

Circuit Court for Anne Arundel County
Case No. 02-C-09-142633

UNREPORTED
IN THE COURT OF SPECIAL APPEALS
OF MARYLAND

No. 16

September Term, 2018

CASEY McCALL

v.

TERRY HODGES

Reed,
Friedman,
Sharer, J. Frederick
(Senior Judge, Specially Assigned),

JJ.

Opinion by Friedman, J.

Filed: January 7, 2020

*This is an unreported opinion, and it may not be cited in any paper, brief, motion, or other document filed in this Court or any other Maryland Court as either precedent within the rule of stare decisis or as persuasive authority. MD. RULE 1-104.

In February 2018, the Circuit Court for Anne Arundel County entered an order declaring that the monetary judgment against Appellee Terry Hodges in favor of Appellant Casey McCall was satisfied in full by a private agreement between the parties. Because the question of the existence of that agreement had already been litigated and rejected in a prior proceeding between the same parties, however, we reverse the order of the circuit court.

BACKGROUND

Casey McCall and Terry Hodges were married in September 1995 and divorced in January 2011. The judgment of absolute divorce, in relevant part, granted McCall a monetary award in the amount of \$45,270.81 and rehabilitative alimony in the amount of \$1,600 per month for 18 months. Shortly after the judgment was entered, Hodges filed a claim in district court against McCall seeking to collect \$27,000. Hodges argued that he had new evidence to support his claim, which he first made during the divorce proceedings, that McCall had forged his signature to cash a settlement check and then refused to send him his half of the money.¹ Hodges's claim was heard in district court in August 2011, and dismissed on the grounds that the issue had already been addressed and decided by Judge Silkworth during the parties' original divorce proceedings.

¹ The disputed funds came from the sale of a house that took place before the parties had made the decision to divorce. At the time, Hodges was living in Georgia. When McCall received the settlement check in Maryland, she signed Hodges's name to endorse it and transferred the funds to an account in her name. Hodges maintains that McCall committed fraud by signing his name and that she still owes him \$25,000 out of what should have been his half of the money. During the original divorce proceedings, Judge Silkworth found that McCall did not commit fraud to obtain the settlement funds and that she had spent the money on legitimate family expenses. Judge Silkworth therefore declined to factor those funds into the monetary award.

Following the district court hearing, Hodges gave McCall a ride to her car during which they talked about a way to resolve their dispute over the monetary award. Specifically, they discussed an arrangement whereby Hodges would make a lump sum payment of \$20,000 and withdraw the police report he had filed, and in return McCall would file a letter with the court stating that the monetary award had been satisfied. Hodges later typed a letter, allegedly dictated to him by McCall, memorializing the agreement and had it notarized.

Based on his understanding of the parties' agreement, Hodges made a payment of \$10,000 to McCall a few weeks later. After receiving the payment, McCall contacted Hodges and told him that she was no longer willing to go along with the arrangement. During this conversation, Hodges believed that the parties reached a different agreement, however, whereby he would send McCall the rest of the money they had discussed, and she would consider the alimony award to be satisfied rather than the monetary award. Accordingly, in September 2011 Hodges made a second payment of \$10,000 and then stopped making monthly alimony payments.

After Hodges stopped making the alimony payments, McCall filed a petition for contempt. In January 2012, the parties again returned to court. At the contempt hearing, neither party was represented by counsel and Hodges participated by phone. McCall asserted that she and Hodges had never reached a final agreement but that she had backed out because the letter that he sent her was not worded the way she had wanted it to be.

Hodges asserted that he had written up the letter just the way she had dictated it and that he never would have made such large payments if they did not have an agreement.

