

Case Summary and Issues

In this small claims proceeding involving a debt for services rendered, Sentinel Alarm appeals a judgment against it and in favor of Erney's Lock & Key in the amount of \$1,590 plus costs. On appeal, Sentinel raises one issue, which we expand and restate as 1) whether the statute of frauds barred Erney's small claims action and, if not, 2) whether the small claims court's judgment in favor of Erney's is clearly erroneous. Concluding that Erney's action was equitable in nature and therefore not subject to the statute of frauds and that the small claims court's decision to afford Erney's equitable relief was not clearly erroneous, we affirm.

Facts and Procedural History

At some point in early November 2006 (or perhaps several weeks before, the record is unclear), Erney's co-owner, Barbara Erney, received a telephone order from a purported Sentinel representative requesting that Erney's install three magnetic locks at the place of business of Innovations, one of Sentinel's clients. Barbara relayed the order to her husband, John, the other co-owner of Erney's, who performed the installation. John then sent Sentinel an invoice dated November 9, 2006, requesting payment in the amount of \$1,590. Receipt of the invoice was a surprise to Bruce Chandler, Sentinel's President, because Erney's was not an authorized subcontractor of Sentinel's and, at any rate, Sentinel did not subcontract such work. Sentinel therefore refused to pay Erney's, contending it had not solicited the installation or otherwise authorized Erney's to perform it.

After unsuccessful attempts to resolve the dispute, Erney's filed a notice of claim on

January 11, 2008. After hearing testimony from the Erneys and Chandler, and admitting several documents into evidence, the small claims court found in favor of Erney's in the amount of \$1,590. Sentinel now appeals.

Discussion and Decision

I. Standard of Review

Judgments in small claims actions are “subject to review as prescribed by relevant Indiana rules and statutes.” Ind. Small Claims Rule 11(A). In conducting such a review, this court neither reweighs evidence nor judges witness credibility, and will only reverse if the judgment is clearly erroneous. Ind. Trial Rule 52(A); Counciller v. Ecenbarger, Inc., 834 N.E.2d 1018, 1021 (Ind. Ct. App. 2005). In cases such as this one where the judgment is in favor of the party who had the burden of proof at trial, this court will affirm if the evidence is such that a reasonable trier of fact could conclude that the elements of the party's claim were established by a preponderance of the evidence. Counciller, 834 N.E.2d at 1021.

We also note that Sentinel's burden on appeal is relaxed because Erney's has not filed an appellee's brief. In such cases, we will not attempt to develop an argument for the appellee and will reverse the small claims court's decision if the appellant can establish prima facie error. Trinity Homes, LLC v. Fang, 848 N.E.2d 1065, 1068 (Ind. 2006). Prima facie error means, “at first sight, on first appearance, or on the face of it.” Id. (quoting Santana v. Santana, 708 N.E.2d 886, 887 (Ind. Ct. App. 1999)).

II. Propriety of Small Claims Court's Judgment

Sentinel argues that any agreement with Erney's was unenforceable because it was not

reduced to a writing. Sentinel's argument invokes the statute of frauds, which renders certain types of agreements unenforceable unless they are in writing and signed by the party against whom enforcement is sought. See Ind. Code §§ 32-21-1-1; 26-1-2-201. The statute of frauds has no application here, however, because equitable relief is not subject to the statute under the circumstances presented, Brown v. Branch, 758 N.E.2d 48, 52 n.2 (Ind. 2001), and such relief, particularly relief for unjust enrichment, was driving the small claims court's decision.

Still, the question remains whether the small claims court's decision to award Erney's relief for the unjust enrichment of Sentinel was clearly erroneous. To prevail on a claim for unjust enrichment – also called quasi-contract, contract implied-in-law, constructive contract, and quantum meruit, see City of Indianapolis v. Twin Lakes Enters., Inc., 568 N.E.2d 1073, 1078 (Ind. Ct. App. 1991), trans. denied – the plaintiff “must establish that a measurable benefit has been conferred on the defendant under circumstances in which the defendant's retention of the benefit without payment would be unjust,” Wright v. Pennamped, 657 N.E.2d 1223, 1229 (Ind. Ct. App. 1995), clarified on reh'g, 664 N.E.2d 394, trans. denied. The facts stated above establish that Sentinel did not pay Erney's for the installation, and the following exchange between the small claims court and Chandler indicates the installation conferred a benefit on Sentinel:

- Q Sentinel did work at Innovations?
A Yes.
Q . . . I assume you got paid for it?
A Yes.
Q Did you get paid for installing maglocks?
A That was part of our estimate, yes.
Q And it was part of what you did receive?
A Yes.

- Q Do you know how much you got for those?
A No, because we have one total price for the entire job, you know.
Q Because you have indicated, here today you have testified that you now know that Mr. Erney installed those maglocks, did you give any portion of the money that you received from Innovations back to Innovations.
A No. Well actually, uh, no.

Transcript at 35; see also id. at 37 (testimony of Chandler: “Q In this matter had Sentinel been paid in full by Innovations? A Yes. Q And again the hardware that was installed by Mr. Erney is that still at that location? A To my knowledge”). The evidence thus indicates, to use the argument of Erney’s counsel, that Sentinel took “the value of that work and they have enjoyed the benefits of that work performed by Mr. Erney and he has not yet received payment for that work.” Id. at 46. Under such circumstances, the small claims court could have reasonably concluded that Sentinel’s retention of the benefits received from Erney’s installation would be unjust. Cf. Dyer Constr. Co. v. Ellas Constr. Co., 153 Ind. App. 304, 308, 287 N.E.2d 262, 264 (1972) (“In the instant case, the evidence . . . shows that Dyer delivered certain materials and performed certain services for Ellas. Ellas, in the course of a construction project, retained the benefits from Dyer’s performance. Therefore, even accepting the trial court’s finding that there was no meeting of the minds preventing an implied in fact contract, equity will prevent Ellas from being unjustly enriched by imposing on Ellas a duty to pay Dyer for the reasonable value of its services and materials.”). Thus, it follows that Sentinel has failed to establish prima facie error, let alone that the small claims court’s judgment is clearly erroneous.

Conclusion

The statute of frauds does not apply to Erney’s small claims action against Sentinel,

and the small claims court's judgment is not clearly erroneous.

Affirmed.

CRONE, J., and BROWN, J., concur.