

STATE OF MICHIGAN
COURT OF APPEALS

BECKY KRUPA,

Plaintiff-Appellant,

v

TIMOTHY DOYLE,

Defendant-Appellee.

UNPUBLISHED

December 14, 2023

No. 364091

Wayne Circuit Court

LC No. 21-003225-CH

Before: LETICA, P.J., and O'BRIEN and CAMERON, JJ.

PER CURIAM.

In this action for quiet title, plaintiff appeals as of right the trial court's order granting defendant's motion for summary disposition and dismissing plaintiff's claims. We affirm.

I. BACKGROUND

At issue in this appeal is a residential property located in Plymouth, Michigan. The property was conveyed to defendant by warranty deed on October 23, 2015.

Defendant is plaintiff's stepfather. Kay Arnold was plaintiff's mother and defendant's wife. Arnold passed away sometime in October 2015, shortly before the property was purchased. According to plaintiff's complaint, before Arnold passed away, she and plaintiff "had worked out a plan whereby [Arnold] would purchase a home and lease it to [plaintiff]." The complaint alleged that the terms of this agreement were as follows: "[Plaintiff] would pay rent on the premises that would cover [Arnold's] costs (mortgage, taxes, insurance, etc.) and when [plaintiff's] career and credit were stable enough[,] [plaintiff] would purchase the home for whatever mortgage balance was still remaining."

According to plaintiff's complaint, after Arnold passed away, defendant "decided to help out his step daughter and stepped into [Arnold's] place in the deal." Plaintiff submitted evidence demonstrating that she assisted defendant in purchasing the property; documents that needed to be signed were emailed to plaintiff (who then forward them to defendant), and the closing details

were likewise emailed to plaintiff (who forwarded them to defendant). As already stated, the property was conveyed to defendant by warranty deed on October 23, 2015.¹

On January 1, 2016, plaintiff and defendant entered into a lease agreement in which defendant agreed to lease the property to plaintiff. The initial term of the lease was for two years. The lease provided that plaintiff, as tenant, had the option of renewing the lease “5 times, for a total of 10 years of tenancy, including the first year,” so long as plaintiff was not in default or in breach of the agreement, and exercised the option in writing 30 or more days before the lease expired. The lease also had an integration or merger clause, which stated, “The foregoing constitutes the entire agreement between the parties concerning the Property and may not be modified except in writing, signed by both parties.”

Plaintiff produced several receipts showing that, during the course of her tenancy, she made several improvements to the property. Plaintiff also produced a letter which was allegedly given to plaintiff by defendant, in which defendant wished plaintiff a happy one-year anniversary in the home.

Defendant produced a handwritten ledger reflecting that plaintiff fell behind on rent beginning in September 2019. By March 2020, plaintiff was almost \$6,000 behind on rent, which led defendant to initiate eviction proceedings against plaintiff on March 11, 2020.² Those proceedings stalled after plaintiff asserted that she was the proper titleholder of the property based on the purported agreement between her and defendant. This led the court in the eviction proceedings to stay those proceedings “while the parties litigate the issue of ownership of the subject premises in circuit court[.]”

This led to the current action now on appeal. On March 9, 2021, plaintiff filed a four-count complaint. Count I alleged a claim for quiet title based on plaintiff’s purported agreement with defendant in which defendant agreed to purchase the property, and in exchange plaintiff would pay rent to cover defendant’s costs until plaintiff’s “career and credit were stable enough,” at which time plaintiff “would purchase the home for whatever mortgage balance was still remaining.” The complaint further alleged that plaintiff had partially performed her obligations under this agreement because she “made all of her rent payments, which were used by [defendant] to pay the mortgage on the premises.” Count II alleged a claim for promissory estoppel. In this count, plaintiff re-alleged her agreement with defendant, claimed that she “relied upon that promise in taking possession of the premises, paying rent on the premises, and making improvements to the property,” and that she was damaged by her reliance on defendant’s breach of his promise. Count

¹ Plaintiff’s complaint alleged that defendant “purchased the subject property using money left to him by his wife,” and that “[t]his money was his wife’s inheritance from her best friend, and it was always intended to go to or be used for [plaintiff].” Defendant, however, denied that plaintiff had any right to this money. Plaintiff has since conceded that she does not have any testamentary evidence suggesting that Arnold’s friend intended for any money to go to plaintiff.

