

Circuit Court for Montgomery County
Case No. 487504V

UNREPORTED*

IN THE APPELLATE COURT

OF MARYLAND

No. 451

September Term, 2024

CLASSIC HEATING AND COOLING, LLC

v.

CRITICAL SYSTEMS, LLC

Reed,
Zic,
Kenney, James A., III
(Senior Judge, Specially Assigned),

JJ.

Opinion by Zic, J.

Filed: October 29, 2025

* This is an unreported opinion. This opinion may not be cited as precedent within the rule of stare decisis. It may be cited for its persuasive value only if the citation conforms to Maryland Rule 1-104(a)(2)(B).

This case arises from a series of complex contractual disputes between Classic Heating and Cooling, LLC (“Classic”), appellant, and Critical Systems, LLC (“Critical”), appellee. After the parties’ business relationship deteriorated, Classic filed suit against Critical, alleging multiple breaches of contract. Critical filed a counterclaim, in which it also alleged breach of contract. The Circuit Court for Montgomery County awarded damages to both parties but ultimately rejected many of Classic’s damages claims and declined to alter or amend its judgment. Classic now appeals.

QUESTIONS PRESENTED

Classic presents one question for our review, which we have recast as two and rephrased as follows:¹

1. Whether the circuit court abused its discretion in denying Classic’s motion to alter or amend.
2. Whether the circuit court erred in awarding Critical affirmative relief.

For the following reasons, we affirm.

BACKGROUND

In 2017 and 2018, Classic contracted with various general contractors to provide Heating, Ventilation, and Air Conditioning (“HVAC”) services at three separate commercial properties: the Century Apartments (“Apartments Project”); the Franklin

¹ Classic phrased the question as follows:

1. Did the [c]ircuit [c]ourt abuse its discretion by denying [Classic’s] Motion to Alter or Amend Judgment based on clearly erroneous factual findings unsupported by substantial evidence?

Lofts and Flats (“Lofts Project”); and the Madeira School (“School Project”) (collectively, “Projects”). Classic then subcontracted with Critical to “supply mechanical HVAC equipment and controls[] and [] perform integration services at each of the Projects.”

The parties’ relationship worsened over payment and performance issues. In October 2021, Classic filed a complaint against Critical, alleging three counts of breach of contract for nonperformance and nonpayment, as well as one count of intentional misrepresentation. In total, Classic sought \$501,035.09 in damages.² Critical then filed a counterclaim against Classic, claiming that Classic failed to pay invoices totaling \$200,578.50.

The Trial

The circuit court held a two-day bench trial in October 2023. During its case-in-chief, Classic called one witness, its owner Marek Skovajsa, to testify about the Projects.

As to the Apartments Project, Mr. Skovajsa testified that Critical failed to (1) install thermostats, wiring, and controls, and (2) perform start-up and commissioning. Mr. Skovajsa stated that Anderson Mechanical Services Inc. (“AMSI”) ultimately performed this work and that the general contractor for the Apartments Project back-charged Classic for AMSI’s work. Mr. Skovajsa testified that the related back

² In its appellate brief, Classic states that it sought “\$501,035.06” in damages. Based on this Court’s calculations, however, this amount is three cents less than the total of all Classic’s initial damages claims when combined.

charges included labor costs incurred to supervise AMSI’s technicians on-site, which Mr. Skovajsa explained was a requirement in its contract with the general contractor. Mr. Skovajsa also testified that he directed Mark McCormic,³ Classic’s then-senior vice president, to execute the list of back charges concerning the Apartments Project.

Next, regarding the Lofts Project, Mr. Skovajsa testified that Critical failed to provide certain controls as required. According to Mr. Skovajsa, Classic performed corrective work at a cost of \$145 per hour. Mr. Skovajsa testified that because Critical did not fulfill its obligation to redesign an electrical system, Classic had to hire Metropolitan Engineering Inc. (“MEI”) to do so. He explained that Mr. McCormic prepared the list of back charges but that Mr. Skovajsa assisted “in the way of oversight.” Mr. Skovajsa further testified that he had personal knowledge of these back charges because he “paid the people” performing the corrective work.

