdiction, and the application of this principle to a particular case must depend on the character of the case, as disclosed in the pleadings. [[Footnote 3](#)]

"It is not enough that there is a remedy at law. It must be plain and adequate, or, in other words, as practical and efficient to the ends of justice, and its prompt administration, as the remedy in equity. [[Footnote 4](#)] "

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It is very evident that an action at common law, on the bond of the administrator, would not give to the complainant a practical and efficient remedy for the wrongs which, she says, she has suffered. A proceeding at law is not flexible enough to reach the fraudulent conduct of the administrator, which is the ground work of this bill, nor to furnish proper relief against it. It is, however, well settled that a court of chancery, as an incident to its power to enforce trusts, and make those holding a fiduciary relation account, has jurisdiction to compel executors and administrators to account and distribute the assets in their hands. The bill under review has this object, and nothing more. It seeks to compel the defendant, Hook, to account and pay over to Mrs. Payne her rightful share in the estate of her brother; and in case he should not do it, to fix the liability of the sureties on his bond.

But it is said the proper parties for a decree are not before the Court, as the bill shows there are other distributees besides the complainant. It is undoubtedly true that all persons materially interested in the subject matter of the suit should be made parties to it; but this rule, like all general rules, being founded in convenience, will yield, whenever it is necessary that it should yield, in order to accomplish the ends of justice. It will yield, if the court is able to proceed to a decree, and do justice to the parties before it, without injury to absent persons, equally interested in the litigation, but who cannot conveniently be made parties to the suit. [[Footnote 5](#)]

The necessity for the relaxation of the rule is more especially apparent in the courts of the United States, where, oftentimes, the enforcement of the rule would oust them of their jurisdiction, and deprive parties entitled to the interposition of a court of equity of any remedy whatever. [[Footnote 6](#)]

The present case affords an ample illustration of this necessity. The complainant sues as one of the next of kin,

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and names the other distributees, who have the same common interest, without stating of what particular state they are citizens. It is fair to presume, in the absence of any averments to the contrary, that they are citizens of Missouri. If so, they could not be joined as plaintiffs, for that would take away the jurisdiction of the court, and why make them defendants when the controversy is not with them, but the administrator and his sureties? It can never be indispensable to make defendants of those against whom nothing is alleged and from whom no relief is asked. A court of equity adapts its decrees to the necessities of each case, and should the present suit terminate in a decree against the defendants, it is easy to do substantial justice to all the parties in interest, and prevent a multiplicity of suits, by allowing the other distributees, either through a reference to a master, or by some other proper proceeding, to come in and share in the benefit of the litigation. [[Footnote 7](#)]

The next objection which we have to consider is that the sureties of the administrator are not proper parties to this suit. Their liability on the bond in an action at law is not denied, but it is insisted they cannot be sued in equity. If this doctrine were to prevail, a court of chancery, in the exercise of its power to compel an administrator to account for the property of his intestate, would be unable to do complete justice, for if, on settlement of the accounts, a balance should be found due the estate, the parties in interest, in case the administrator should fail to pay, would be turned over to a court of law, to renew the litigation with his sureties. A court of equity does not act in this way. It disposes of a case so as to end litigation, not to foster it; to diminish suits, not to multiply them. Having power to determine the liability of the administrator for his misconduct, it necessarily has an equal power, in order to meet the possible exigency of the administrator's inability to satisfy the decree, to settle the amount which the sureties on the bond, in that event, would have to pay.

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Besides, it is for the interest of the sureties that they should be joined in the suit with their principal, as it enables them to see that the accounts are correctly settled, and the administrator's liability fixed on a proper basis. If they were not made parties, considering the nature and extent of their obligation, they would have just cause of complaint.

It is said the bill is multifarious, but we cannot see any ground for such an objection. A bill cannot be said to be multifarious unless it embraces distinct matters which do not affect all the defendants alike. This case involves but a single matter, and that is the true condition of the estate of Fielding Curtis which, when ascertained, will determine the rights of the next of kin. In this investigation all the defendants are jointly interested. It is true the bill seeks to open the settlements with the probate court as fraudulent, and to cancel the receipt and transfer from the complainant to the administrator, because obtained by false representations, but the determination of these questions is necessary to arrive at the proper value of the estate, and in their determination the sureties are concerned, for the very

object of the bond which they gave was to protect the estate against frauds which the administrator might commit to its prejudice.

The decree of the circuit court for the District of Missouri is reversed and this cause is remanded to that court with instructions to proceed in conformity with this opinion.

[[Footnote 1](#)]

[Hyde v. Stone](#), 20 How. 175; [Suydam v. Broadnax](#), 14 Pet. 67; [Union Bank v. Jolly's Administrators](#), 18 How. 503.

[[Footnote 2](#)]

[Green's Administratrix v. Creighton](#), 23 How. 90; [Robinson v. Campbell](#), 3 Wheat. 212; [United States v. Howland](#), 4 Wheat. 108; [Pratt v. Northam](#), 5 Mason 95.

[[Footnote 3](#)]

[Watson v. Sutherland](#), 5 Wall. 78.

[[Footnote 4](#)]

[Boyce's Executors v. Grundy](#), 3 Pet. 210.

[[Footnote 5](#)]

Cooper's Equity Pleading 35.

[[Footnote 6](#)]

[West v. Randall](#), 2 Mason 181; Story's Equity Pleading 89 and sequentia.

[[Footnote 7](#)]

[West v. Randall](#), *supra*; [Wood v. Dummer](#), 3 Mason 317; Story's Equity Pleading, *supra*.