² Plaintiff has argued throughout these proceedings that defendant initiated the eviction proceedings not because she fell behind on rent payments but because defendant disapproved of plaintiff’s boyfriend and could not convince plaintiff to enter into a prenuptial agreement.

III of the complaint alleged breach of contract, in which plaintiff claimed that her oral agreement with defendant constituted a contract that defendant breached by attempting to evict plaintiff from the home. Finally, Count IV of the complaint alleged a claim of unjust enrichment. For this count, plaintiff alleged that defendant had received and retained benefits from plaintiff in the form of her rent payments and improvements she made to the property, and that it would be unjust to allow defendant to retain those benefits without compensating plaintiff.

Defendant eventually moved for summary disposition, arguing in relevant part that all of plaintiff's claims for title were barred by the statute of frauds. Defendant contended that, to avoid application of the statute of frauds, plaintiff needed a writing demonstrating that defendant agreed to sell the property to plaintiff. According to defendant, the only writing concerning plaintiff's interest in the property was the parties' lease agreement, which did not grant plaintiff any interest in the property. Defendant similarly argued that plaintiff's unjust enrichment claim failed because any benefit that defendant received from plaintiff was pursuant to the lease agreement, so it could not be argued that he was *unjustly* enriched by plaintiff.

In response, plaintiff argued that the statute of frauds did not bar her claims because her claims fell into several exceptions to the statute of frauds; she contended that she partially performed the oral agreement which removed the agreement from the statute of frauds, and that promissory estoppel was always an exception to the statute of frauds. Plaintiff further argued that defendant's unjust-enrichment argument "makes no sense" because plaintiff's payment of rent and improvements to the property were benefits she conferred on defendant, and if defendant was going to renege on the parties' oral agreement to transfer the property to plaintiff, then plaintiff was entitled to compensation for the rent she paid and improvements she made to the property.

Plaintiff also filed her own motion for summary disposition. Plaintiff first argued that she had met her burden of proving title to the property as evidenced by the fact that the property was purchased for plaintiff, and she has since maintained the property and paid for improvements to the property. Plaintiff further contended that, because she had proven title to the property, the burden shifted to defendant to prove superior title, which he could not do, and therefore plaintiff was entitled to summary disposition in her favor. Plaintiff next argued that she had met her burden of proving promissory estoppel for the same reasons that she had met her burden of proving quiet title. Third, plaintiff argued that she had established her breach-of-contract claim because she had proven the existence of an oral agreement whereby she would purchase the property from defendant, and defendant had breached that agreement by refusing to sell the property to plaintiff and initiating eviction proceedings against her. Plaintiff finally argued that she had proven her claim of unjust enrichment because it was uncontested that (1) she made rent payments to defendant and made improvements to the property, and (2) she has not been compensated for the additional value that her actions had added to the home.

At a hearing on the parties' motions, the trial court granted defendant's motion for summary disposition and denied plaintiff's competing motion. In its ruling, the trial court explained that plaintiff's claims for title of the property were barred by the statute of frauds because plaintiff had not produced a writing in which defendant agreed to sell the property to plaintiff, and the only written agreement between the parties related to the property was the lease agreement. For plaintiff's unjust enrichment claim, the trial court similarly reasoned that the parties' lease agreement precluded plaintiff's claim.

This appeal followed.