Mr. Skovajsa also provided testimony concerning Critical’s counterclaim. He stated that the general contractor on the Lofts Project paid Critical in “full”—despite previously agreeing that Exhibit 21, an outstanding invoice for the Lofts Project with a balance of \$59,036.56, “wasn’t paid if it sho[w]s that it’s due.” Mr. Skovajsa also conceded that Classic had not paid certain invoices but explained that this was because “the work was not finished.” He did not specify which invoices Classic had not paid or what work, exactly, was unfinished.

³ We note that the parties spell Mr. McCormic’s surname differently, and we adopt the spelling used in Classic’s brief.

Finally, regarding the School Project, Mr. Skovajsa testified that Critical breached its obligations to troubleshoot equipment and to provide Classic with sufficient information to build the HVAC system properly. Again, Mr. Skovajsa explained that he exercised “ultimate oversight” over Mr. McCormic’s preparation of the corresponding list of back charges.

Critical called two witnesses: Evan Miller, a sales engineer for Critical, and Mr. McCormic, Classic’s former vice president.

First, Mr. Miller testified that Classic made partial payments on some of the Apartments Project’s invoices⁴ but made no payment toward others.⁵ Mr. Miller also testified that Classic did not pay one particular invoice, which was admitted into evidence as Exhibit 30. He explained that the total balance of this invoice, \$33,090.47,⁶ was “place[d]” on another project’s account at Classic’s request.

Regarding Classic’s Apartments Project back charges, Mr. Miller testified that he did not “recognize, nor have any understanding of anything on the list [of charges,]” and that the list was “an attempt [by Classic] to try and devoid any responsibility of paying [its] bills.” On cross-examination, Mr. Miller conceded that the work done by AMSI, which was included on the corresponding list of back charges for the Apartments Project,

⁴ The partially paid invoices were admitted into evidence as Exhibit 5 (showing a balance of \$39,335.26), Exhibit 6 (showing a balance of \$74,363.62), and Exhibit 7 (showing a balance of \$14,210.26), respectively.

⁵ The unpaid invoices were admitted into evidence as Exhibits 8, 9, and 11, respectively.

⁶ For the sake of thoroughness, we note that Mr. Miller only references the subtotal balance (\$31,217.42) in his testimony.

fell within Critical’s scope of work under the parties’ contract. He maintained that none of the back charges for the Lofts Project or the School Project were related to work within Critical’s responsibilities.

Second, Mr. McCormic testified that he prepared the back charge lists corresponding to each of the Projects and that Classic had issued all the back charges to Critical in “an attempt [] to try to lower the amount that it owed Critical[.]”

Mr. McCormic explained that the Apartments Project back charges reflected work for which Critical was not responsible. Mr. McCormic stated that “[Classic was] trying to propose that Critical [] was responsible for the wiring, knowing that [it] w[as not].” When questioned about the back charges for MEI’s additional work on the Lofts Project, Mr. McCormic responded that he did not “have a logical explanation for [the charges].” Mr. McCormic similarly testified that the back charges on the School Project were inappropriate because Classic self-installed the system that caused the problems at the work site.

The Ruling and Post-Judgment Proceedings

Following the bench trial, the circuit court issued an oral ruling in February 2024. The court found in favor of Classic in the amount of \$96,448, and in favor of Critical in the amount of \$233,669.41, resulting in a net award to Critical for \$137,221.41. court later entered a corresponding written judgment.

Pursuant to Maryland Rule 2-534, Classic filed a timely motion to alter or amend the judgment, which Classic argued improperly rejected its back charges and granted Critical damages based on unpaid invoices. The circuit court denied the motion on April

3, 2024, and this timely appeal followed. We supplement with additional facts as necessary below.

