IN THE COURT OF APPEALS OF IOWA

No. 1-295 / 10-0796
Filed May 25, 2011

**IN THE MATTER OF THE ESTATE OF
WILLIAM DOUGLAS SR., Deceased.**

WILLIAM DOUGLAS JR.,
Intervenor-Appellant.

Appeal from the Iowa District Court for Clarke County, Darrell Goodhue, Judge.

William Douglas Jr. appeals the district court's ruling denying his claim in probate for farm management fees and reimbursement of expenses. **AFFIRMED.**

Robert L. Stuyvesant of Stuyvesant and Benton, Carlisle, for intervenor-appellant.

Kent Balduchi, Des Moines, for heirs Betsy Showers and Rhonda Morrow.

Catherine K. Levine, Des Moines, and Arnold Kenyon of Kenyon & Nielsen, P.C., Creston, for the Estate of William Douglas Sr.

Heard by Sackett, C.J., and Doyle and Danilson, JJ.

DANILSON, J.

William Douglas Jr. appeals the district court's ruling denying his claim in probate for farm management fees and reimbursement for farm expenses paid. He contends the district court erred in failing to consider the doctrines of quantum meruit and unjust enrichment when ruling on his claim. Considering the district court did not specifically rule upon the applicability of the doctrines of quantum meruit and unjust enrichment, we find error was not preserved and the applicability of the doctrines is not properly before us for our review. Even assuming the issue was preserved, we conclude additional recovery would not be appropriate under either doctrine in light of the extent of the benefit conferred to the estate and the benefit already received by William Jr. We affirm the ruling of the district court.

I. Background Facts and Proceedings.

William Douglas Sr. resided on a farm in Clarke County. He was divorced and had five adult children, Betsy, Rhonda, Pamela, Marcia, and William Jr. In February 2004, William Sr. disappeared and has not been heard from since. In his father's absence, William Jr. moved back to the home on the farm and began to operate the farm. William Jr. used the farm machinery, paid all expenses, and took all of the income from the farm.

In March 2009, Betsy filed a petition requesting a declaration of the death of her father and the appointment of an administrator. Betsy was appointed as an administrator. William Jr., Pamela, and Marcia objected to Betsy's appointment, arguing the proper procedure pursuant to Iowa Code section 633.520 (2009) had not been followed, there had not been sufficient evidence of

the death of William Sr., and the pending administration of his estate should be dismissed. The parties thereafter agreed a jury trial regarding the presumption of William Sr.'s death should occur, pursuant to section 633.519. Following a trial on July 31, 2009, a jury returned its verdict finding William Sr. to be presumed dead. The district court entered an order stating William Sr. was legally presumed dead and estate proceedings could commence. The court appointed an independent fiduciary, Robert Porter, as the administrator of the estate.

On December 20, 2009, William Jr. filed a probate claim in the amount of $489,579.74. Of that amount, William Jr. requested approximately $316,000 for his management of the farm for the period following William Sr.'s disappearance in 2004 until the opening of the estate in 2009. William Jr.'s claim also alleged ownership in two pieces of property held in Williams Sr.'s name and an interest in saleable equipment, including a Corvette. On February 2, 2010, after the administrator denied the claim, William Jr. filed a request for hearing on his claim.

A bench trial was held March 29, 2010. The court concluded William Jr. was entitled to one-half of the proceeds of the farm machinery after public sale and reimbursement for the $23,074.56 he paid on the principal of the mortgage during his occupancy of the farm. The court denied the remainder of his claim "except as he may acquire as an heir of the decedent," and this appeal followed.

II. Scope and Standard of Review.

Because this action was tried in probate as a proceeding in equity, our review is de novo. *In re Estate of Thomann*, 649 N.W.2d 1, 3 (Iowa 2002). "We will give weight to the trial court's findings of fact, especially those involving the

credibility of witnesses, but we are not bound by them." *In re Estate of Gearhart*, 584 N.W.2d 327, 329 (Iowa 1998).

III. Preservation of Error.

The sole issue raised by William Jr. on appeal is his contention that the district court erred in failing to consider the doctrines of quantum meruit and unjust enrichment when ruling on his claim. The flaw in his argument is that the record fails to reflect William Jr. raised these doctrines in his probate claim or at trial. The district court ruling also did not address the doctrines of quantum meruit and unjust enrichment, and William Jr. did not file a motion to enlarge requesting the court to rule on the merits of these two doctrines.[1]

"It is a fundamental doctrine of appellate review that issues must ordinarily be both raised and decided by the district court before [the reviewing court] will decide them on appeal." *Meier v. Senecaut*, 641 N.W.2d 532, 537 (Iowa 2002). When a district court fails to rule on an issue properly raised by a party, the party who raised the issue must file a motion requesting a ruling in order to preserve error for appeal. *Id.*; *Benavides v. J.C. Penney Life Ins. Co.*, 539 N.W.2d 352, 356 (Iowa 1995). "It is not a sensible exercise of appellate review to analyze facts of an issue without the benefit of a full record or lower court determination." *Meier*, 641 N.W.2d at 537. We acknowledge the district court considered and applied equity principles in its ruling, but the court did not specifically rule upon the applicability of the doctrines of quantum meruit and unjust enrichment. Here,

[1] Neither William Jr.'s claim nor the court's ruling refer to the doctrines of quantum meruit or unjust enrichment. Further, opening and closing statements were apparently not reported, and thus we have no record that these two theories were argued before the district court.

error was not preserved, and the applicability of the doctrines is not properly before us for our review.