II. STANDARD OF REVIEW

A grant or denial of summary disposition is reviewed de novo. *McMaster v DTE Energy Co*, 509 Mich 423, 431; 984 NW2d 91 (2022). Defendant moved for summary disposition in relevant part under MCR 2.116(C)(10). Summary disposition under MCR 2.116(C)(10) is proper when “there is no genuine issue as to any material fact, and the moving party is entitled to judgment or partial judgment as a matter of law.” “A genuine issue of material fact exists when the record, giving the benefit of reasonable doubt to the opposing party, leaves open an issue upon which reasonable minds might differ.” *Zaher v Miotke*, 300 Mich App 132, 139-140; 832 NW2d 266 (2013).

III. CLAIMS FOR TITLE

On appeal, plaintiff argues that the trial court erred by denying her motion for summary disposition and granting defendant’s motion for summary disposition because plaintiff met her burden of proving that she had title to the property. We disagree.

While not addressed in this way by the trial court, the parties’ lease agreement—specifically the agreement’s integration clause—is fatal to plaintiff’s claims for title to the property.

All of plaintiff’s claims for title are premised on plaintiff’s assertion that she and defendant made an oral agreement in which defendant agreed to eventually sell the property to plaintiff. It is uncontested that after the parties (allegedly) entered into this oral agreement, they signed the lease agreement. That agreement has an integration clause stating, “The foregoing constitutes the entire agreement between the parties concerning the Property and may not be modified except in writing, signed by both parties.” It is well established that “an integration clause nullifies all antecedent agreements.” *UAW-GM Human Res Ctr v KSL Recreation Corp*, 228 Mich App 486, 499; 579 NW2d 411 (1998). Thus, even if plaintiff could prove that she had an oral agreement with defendant to purchase the property, that agreement was nullified by the subsequent lease agreement and its integration clause.³ This resolves plaintiff’s claims for quiet title and breach of contract.

³ As this Court explained in *Barclae v Zarb*, 300 Mich App 455, 480; 834 NW2d 100 (2013):

[W]hile parol evidence is generally admissible to prove fraud, fraud that relates solely to an oral agreement that was nullified by a valid merger clause would have no effect on the validity of the contract. Thus, when a contract contains a valid merger clause, the only fraud that could vitiate the contract is fraud that would invalidate the merger clause itself, i.e., fraud relating to the merger clause or fraud that invalidates the entire contract including the merger clause. [Quotation marks and citation omitted.]

The integration clause in the parties' lease agreement is likewise fatal to plaintiff's promissory-estoppel claim. In *UAW-GM Human Res Ctr*, 228 Mich App at 504-505, this Court held that when there is an express contract that includes an integration clause, promissory estoppel does not apply because it is unreasonable as a matter of law for a party to rely on a promise not incorporated into the express contract.

Accordingly, the trial court properly granted defendant's motion for summary disposition on plaintiff's claims for quiet title, promissory estoppel, and breach of contract.

IV. UNJUST ENRICHMENT

Plaintiff alternatively argues that the trial court erred by dismissing her claim for unjust enrichment because her payments of rent to defendant and improvements that she made to the property constituted benefits that plaintiff conferred on defendant, and it would be unjust to allow defendant to retain those benefits without compensating plaintiff. We disagree.

As explained by this Court:

In order to sustain the claim of unjust enrichment, plaintiff must establish (1) the receipt of a benefit by defendant from plaintiff, and (2) an inequity resulting to plaintiff because of the retention of the benefit by defendant. If this is established, the law will imply a contract in order to prevent unjust enrichment. *However, a contract will be implied only if there is no express contract covering the same subject matter.* [*Belle Isle Grill Corp v City of Detroit*, 256 Mich App 463, 478; 666 NW2d 271 (2003) (citations omitted; emphasis added).]

Here, the parties had an express contract—the lease agreement—covering plaintiff's payment of rent and plaintiff's use of the property. Plaintiff therefore cannot maintain a claim for unjust enrichment for the same subject matter. Accordingly, the trial court properly dismissed plaintiff's claim for unjust enrichment.

Affirmed.

/s/ Anica Letica
/s/ Colleen A. O'Brien
/s/ Thomas C. Cameron

Plaintiff has not alleged any fraud in this case, let alone fraud that would invalidate the integration clause in the lease agreement.