STANDARD OF REVIEW

A trial court’s denial of a motion to alter or amend is reviewed for abuse of discretion. *Nesbitt v. Mid-Atlantic Builders of Davenport, Inc.*, 255 Md. App. 580, 588 (2022). An abuse of discretion occurs “where no reasonable person would take the view adopted by the [trial] court” or where the court acts “without reference to any guiding rules or principles.” *Powell v. Breslin*, 430 Md. 52, 62 (2013) (citation modified). An abuse of discretion may also exist when the court’s ruling is “clearly against the logic and effect of facts and inferences before the court . . . or when the ruling is violative of fact and logic.” *Alexander v. Alexander*, 252 Md. App. 1, 17 (2021) (citation modified).

Furthermore, Maryland appellate courts will not set aside a trial court’s judgment on the evidence unless clearly erroneous. Md. Rule 8-131(c); *Clickner v. Magothy River Ass’n Inc.*, 424 Md. 253, 266 (2012). Factual findings are not clearly erroneous if “any competent material evidence exists in support of the trial court’s factual findings.” *Bontempo v. Lare*, 444 Md. 344, 363 (2015) (internal marks and citation omitted). We recognize that a “trial judge, most aptly situated to determine the credibility of witnesses, [is] entitled ‘to accept—or reject—all, part, or none of the testimony of any witness, whether that testimony [is] or [is] not contradicted or corroborated by any other evidence.’” *Hripunovs v. Maximova*, 263 Md. App. 244, 269 (2024) (quoting *Omayaka v. Omayaka*, 417 Md. 643, 659 (2011)).

DISCUSSION

I. THE CIRCUIT COURT DID NOT ABUSE ITS DISCRETION IN DENYING CLASSIC’S MOTION TO ALTER OR AMEND.

A. Critical’s Invoices

On appeal, Classic argues that the circuit court abused its discretion in denying its motion to alter or amend the judgment by making multiple erroneous factual findings. Classic first contends that the court erred in crediting Critical with damages based on Exhibit 33, which Classic describes as an invoice connected to the Apartment Project, because Exhibit 33 was “not supported by material evidence.” Classic claims that Critical did not provide “testimony at trial [to explain] how Exhibit 33 relates to work allegedly performed by [Critical] so long after it abandoned the [Apartment] Project.” Critical counters that Classic’s argument is “of no moment” because it transferred the invoice between projects at Classic’s request.

We clarify that Exhibit 33 is a “credit memo” and not an invoice. Neither party offered evidence or testimony at trial regarding Exhibit 33. We note, however, that: (1) Exhibit 30 is an invoice in the same amount (\$33,090.47) as is credited by Exhibit 33, and (2) Mr. Miller provided un rebutted testimony that Classic did not pay Exhibit 30. Given that Exhibit 33 is not an invoice and was not discussed at trial, and that Exhibit 30 reflects the same amount as Exhibit 33, is an invoice, and was testified to at trial, we conclude that the circuit court intended to reference Exhibit 30—not Exhibit 33—in its judgment.

Trial courts are “entitled ‘to accept—or reject—*all*, *part*, or *none* of the testimony of any witness, whether that testimony [is] or [is] not contradicted or corroborated by any other evidence.’” *Hripunovs*, 263 Md. App. at 269 (quoting *Omayaka*, 417 Md. at 659). Here, not only was Mr. Miller’s testimony unrebutted, but Classic also does not direct us to any reason why the court’s crediting of Mr. Miller’s testimony was clearly erroneous. For this reason, we hold that the circuit court did not err in awarding \$33,090.47 to Critical.

Classic next challenges the circuit court’s award of \$59,036.56 to Critical, which the court granted based on testimony relating to an April 21, 2018 invoice admitted as Exhibit 21. Classic contends that this award conflicts with Mr. Skovajsa’s testimony that the general contractor previously paid the invoice. In support, Classic cites to a January 19, 2019 statement of account issued by Critical that does not reflect the amount in Exhibit 21. Classic also argues that Mr. Miller’s testimony alone was insufficient to justify granting the amount of the invoice. Critical argues that Classic did not dispute “the fact that [the invoice in Exhibit 21] was unpaid” at trial and maintains that the court correctly relied on Mr. Miller’s testimony to award Critical the amount reflected in the invoice (\$59,036.56).

