
**IN THE IOWA SUPREME COURT
APPELLATE NUMBER 17-1466**

TODD MORRIS

PLAINTIFF-APPELLANT,

v.

STEFFES GROUP, INC.,

DEFENDANT-APPELLEE.

**APPEAL FROM THE IOWA DISTRICT COURT IN AND FOR
MARION COUNTY, IOWA
HONORABLE MARTHA L. MERTZ, DISTRICT COURT JUDGE**

FINAL BRIEF OF DEFENDANT-APPELLEE

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STATEMENT OF THE ISSUES PRESENTED FOR REVIEW

BRIEF POINT I.

A. PRESERVATION OF ERROR

B. STANDARD OF REVIEW

Authorities

Mosebach v. Plythe, 282 N.W.2d 755 (Iowa App. 1979)

Kraus v. Kraus, 589 N.W.2d 721, 724 (Iowa 1999)

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C. ARGUMENT

Authorities

Baratta v. Polk County Health Services, Inc., 588 N.W.2d 107, 109 (Iowa 1999)

Iowa Code § 555A.1(3)(a) (2017)

BRIEF POINT II.

A. PRESERVATION OF ERROR

B. STANDARD OF REVIEW

Authorities

Mosebach v. Plythe, 282 N.W.2d 755 (Iowa App. 1979)

Kraus v. Kraus, 589 N.W.2d 721, 724 (Iowa 1999)

LeMars Mut. Ins. Co. v. Joffer, 574 N.W.2d 303, 306 (Iowa 1998)

C. ARGUMENT

Authorities

Iowa Code § 555A.1(3)(a) (2017)

Iowa Code § 555A.1(2) (2017)

BRIEF POINT III.

A. PRESERVATION OF ERROR

B. STANDARD OF REVIEW

Authorities

SDG Macerich Properties, L.P. v. Stanek, Inc., 648 N.W.2d 581, 584 (Iowa 2002)

C. ARGUMENT

Authorities

Van Sloun v. Agans Bros., Inc., 778 N.W.2d 174, 178 (Iowa 2010)

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Lewis v. Cocks, 90 U.S. 466 (1874)

Parker v. Winnipiseogee Lake Cotton & Woolen Co., 67 U.S. 545 (1862)

U.S. v. Bean, 253 F. 1 (8th Cir. 1918).

ROUTING STATEMENT

This case may be transferred to the Court of Appeals as it involves the application of existing legal principles. Therefore, it should ordinarily be transferred to the Court of Appeals.

Iowa R. App. P. 6.1101(3)(a) (2017).

STATEMENT OF THE FACTS

Steffes Group, Inc. (“Steffes”) is a provider of agriculture-related services, including auctioning farm equipment and agricultural real estate, managing farm real estate, and

providing other land brokerage services. Appx. pp. 87-92, 93-95.

These services are provided by Steffes throughout the states of Iowa, South Dakota, North Dakota, and Minnesota. Appx. pp. 87-92, 93-95.

Consistent with prior practices, Steffes had a presence at the Iowa Farm Progress Show in 2016. Appx. pp. 87-92, 93-95.

While at the Iowa Farm Progress Show in 2016, Steffes was advertising its aforementioned services. Appx. pp. 87-92, 96-98.

Its sales representative, Duane Norton, was approached by Appellant regarding the sale of agricultural equipment owned by Appellant. Appx. pp. 87-92, 96-98.

Duane Norton's background is entirely agriculture-related, including having an ag engineering degree and work experience in the agriculture industry. Appx. pp. 87-92, 96-98.

Following their conversation in early February 2016, and at the request of Appellant, Duane Norton met with the spouse of Appellant, Lacey Morris, at Appellant's farm. Appx. pp. 87-92, 96-98, 102-104.

During the meeting at Appellant's residence, Lacey Morris executed a contract for the sale of farm equipment by Steffes at an upcoming farm equipment auction. Appx. pp. 87-92, 96-98.

Subsequent to the execution of the contract by Lacey Morris, as agent for Appellant, on February 20, 2016, Appellant texted a confirmation to Duane Norton that he intended to have Steffes sell his farm equipment at the March 24, 2016 farm auction. Appx. pp. 87-92, 96-98.

