

Circuit Court for Cecil County
Case No. C-07-CV-17-000284

UNREPORTED
IN THE COURT OF SPECIAL APPEALS
OF MARYLAND

No. 2831

September Term, 2018

FAIR HILL INTERNATIONAL, INC.

v.

ORANGE PRODUCTION SOLUTIONS, LLC.

Kehoe,
Arthur,
Moylan, Charles E., Jr.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Arthur, J.

Filed: March 20, 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.

Orange Production Solutions, LLC (“OPS”), brought an action against Fair Hill International, Inc. (“Fair Hill”), seeking compensation for logistical work that it performed at an equestrian competition hosted by Fair Hill. After a bench trial, the Circuit Court for Cecil County found that Fair Hill had been unjustly enriched and awarded restitution for the benefits that it received from OPS’s work. Fair Hill appealed. Because we find no error in the court’s ruling, we affirm.

FACTUAL AND PROCEDURAL HISTORY

Fair Hill, a Maryland non-profit organization that conducts equestrian events in Cecil County, hired OPS, a Tennessee-based company that provides construction and operational consulting services to venues hosting equestrian events, to provide venue design and on-site operations services for an annual, three-day equestrian competition in October 2015 (the “2015 Event”).

OPS began to discuss the prospect of working with Fair Hill in the spring of 2015. Fair Hill expressed a desire to increase the size and quality of the 2015 Event and to address issues with the temporary stabling, fencing, and drainage at the event.

Upon a request from Fair Hill, Jake Cone, the owner of OPS, prepared a written proposal that outlined the services that OPS would provide and the estimated costs, including the company’s hourly rates. After discussing the proposal with Cone, Fair Hill’s executive director hired OPS in July 2015 to provide the services included in the document. In September 2015, OPS submitted an operations manual to Fair Hill, which described the site map, the venue design and operational assets, and the budget for the

event.

OPS contributed several improvements to the event's venue design and operations. The improvements involved the stabling of horses, the disposal of manure and trash, and water drainage. In addition, OPS assisted with the delivery and installation of tents and fencing and assisted in unloading (or "un-boarding") the horses that were competing in the event.

OPS submitted an invoice for its services. According to the invoice, OPS devoted fifty hours to venue design services and eighty hours to generating the operations manual, at a rate of \$130 an hour. OPS had also devoted five days to on-site operations at a rate of \$500 a day. In addition, OPS incurred \$954.23 in expenses relating to the services. Not including the expenses, the total amount of the invoice was \$19,400.

OPS, however, discounted the entire amount of the invoice. At trial, Cone explained that the event had potential to grow and that he had desired to establish a long-term relationship with Fair Hill. Cone and Fair Hill's executive director had discussed entering into a \$20,000 service contract for the following year's event (the "2016 Event"), and the invoice states OPS's fee was "to be discounted in exchange for [a] 2016 service contract."

The executive director and Cone spoke several more times in the winter and spring of 2016 regarding future work, and in January 2016 Fair Hill asked Cone to begin preparations for the 2016 Event.

In April 2016, Fair Hill informed Cone that it intended to substantially increase the

size of the competition and asked for his help with drafting a proposal. Cone started a new company, Buzzer Sports, LLC, to address Fair Hill's needs for the expanded competition. Buzzer Sports and Fair Hill began negotiating a five-year deal in the spring of 2016. Negotiations fell through, however, because the contract required Buzzer Sports to make significant investments at the beginning of the five-year term, but Fair Hill demanded that the contract include a provision allowing it to terminate the relationship without cause. Because Cone could not agree to that demand, Fair Hill's attorney advised him that Fair Hill would not use his company for any future services and would not communicate with him except through an attorney.

After unsuccessfully attempting to salvage his relationship with Fair Hill, Cone, individually, filed a lawsuit against Fair Hill in Tennessee to collect the service fee that he had discounted for the 2015 Event. The Tennessee court dismissed the suit for lack of personal jurisdiction, and OPS filed this action in the Circuit Court for Cecil County.

OPS's complaint alleged claims for breach of contract, quantum meruit, and unjust enrichment. OPS alleged that the 2015 invoice constituted a contract that bound Fair Hill to provide OPS with a \$20,000 service contract for the 2016 Event. In the alternative, OPS alleged that it had conferred a benefit on Fair Hill through its services for the 2015 Event and that permitting Fair Hill to retain the benefit without payment would be unjust.