A motion to alter or amend a judgment is not a vehicle by which to re-litigate the merits of the movant’s claims or “a time machine in which to travel back” and argue “the case with better hindsight.” *Steinhoff v. Sommerfelt*, 144 Md. App. 463, 484 (2002). “When a party requests that a court reconsider a ruling solely because of new arguments that the party could have raised before the court ruled, the court has almost limitless

discretion not to consider those argument[s].” *Schlottzhauer v. Morton*, 224 Md. App. 72, 85 (2015) (citing *Steinhoff*, 144 Md. App. at 484). “By contrast, when a party makes a prompt and timely request that a court reconsider a ruling because of a development that the party *could not have raised before the court ruled*, the court can and should reconsider its decision.” *Id.*

The record before us shows that Classic did not attempt to admit the January 19, 2019 statement of account into evidence at trial but rather initially included the statement in its post-trial motion to alter or amend the court’s judgment. In this motion, Classic did not explain why it “could not have raised [this issue] before the court ruled[.]” *Id.* Given the nearly “limitless discretion” that trial courts have to consider (or not consider) arguments that could have been raised before the judgment, *id.*, we discern no abuse of discretion in the circuit court’s decision not to reconsider whether to award Critical the amount of the invoice in Exhibit 21.

As with the testimony regarding Exhibit 30, the circuit court was entitled to credit Mr. Miller’s testimony that the Exhibit 21 invoice had not been paid. *See Hripunovs*, 263 Md. App. at 269 (citation omitted). We also note that Mr. Skovajsa agreed during trial that Classic had not paid the invoice in Exhibit 21 if “it sho[w]s that it’s due.” In light of this evidence and our deferential standard of review, we hold that the circuit court’s award of \$59,036.56 to Critical was not clearly erroneous.

B. Classic’s Back Charges

Classic next argues that the circuit court erred in denying its alleged back charge related to MEI’s work on the Lofts Project, which amounted to \$47,130. Classic claims

that because Mr. Skovajsa provided “uncontradicted trial testimony” that “MEI only performed work related to [Critical’s] errors at the [] Lofts Project[,]” the court erred in rejecting the related back charges. In response, Critical argues that the court did not err because Classic did not establish a link at trial between MEI’s work and any error caused by Critical. Critical also points to Mr. Miller’s testimony that Critical was not responsible for the need to hire MEI to complete additional work. Critical then references Mr. McCormic’s testimony, in which he stated that he could not explain the back charge.

“[A] complaint alleging a breach of contract must of necessity allege with certainty and definiteness *facts* showing a contractual obligation owed by the defendant to the plaintiff and a breach of that obligation by defendant.” *RRC Northeast, LLC v. BAA Maryland, Inc.*, 413 Md. 638, 655 (2010) (citation and internal marks omitted). “[T]he plaintiff (or counterplaintiff) asserting the claim for damages bears the burden of proving all elements of the cause of action[.]” *Collins/Snoops Assocs., Inc. v. CJF, LLC*, 190 Md. App. 146, 161 (2010) (citations omitted).

Here, contrary to Classic’s assertion, Mr. Skovajsa’s testimony is devoid of any statement demonstrating that Critical committed an error that resulted in the need to hire MEI to complete additional work. Although Mr. Skovajsa testified that additional work was necessary because of an unexpected change, he did not testify that the change was Critical’s fault. Moreover, Mr. McCormic testified that he “didn’t have a logical explanation for” the back charge. Mr. McCormic explained that while he authored the back charge documents, he “was under guidance from [Mr. Skovajsa] and the best way to

say it is that if you made the [back charge] look better and you negotiated halfway down, then something was better than nothing.”