Consistent with the direction of Appellant, Steffes sold the farm equipment of Appellant at the March 24, 2016 farm equipment auction, which took place at the Iowa Farm Progress Show site in Boone, Iowa. Appx. p. 99.

In addition to the sale of Appellant's farm equipment at the auction, Steffes sold other farm related items of other clients. Appx. pp. 87-92, 96-98.

None of the items sold by Steffes at the auction in March 24, 2016 were used primary for personal, family, or household purposes. Appx. pp. 87-92, 96-98.

BRIEF POINT I.

THE DISTRICT COURT APPROPRIATELY CONCLUDED THERE WERE NO GENUINE ISSUES OF MATERIAL FACT.

A. PRESERVATION OF ERROR

Appellant adequately preserved error, as alleged in Appellant's brief.

B. STANDARD OF REVIEW

Issues pertaining to errors at law are reviewable de novo. Mosebach v. Plythe, 282 N.W.2d 755 (Iowa App. 1979).

Accordingly, the Appellate Court is charged with the responsibility to determine whether the district court correctly applied the law to facts that are not subject to a material dispute. Kraus v. Kraus, 589 N.W.2d 721, 724 (Iowa 1999);

LeMars Mut. Ins. Co. v. Joffer, 574 N.W.2d 303, 306 (Iowa 1998).

C. ARGUMENT

Although not specifically identified as an argument point by Appellant in his brief, Appellant throughout suggests there are issues of material fact, which must be addressed before the Court analyzes the legal arguments of Appellant.

For example, Appellant alleges that Duane Norton misled Lacey Morris into believing that the contract signed by Ms. Morris was simply “an asset list” and that it did not constitute a contract between the parties.

Appellant further raises questions regarding efforts by Appellant, or lack thereof, to place a reserve on the sale of one of the pieces of equipment sold by Steffes at the March 24, 2016 auction.

While Steffes adamantly denies such allegations, the recitation of such facts by Appellant are irrelevant to the analysis before the district court and now before this Court.

First, Appellant never suggested to the district court, nor to this Court, that issues of material fact exist. Rather, Appellant acknowledged in his Motion for Summary Judgment that the facts relevant to the Court's analysis are not in dispute.

Second, and as set forth in more detail below, the question before the district court (and now this Court) is whether Iowa Code Chapter 555A applies to the circumstances relating to the relationship between the parties.

A fact is material to the Court's summary judgment analysis when "it's determination might affect the outcome of the suit." Baratta v. Polk County Health Services, Inc., 588 N.W.2d 107, 109 (Iowa 1999).

In order for Iowa Code Chapter 555A to apply, the Appellant (whether it was a door-to-door sale) must have proven:

- i. The transaction was a "door-to-door sale"; and
- ii. The transaction involved consumer goods or services.

Iowa Code § 555A.1(3)(a) (2017).

The answer to the question of whether Iowa Code Chapter 555A applies does not depend upon the circumstances surrounding the execution of a contract between the parties, and whether the Appellant did in fact place a reserve on the sale of a piece of equipment. Such facts are not determinative as required by *Baratta*. Baratta v. Polk County Health Services, Inc., 588 N.W.2d 107, 109 (Iowa 1999).

The only facts that are material to the Court's analysis relate to (1) location of the sale of goods or services by Steffes to Appellant; and (2) the nature of the products or services to be sold. Iowa Code § 555A.1(3)(a) (2017).

As the Honorable Martha L. Mertz appropriately concluded, Iowa Code Chapter 555A does not apply to the "auction services" provided by Steffes to Appellant. Appx. pp. 109-110.

The district court's reference to "auction services" is important. Clearly, the district court was analyzing the

second prong set forth above--whether the transaction involved consumer goods or services.

This analysis is accurate, as the determinative question is whether the goods or services sold by Steffes to Appellant were “consumer” in nature.

The other facts alleged by Appellant relating to the execution of a contract and whether a reserve was placed upon a piece of equipment prior to the sale of the equipment by Steffes at the auction, have no bearing on whether the services sold by Steffes to Appellant are “consumer services.”