At a one-day bench trial, Cone was the sole witness for OPS. At the end of OPS's case, the court granted Fair Hill's motion for judgment on the breach of contract claim, because it determined that no contract had been formed. The court also dismissed the

quantum meruit claim, as it “is not truly a cause of action but a measure of recovery available in an action for contract implied-in-fact or for unjust enrichment.” *See Dolan v. McQuaide*, 215 Md. App. 24, 37-38 (2013).

The court thereafter heard testimony from a member of Fair Hill’s board regarding the services provided to Fair Hill.

At testimony’s conclusion, the court found that OPS had conferred a benefit on Fair Hill and that the parties expected OPS to be compensated. The court mentioned the substantial improvements that OPS’s services made to the event, including the fencing and stabling of horses. Because Fair Hill did not appear to believe that OPS was working on a volunteer basis, the court determined that OPS was entitled to compensation under the unjust enrichment claim.

The court awarded OPS \$10,950 for its services. The court calculated the award by giving OPS its full fee for onsite operations (\$2500) and halving the fee for venue design services (awarding \$3250 out of the \$6500 claimed) and for the operations manual (awarding \$5200 of the \$10,400 claimed). In reaching its decision, the court expressly determined that “half of the work [OPS] performed . . . made a material change of benefit to Fair Hill.”

Fair Hill noted its timely appeal.

QUESTION PRESENTED

Fair Hill presents one question for review: “Whether the Circuit Court for Cecil County erred in granting a judgment to [OPS] based on the claim of unjust enrichment?”

For the reasons stated herein, we shall affirm.

STANDARD OF REVIEW

If a case is tried without a jury, the standard of review in this Court is governed by Maryland Rule 8-131(c):

When an action has been tried without a jury, the appellate court will review the case on both the law and the evidence. It will not set aside the judgment of the trial court on the evidence unless clearly erroneous, and will give due regard to the opportunity of the trial court to judge the credibility of the witnesses.

When applying the clearly erroneous standard, appellate courts “must consider the evidence in the light most favorable to the prevailing party and decide not whether the trial judge’s conclusions of fact were correct, but only whether they were supported by a preponderance of the evidence.” *Royal Inv. Grp., LLC v. Wang*, 183 Md. App. 406, 430 (2008) (internal quotation marks omitted). Factual findings are not clearly erroneous if “there is any competent evidence to support” them. *Goff v. State*, 387 Md. 327, 338 (2005). Appellate courts review a trial court’s legal conclusions to determine if they are “legally correct.” *Middleton v. State*, 238 Md. App. 295, 305 (2018).

DISCUSSION

Fair Hill contests the circuit court’s decision on two grounds. First, it claims that the court committed legal error by determining the award based on OPS’s loss in performing services for Fair Hill, rather than on the benefit conferred to Fair Hill by OPS’s services. Second, it claims that the trial court’s calculation of the award amount was random and, therefore, clearly erroneous.

Unjust enrichment is a quasi-contract claim. *AAC HP Realty, LLC v. Bubba Gump Shrimp Co. Rests.*, 243 Md. App. 62, 70 (2019). A quasi-contract is a “[l]egal fiction invented by common law courts to permit recovery by contractual remedy in cases where, in fact, there is no contract, but where circumstances are such that justice warrants a recovery as though there had been a promise.” *County Comm’rs of Caroline Cty. v. J. Roland Dashiell & Sons, Inc.*, 358 Md. 83, 94 (2000) (quoting BLACK’S LAW DICTIONARY 324 (6th ed. 1990)). The claim is an obligation created by law, “for reasons of justice,” in the absence of a binding agreement. *Id.* at 95 (quoting Restatement (Second) of Contracts § 4 (1981)).

Unjust enrichment consists of three elements:

1. A benefit conferred upon the defendant by the plaintiff;
2. An appreciation or knowledge by the defendant of the benefit; and
3. The acceptance or retention by the defendant of the benefit under such circumstances as to make it inequitable for the defendant to retain the benefit without the payment of its value.

Hill v. Cross Country Settlements, LLC, 402 Md. 281, 295 (2007).