Without facts showing that the need for MEI’s work was due to an error caused by Critical, Classic’s back charge for MEI’s work lacked any evidentiary basis. Thus, Classic did not satisfy its burden of proof. *Collins/Snoops Assocs.*, 190 Md. App. at 161. We, accordingly, hold that the circuit court did not err in denying Classic’s back charges related to MEI’s work on the Loft Project.

Classic also raises multiple arguments regarding the court’s denial of back charges for labor costs.

First, Classic argues that the court erred in finding that Mr. Skovajsa lacked sufficient personal knowledge of the labor costs. Classic maintains that Mr. Skovajsa’s testimony—detailing his role in preparing the back charge documents, overseeing employee work and payments, and communicating with Mr. McCormic about Classic employees supplementing Critical’s work—sufficiently demonstrated personal knowledge.

Second, assuming the circuit court erred in finding Mr. Skovajsa lacked the requisite personal knowledge, Classic further argues that the court incorrectly rejected its \$145-per-hour labor rate by conflating it with employee wages despite approving the same rate for AMSI’s back charges. Classic claims Mr. Skovajsa testified that the \$145 rate represented total labor costs, while Mr. McCormic’s related testimony only covered employee wages.

Third, again assuming the circuit court erred in finding Mr. Skovajsa lacked the requisite personal knowledge, Classic asserts that the court erred in denying back charges for employee time spent “supervising” Critical’s employees. Classic contends that the circuit court did not weigh Mr. Miller’s testimony that Critical knew Classic was contractually obligated to supervise Critical personnel while they worked at the Projects.

Critical responds that Mr. Skovajsa’s testimony demonstrated that he possessed only a general awareness of the charges, conducted only occasional jobsite visits, and directed Mr. McCormic to prepare the back charge documents. Critical also argues that because the distinction between labor costs and employee wages was not raised at trial, the issue is not properly before this Court. Finally, Critical claims that Mr. Miller only testified that Classic was required to escort, not “supervise,” Critical’s employees.

We observe that the circuit court, which is “most aptly situated to determine the credibility of witnesses,” was entitled to reject or accept all, part, or none of Mr. Skovajsa’s testimony regardless of “whether that testimony was or was not contradicted or corroborated by any other evidence.” *Hripunovs*, 263 Md. App. at 269 (quoting *Omayaka*, 417 Md. at 659). The court explicitly credited Mr. McCormic’s testimony, rejected Mr. Skovajsa’s testimony, and explained in its oral ruling that it was “without sufficient evidence to suggest that [Mr. Skovajsa] has the requisite personal knowledge to support the hours worked or issues that existed[.]”

On appeal, Classic has not articulated any specific reason why the court’s finding was erroneous beyond noting that Mr. Skovajsa provided contradictory testimony. This Court does not “second-guess the trial [court’s] assessment of a witness’[] credibility,”

Gizzo v. Gerstman, 245 Md. App. 168, 203 (2020), or seek out law or facts in favor of any party. *Rollins v. Capital Plaza Assocs., L.P.*, 181 Md. App. 188, 201-02 (2008). For these reasons, we hold that the circuit court did not clearly err in finding that Mr. Skovajsa lacked the requisite personal knowledge to testify credibly about the labor back charges and, accordingly, decline to address Classic’s additional arguments regarding labor costs.

II. THE CIRCUIT COURT DID NOT ERR IN AWARDING CRITICAL AFFIRMATIVE RELIEF.

Classic separately argues that the circuit court erroneously awarded affirmative damages to Critical. Classic contends that the court erred in permitting “recoupment” of the damages alleged by Classic because recoupment permits only a reduction in a plaintiff’s recovery, not an affirmative award to the defendant. Critical responds that the circuit court “simply misstated the nature of [its] affirmative claim” because Critical filed a counterclaim for breach of contract, not a claim for recoupment. In any event, Critical argues that the court’s award was supported by Maryland Rule 2-615.⁷