Although Appellant continues to confuse the facts that are relevant to the Court’s analysis, the district court was not persuaded by such confusion.

The district court appropriately analyzed the undisputed facts relating to the nature of services sold by Steffes to Appellant. Appx. pp. 109-110.

Thus, while Appellant alleges various facts which are in dispute, those facts are not material to the Court’s analysis regarding the application of Iowa Code Chapter 555A, and the

district court correctly concluded that no material issue of fact exists. Baratta, 588 N.W.2d at 109; Vachon v. State, 514 N.W.2d 442, 443 (Iowa 1994).

BRIEF POINT II.

THE DISTRICT COURT CORRECTLY CONCLUDED THAT IOWA CODE CHAPTER 55A DOES NOT APPLY.

A. PRESERVATION OF ERROR

Appellant adequately preserved error, as alleged in Appellant's brief.

B. STANDARD OF REVIEW

Issues pertaining to errors at law are reviewable de novo. Mosebach v. Plythe, 282 N.W.2d 755 (Iowa App. 1979).

Accordingly, the Appellate Court is charged with the responsibility to determine whether the district court correctly applied the law to facts that are not subject to a material dispute. Kraus v. Kraus, 589 N.W.2d 721, 724 (Iowa 1999); LeMars Mut. Ins. Co. v. Joffer, 574 N.W.2d 303, 306 (Iowa 1998).

C. ARGUMENT

Iowa Code Chapter 555A applies only to door-to-door sales “of consumer goods or services with the purchase price of \$25.00 or more.” Iowa Code § 555A.1(3)(a) (2017).

The Code defines “consumer goods or services” as “goods or services purchased, leased, or rented primarily for personal, family or household purposes.” Iowa Code § 555A.1(2) (2017).

Throughout his argument to the district court and in his brief filed with this Court, Appellant focuses significantly on Appellant’s use of the items that were sold at auction by Steffes.

Such focus is misplaced.

As referenced in Iowa Code section 555A.1, the analysis should be focused on what was to be sold by Steffes to Appellant.

It is undisputed that Steffes was selling agriculture-related auctioneering services to Appellant. Appx. pp. 87-92, 96-98, 102-104.

Thus, while Steffes maintains that the items sold by it were not consumer goods, as they were farm equipment, Appellant's use of such items is wholly irrelevant.

When one focuses on the services sold by Steffes, the conclusion is clear that none of them constitute a "consumer good or service."

Steffes is in the business of selling agriculture-related services, including:

- i. Auctioning farm equipment;
- ii. Auctioning farm real estate;
- iii. Managing farm real estate;
- iv. Conducting private sales of farm equipment;
- v. Providing other land brokerage services.

Appx. pp. 87-92, 93-95. This is further evidenced by the fact that the parties initially met at the Iowa Farm Progress Show in February 2016. Appx. pp. 87-92, 96-98.

While there, Steffes was advertising not the sale of consumer goods or services, but instead the sale of its

agriculture-related services, including its March 24, 2016 farm auction.

The contract of the parties further substantiates the services offered to be sold by Steffes to Appellants. As clearly noted in the contract, the March 24, 2016 sale occurred at the Boone, Iowa, Farm Progress Show site. Appx. p. 99.

Further, throughout the contract between the parties, references are made to “equipment.” Appx. p. 99.

Clearly, the services offered to be sold by Steffes, were agriculture-related auctioneering.

Applying these material and undisputed facts to Iowa Code Chapter 555A, the district court correctly concluded that Steffes was not selling to Appellant consumer goods or services.

BRIEF POINT III.

THE DISTRICT COURT DID NOT ERR IN DISMISSING APPELLANT'S PETITION IN ITS ENTIRETY.

A. PRESERVATION OF ERROR

Appellant adequately preserved error, as alleged in Appellant's brief.

B. STANDARD OF REVIEW

An Appellant Court's review of a district court's grant of equitable relief is de novo. SDG Macerich Properties, L.P. v. Stanek, Inc., 648 N.W.2d 581, 584 (Iowa 2002) (citing Johnson v. Caster, 637 N.W.2d 174, 177 (Iowa 2001)).