A person who is unjustly enriched at the expense of another party is required to make restitution to the other party. *Royal Inv. Grp., LLC v. Wang*, 183 Md. App. at 439 (citing *Everhart v. Miles*, 47 Md. App. 131, 138 (1980)). The restitution award “is not aimed at compensating the plaintiff, but at forcing the defendant[s] to disgorge benefits that it would be unjust for [them] to keep.” *Mass Transit Admin. v. Granite Constr. Co.*, 57 Md. App. 766, 775 (1984) (quoting Dan B. Dobbs, *Handbook on the Law of Remedies*

§ 4.2 (1973)). The recovery is measured, therefore, by “the gain to the defendant, not the loss by the plaintiff.” *Id.* The defendant’s enrichment must have been unjust, meaning that “the circumstances of the receipt of the benefit are such as between the two [parties] that to retain it would be unjust.” *Alternatives Unlimited, Inc. v. New Baltimore City Bd. of Sch. Comm’rs*, 155 Md. App. 415, 500 (2004) (quoting *First Nat’l Bank v. Shpritz*, 63 Md. App. 623, 640 (1985)).¹

Fair Hill claims that the court incorrectly measured OPS’s recovery by looking to OPS’s loss, rather than by considering Fair Hill’s gain from OPS’s work. As proof, Fair Hill cites the circuit court’s reference in its ruling to OPS’s proposal, which outlined the services that OPS would provide and the estimated costs.

The circuit court, however, made it clear that it based its award only on the enrichment Fair Hill received from OPS’s services, and not on the cost of all services provided by OPS. In discussing OPS’s entitlement to compensation, the court stated:

[A] number of the services that were provided in the proposal were services that were already being performed by Fair Hill International on a yearly basis, and really did not amount to any substantial change or benefit, you know, the hay, the shavings, things of that nature. **But there were things that were improved upon**, and the two that keep getting mentioned here

¹ “The mere fact that a person benefits another is not of itself sufficient to require the other to make restitution.” *First Nat’l Bank v. Shpritz*, 63 Md. App. 623, 640 (1985) (citing Restatement of Restitution § 1, cmt. c (1937)). “For example, ‘[a] person who officiously confers a benefit upon another is not entitled to restitution therefor.’” *Id.* (quoting Restatement of Restitution, *supra*, § 2). Similarly, “[a] person who without mistake, coercion or request has unconditionally conferred a benefit upon another is,” ordinarily, “not entitled to restitution.” *Id.* (quoting Restatement of Restitution, *supra*, § 112). A person who provides such a benefit is called an “officious intermeddler.” *Hill v. Cross Country Settlements, LLC*, 402 Md. 281, 300 n.12 (2007). As Fair Hill requested OPS’s services, OPS was clearly not an “officious intermeddler.”

are the stable fencing and the un-boarding day.

(Emphasis added.)

The ruling here demonstrates that, in awarding damages for unjust enrichment, the court considered only the services that improved the event from previous years—such as the stabling of the horses and the un-boarding day—and excluded the planning and design services that did not enhance the operation of the event. Because the court considered only the substantial benefits that OPS’s services conferred on Fair Hill, the award did not represent the entire service fee that OPS waived in the invoice. We see no legal error in the circuit court’s decision.

Fair Hill goes on to contest the calculation of the award, in which the court combined the amount submitted for onsite operations in the invoice and half of the fees incurred for design services and operations manual fees. Fair Hill argues, in essence, the award lacked any basis in the evidence.

“The third element of an unjust enrichment claim,” whether equity requires the defendant to provide restitution to the plaintiff, is “a fact-specific balancing of the equities.” *Royal Inv. Grp., LLC v. Wang*, 183 Md. App. at 440 (quoting *Hill v. Cross Country Settlements, LLC*, 402 Md. at 301). Because restitution is an equitable remedy, the circuit court does not need to compute the award with “mathematical certainty.” *Jackson v. 2109 Brandywine, LLC*, 180 Md. App. 535, 575 (2008). Instead, the court is afforded “considerable discretion in calculating the amount of money that should be returned to” the plaintiff. *Id.* at 576. The trial court’s calculation of the award, therefore,

is reviewed for abuse of discretion. *Royal Inv. Grp., LLC v. Wang*, 183 Md. App. at 440. The factual findings on which the court bases its award are reviewed under the clearly erroneous standard. *Id.* (citing Md. Rule 8-131(c)).

Here, the circuit court found that “probably half of the work [OPS] performed . . . made a material change of benefit to Fair Hill” and that OPS fully performed the onsite work outlined in the proposal. The court concluded that OPS did not perform the services “as a volunteer” and that it “expected to be paid for [the] services.”

Cone’s testimony and the proposal documents adequately support the court’s findings. Based on those findings, the court appropriately concluded that equity favored awarding OPS a portion of the fees reflected in the invoice. OPS provided services that substantially improved the operations of the annual competition, it did so with the expectation that it would receive some form of compensation in return, and it agreed to waive its service fees only in exchange for a contract to work on the 2016 Event. Because the parties were unable to contract for further work, OPS was left uncompensated for the valuable services it provided. The court, therefore, did not abuse its discretion in awarding OPS \$10,950 for its work on the 2015 Event under the doctrine of unjust enrichment.

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