IV. Merits.

Although we can affirm on the ground William Jr. failed to preserve error, we briefly address the applicability of the doctrines of quantum meruit and unjust enrichment urged by William Jr. on appeal.[2] William Jr.'s claim in probate requested management fees in the amount of $316,000 for his five years as a farm manager, repayment for bills and farming expenses, and ownership rights in property and equipment. In this appeal he focused his claim to the recovery of management fees for managing the farm operation for five years and reimbursement for his out-of-pocket expenses less income received.

Recovery under the doctrine of quantum meruit requires, in part, for William Jr. to show services were beneficial to another and not himself. *Iowa Waste Sys., Inc. v. Buchanan Cnty.*, 617 N.W.2d 23, 28-31 (Iowa Ct. App. 2000). Recovery under the doctrine of unjust enrichment requires, in part, for William Jr. to show services conferred a benefit to another to his own detriment. *Id*.

The doctrines of unjust enrichment, quantum meruit, or implied contract are not contracts, but rather a legal fiction "that require restitution to the plaintiff of something that came into the defendant's hands but belongs to the plaintiff" and "arises from consideration of justice." *Hunter v. Union State Bank*, 505 N.W.2d 172, 177 (Iowa 1993); *see also State ex rel. Palmer v. Unisys Corp.*, 637

[2] We acknowledge a reading of the district court's ruling suggests the court considered the benefit received by the estate as well as the monies already received by Williams Jr. In this regard, the district court seems to have applied the doctrines to the facts in attempting to do justice.

N.W.2d 142, 154 (Iowa 2001) ("The doctrine of unjust enrichment is based on the principle that a party should not be permitted to be unjustly enriched at the expense of another or receive property or benefits without paying just compensation."); *Buchanan Cnty.*, 617 N.W.2d at 28 ("The antiquated term *quantum meruit* literally means 'as much as he deserved' . . . .").

If recovery is appropriate under either doctrine, the central issue becomes whether William Jr. has already been sufficiently compensated for his services. This question entails considering the reasonable value of the services rendered, determining the legitimacy of his claim for reimbursement of expenses paid, and comparing these sums to the amount already received by William Jr. In this proceeding, no one has disputed that services were rendered or that some expenses were paid.

Specifically, William Jr. received all the income from crops, cash rent, Farm Service Agency annual payments, the sale of William Sr.'s pickup, and all of the cattle sales until the cattle liquidation sale. He also resided in the home on the farm rent-free and used William Sr.'s truck and farm equipment without charge for five years. As the district court observed:

> William Jr. has filed a claim which relates to the farm property. He contends that if his claim to ownership in the farm is not recognized, then he should be paid for his efforts in operating and maintaining the farm. It is at this point that William Jr.'s representations lose any and all claims to credibility. He has received all of the income during the occupancy of the premises. On his claim he reported $84,758.17 of income. The administrator contacted the likely places where he would have sold grain and cattle and found that since he had moved in and taken over his father's farm, he had sold $46,744 worth of cattle, $65,300.34 worth of beans, $19,875.29 worth of corn, and he received $7,000 for his father's pickup he sold. In addition, it appeared at trial that he had received $16,500 in cash rent he had not disclosed to the

> administrator and approximately $2,200-$2,300 in undisclosed annual payments from the FSA, although it appears he probably did not receive those payments in 2008 or 2009. This would make total receipts of over $162,000 instead of the $84,758.17 he reported . . . . In addition, William Jr.'s claim requested $316,797 for management fees. The administrator seemed to think William Jr. should get something for management fees, but the reason for his conclusion escapes the Court given that William Jr. received all of the income from the farm. Farm managers generally get a percentage of the gross, and William Jr. got it all . . . .
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> The Court finds it rather brazen that William Jr. would request compensation for looking after the farm from which he had taken all of the income. He should be given credit for the principal payments of $23,074.56 he paid on the principal. He had no obligation to do so, and it was of direct benefit to the estate. The interest payment is another matter. The interest payment would have only been a little over $2,000 per year and that plus the real estate taxes he has paid would seem to be a reasonable part of his obligation to pay as the recipient of all of the income, the occupancy of the house, and the use of the decedent's interest in the machinery to farm other property.

Because the district court concluded William Jr. had no ownership in the real estate, he also received all of the farm income without payment of any farm rent.

In regard to William Jr.'s expenditures, the district court noted that the administrator reviewed William Jr.'s list, and after deleting William Jr.'s personal expenses, concluded William Jr. paid $96,592.99 in farm expenses. This sum excluded principal payments of $23,074.56 and interest of $11,718.95. These expenses must be viewed in light of the gross income received by William Jr. exceeding $162,000, the five-year occupancy of the house, and the use of William Sr.'s truck and farm equipment for five years.

Upon our de novo review, we conclude the district court properly weighed the equities between the parties and concluded William Jr. had already been adequately compensated for his services subject to William Jr. being reimbursed

for the principal payments in the amount of $23,074.56 and receipt of one-half of the sale proceeds of the farm machinery.

We believe the district court properly considered the reasonable value of the services rendered by William Jr. and implicit in its ruling is a determination the estate was not unjustly enriched except as it related to the principal payments of $23,074.56. Because William Jr. was considered a half owner of the farm machinery, he is also entitled to one-half of its sale proceeds. In sum, William Jr. received as much as he deserved. *See Buchanan Cnty.*, 617 N.W2d at 28.

The district court is affirmed, and we find William Jr.'s claim on appeal to be without merit.

AFFIRMED.