C. ARGUMENT

As noted by Appellant, the second count of his two-count Petition relates to a declaratory judgment. Appx. pp. 7-13.

As part of the district court's August 18, 2017 Order, the district court dismissed not only Count One, in response to the Motion for Summary Judgment of Steffes, but also Count Two, the request for declaratory judgment. Appx. pp. 109-110.

A court called upon to enter a declaratory judgment may be sitting at law or in equity. Van Sloun v. Agans Bros., Inc., 778 N.W.2d 174, 178 (Iowa 2010) (citations omitted).

When determining whether a Court that is requested to pass judgment on a declaratory judgment is sitting in equity or at law, the Court considers factors such as “pleadings, relief sought, and nature of the case.” Id. (quotations omitted).

Here, the categories weigh in favor of the Court sitting in equity.

It is well recognized that requesting the Court to void a contract is an equitable requesting, placing the court in equity, rather than at law. Khabbaz v. Swartz, 319 N.W. 2d 282 (Iowa 1982) (“A petition for the cancellation of a contract by a court of equity is directed to the sound discretion of that court exercised in the light of general equitable principles.”) (citations omitted).

Appellant’s Petition requests that a trial be had in front of a jury on “all issues arising out of the matters pled herein that are triable to a jury.” Appx. pp. 7-13 (emphasis added).

Appellant's own pleading acknowledges that some of the matters contained within the Petition are not triable at law. If this were not true, Appellant would not have distinguished between those triable to a judge and those triable to a jury.

The Petition further sets forth the relief sought, which, as it relates to Count Two, requests certain findings from the Court, and "such further and other relief to which he is entitled and which is fair and equitable under the premises." Appx. pp. 7-13 (emphasis added).

In light of the pleadings, the relief sought, and the nature of the dispute, the Court was sitting in equity as it relates to the declaratory judgment ruling. *Van Sloun*, 778 N.W.2d at 178.

It has been recognized that a Court sitting in equity has "the power to identify the relevant equities and fashion an appropriate remedy." Ney v. Ney, Iowa 891 N.W.2d 446, 451 (Iowa 2017).

The sua sponte dismissal of an action by a Court is certainly not foreign to American jurisprudence. See Lewis v.

Cocks, 90 U.S. 466 (1874); Parker v. Winnipiseogee Lake Cotton & Woolen Co., 67 U.S. 545 (1862); U.S. v. Bean, 253 F. 1 (8th Cir. 1918).

Here, consistent with the broad equitable power afforded the Court, it elected to dismiss Appellant's second count without prejudice.

Thus, the trial court did not err in exercising its broad equitable powers in dismissing Count Two of Appellant's Petition without prejudice.

REQUEST FOR NON-ORAL SUBMISSION

Steffes (Appellee) requests non-oral submission of this matter, as the pleadings, testimony, exhibits, record, and briefs submitted by the parties adequately address the issues raised on appeal. Further, this matter involves the application of existing legal principles.

CERTIFICATES OF COST, SERVICE, AND COMPLIANCE

CERTIFICATE OF COST

The undersigned attorney for Steffes (Appellee) certifies that the amount actually paid for printing and duplicating the necessary copies of this brief in final form was **\$0.00**.

CERTIFICATE OF SERVICE

The undersigned attorney for Steffes (Appellee) certifies that on the date referenced below, he filed this Proof Brief with the Clerk of the Supreme Court by EDMS and also served two (2) copies of this Final Brief on counsel for Appellant at:

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CERTIFICATE OF COMPLIANCE


1. This brief complies with the type-volume limitation of Iowa R. App. P. 6.903(1)(g)(1) because this brief contains 2,373 words, excluding the parts of the brief exempted by Iowa R. App. P. 6.903(1)(g)(1).
2. This brief complies with the typeface requirements of Iowa R. App. P. 6.903(1)(e) and the type-style

requirements of Iowa R. App. P. 6.903(1)(f) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 2016 with 14 point Bookman Old Style font.

Submitted and served this 12 day of January, 2018.

**HEINY, McMANIGAL, DUFFY,
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