After hearing from both sides, Judge Caroom found that there was never a meeting of the minds and, therefore, no agreement that the \$20,000 payment would satisfy either the monetary judgment or the alimony award. Judge Caroom declined to hold Hodges in contempt, however, because he concluded that Hodges's actions were based on a misunderstanding, rather than a willful violation, of the court's orders. Judge Caroom ruled that the \$20,000 Hodges had paid to McCall would first be applied to unpaid alimony, and the remainder would be applied to the monetary judgment. Hodges was also ordered to continue making monthly alimony payments and still owed \$29,570.81 on the monetary judgment.²

A few years later, in August 2017, McCall filed writs of garnishment against Hodges to attempt to collect the remainder of the monetary judgment. In response, Hodges filed a motion asserting that the monetary judgment had already been satisfied by the agreement he and McCall had made in August 2011. In January 2018, the parties returned to court yet again. At the garnishment hearing, Hodges repeated his assertion that McCall had committed fraud and argued that he and McCall had agreed that she would consider the

² When McCall filed the petition for contempt, Hodges responded with a renewed motion for modification of the judgment based on his allegation that McCall had committed fraud. *Supra*, n.1. A separate hearing was scheduled to allow Judge Silkworth to reconsider whether there were any outstanding questions about the settlement funds that might change the monetary award. At the modification hearing as at the contempt hearing, neither party was represented by counsel and Hodges participated by phone. After the hearing, Judge Silkworth issued an order denying Hodges's motion.

judgment satisfied in full by his immediate payment of \$20,000. McCall argued that the question of whether she and Hodges had made such an agreement had already been ruled on at the contempt hearing in January 2012 and, therefore, Hodges could not make that argument again. After the hearing, Judge Silkworth issued an order granting Hodges's motion to release his property and further ordering that the judgment was satisfied based on the agreement McCall and Hodges had made in August 2011.

On appeal, McCall argues that the circuit court erred by not applying the doctrine of collateral estoppel to Hodges's claim that the monetary judgment had been satisfied by the agreement the parties had made in August 2011. We agree.

DISCUSSION

Under the doctrine of collateral estoppel, “when an issue of fact or law is actually litigated and determined by a valid and final judgment,” that determination is conclusive between the parties going forward. *Garrity v. Maryland State Bd. of Plumbing*, 447 Md. 359, 368 (2016) (cleaned up). The doctrine is based on the general principles of judicial economy and fairness, that a “losing litigant deserves no rematch after a defeat fairly suffered.” *Colandrea v. Wilde Lake Cmty. Ass'n, Inc.*, 361 Md. 371, 391 (2000); *see also Garrity*, 447 Md. at 368. Properly applied, collateral estoppel prevents needless litigation and protects litigants from having to reargue the same question against the same party. *Garrity*, 447 Md. at 368. Because collateral estoppel is concerned not with the legal consequences of the earlier judgment but with the specific legal and factual findings

supporting that judgment, the preclusive effect applies even if a different claim is being asserted. *Colandrea*, 361 Md. at 391-92.

Whether collateral estoppel applies is a legal question that we review without deference. *Bank of New York Mellon v. Georg*, 456 Md. 616, 666 (2017). The Court of Appeals has established a four-part test:

1. Was the issue decided in the prior adjudication identical with the one presented in the action in question?
2. Was there a final judgment on the merits?
3. Was the party against whom the plea is asserted a party or in privity with a party to the prior adjudication?
4. Was the party against whom the plea is asserted given a fair opportunity to be heard on the issue?

Garrity, 447 Md. at 369.

All four elements of collateral estoppel are met in the present case. *First*, the issue decided at the contempt hearing is identical to the issue that was raised at the garnishment hearing. *Second*, the Circuit Court's order after the contempt hearing was a final judgment from which Hodges did not appeal. *Third*, the parties in both proceedings are identical. And *fourth*, Hodges participated in the contempt hearing by telephone and had the opportunity to offer evidence and make his arguments to the court.

The question of whether McCall and Hodges made an agreement in August 2011 has been litigated and rejected by a valid and final judgment. It does not matter that the previous proceedings and the current proceeding are not the same. What does matter is that the issue has already been conclusively decided. Because it has, Hodges was barred from

rearguing the point and the circuit court erred in not applying the doctrine of collateral estoppel.

**JUDGMENT OF THE CIRCUIT COURT
FOR ANNE ARUNDEL COUNTY
REVERSED. COSTS TO BE PAID BY
APPELLEE.**