We agree with Classic that recoupment does not permit recovery of affirmative damages. Recoupment is an equitable remedy used to reduce or counterbalance an “adversary’s claim for monetary damages based on circumstances arising out of the same transaction on which the adversary’s claim is based.” *Smith v. Westminster Mgmt., LLC*, 257 Md. App. 336, 399 (2023), *aff’d on other grounds*, 486 Md. 616 (2024) (internal

⁷ This Rule states: “When money damages are awarded on both a claim and a counterclaim, judgment shall be entered for the excess of one over the other.”

marks and citation omitted). Rather than requiring a separate action, such as a counterclaim, recoupment allows for “matters growing out of the same transaction to be given in evidence by way of defen[s]e.” *Smith v. Johns Eastern Co.*, 269 Md. 267, 274 (1973). Recoupment “can only be used to reduce or avoid the plaintiff’s recovery.” *Smith*, 257 Md. App. at 399-400 (quoting *Imbesi v. Carpenter Realty Corp.*, 357 Md. 375, 390 (2000)).

Here, Critical did not seek recoupment of the damages alleged by Classic; rather, it filed a counterclaim for breach of contract that sought \$200,578.50 in affirmative damages. We, therefore, agree with Classic that the doctrine of recoupment does not apply. That said, the circuit court’s reference to recoupment does not accurately reflect why the court initially awarded damages to Critical. The court’s April 3, 2024 order denying Classic’s motion to alter or amend states in relevant part that:

[T]he Defendant’s pleadings support a request of “recoupment” of the damages alleged by the Plaintiff and as such the judgment was appropriate, *Billman v. State of Maryland Deposit Ins. Fund Corp.*, 88 Md. App. 79, [92-93 (1991)]. Moreover, such judgment is supported by Maryland Rule 2-615 and Maryland Rule 2-305.^[8]

⁸ Maryland Rule 2-305 provides:

A pleading that sets forth a claim for relief, whether an original claim, counterclaim, cross-claim, or third-party claim, shall contain a clear statement of the facts necessary to constitute a cause of action and demand for judgment for the relief sought. Unless otherwise required by law, (a) a demand for a money judgment that does not exceed \$75,000 shall include the amount of damages sought, and (b) a demand for a money judgment that exceeds \$75,000 shall not specify the amount sought, but shall include a general statement that the

(continued)

The court’s prior February 12, 2024 written order granted:

[A] Judgment in the amount of One-Hundred and Thirty[-Seven] Thousand, Two-Hundred and Twenty-One Dollars and Forty-One Cents (\$137,221.41) in damages, plus post judgment interest at the legal rate of 10% . . . in favor of Defendant, Critical Systems, LLC, against Plaintiff, Classic Heating and Cooling, LLC.

The reason for the reference to “recoupment” in the April 3, 2024 order denying Classic’s motion to alter or amend is unclear. Nonetheless, the order’s citation to Maryland Rules 2-305 and 2-615 provides a legal basis for the court’s affirmative award to Critical. We also discern no prejudice or harm to Classic as a result of the reference to “recoupment[.]” *See Consol. Waste Indus., Inc. v. Standard Equip. Co.*, 421 Md. 210, 220 (2011) (“Even when a trial court is found to have abused its discretion, it has long been settled policy . . . not to reverse for harmless error.”) (internal marks and citation omitted). We, accordingly, hold that the court did not abuse its discretion or commit reversible error by referencing “recoupment” in its denial of Classic’s motion to alter or amend.

CONCLUSION

We hold that the circuit court did not abuse its discretion in denying Classic’s motion to alter or amend because the court did not make clearly erroneous factual

amount sought exceeds \$75,000. Relief in the alternative or of several different types may be demanded.

findings. Additionally, we hold that the court’s reference to “recoupment” in the order denying Classic’s motion to alter or amend does not constitute an abuse of discretion.

**JUDGMENT OF THE CIRCUIT COURT
FOR MONTGOMERY COUNTY
AFFIRMED; COSTS TO BE PAID BY
APPELLANT.**