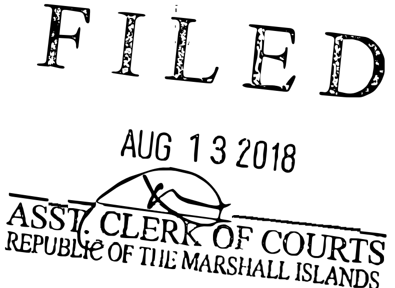
James McCaffrey, M.I. Adm. # 103
James@McCaffreyFirm.com

c/o THE MCCAFFREY FIRM, LTD.
RRE (BoMI) Bldg., 2nd Flr.
P.O. Box 509
Majuro, MH 96960, Marshall Islands
Tel: +692-625-6000
Fax (Virtual): +1-619-839-3778

Attorney for Defendants



IN THE HIGH COURT
REPUBLIC OF THE MARSHALL ISLANDS

EIGIGU HOLDING CORPORATION, Plaintiff, vs. LEANDER LEANDER and LIJUN LEANDER Defendants	Civil Action No. **2014-067 CRW** OPPOSITION TO PLAINIFF'S 2nd MOTION FOR SUMMARY JUDGMENT; EXHIBITS 1 AND 2; and CERTIFICATE OF SERVICE

Comes now Defendants, by and through their attorney James McCaffrey, and hereby oppose the 2nd Motion for Summary Judgment filed by Plaintiff on 25 June 2018.

Background

Plaintiff on 12 November 2015, through its then attorney Gordon Benjamin, filed a motion for a Declaratory Judgment against Defendants. As the motion dealt with facts in addition to law, the Court treated it as a Motion for Summary Judgment. Defendants responded to that motion on 20 February 2017 and also brought a Cross Motion for Summary Judgment. Defendant Leander Leander's supporting Declaration to that filing is incorporated herein by this reference.

On 5 March 2017 the Court denied both motions for summary judgment.

COURT ESTABLISHED FACTS

In its order of 5 March 2017, the Court found and established 12 numbered paragraphs of facts for this case (pages 2-3 of the Order).

ARGUMENT

There is little new in Plaintiff's 2nd Motion for Summary Judgment compared to the first. The 2nd motion does not identify new facts or law. The 2nd motion ignores and does not discuss the Court's Order of 5 March 2017. As shown below, the 2nd motion conflicts with the findings of the Court's Order and does not provide evidence or support to overturn that Order.

1. The Tsitsi Receipt for the $200,000 payment is a disputed material fact.

The Court did not include the $200,000 payment with the other established facts thus making it a disputed fact for determination at trial. Plaintiff claims that it never received the payment from its agent Rubin Tsitsi and Defendants claim that they made the payment and have introduced the notarized receipt given on 9 July 2010 by Rubin Tsitsi, the long-time agent of NLGC/EHC.

Plaintiff's counsel states that he "...spoke to Defendant's counsel about the specifics of this payment during the request for discovery, but Defendants could not produce evidence to show the sources of the funds at that time." (2nd Motion, page 3, last sentence).

It is correct that counsel spoke but Plaintiff's counsel is incorrect in his characterization of the conversation. I explained that Defendants operated on a cash basis, operated several large successful businesses, and did have evidence that they had possession of large amounts of cash although not necessarily direct evidence of this payment. I explained that I needed a stipulated protective order as

to this confidential information. Plaintiff's counsel stated he was only interested in direct evidence of payment and that concluded the discussion.

In Defendants 12 April 2018 Response to Request for Production I included the following paragraph regarding this issue:

"RESPONSE 6: Defendants do not currently possess any direct evidence of the $200,000 payment made in 2002 (16 years ago) other than the receipt from the Nauru Council Office, Plaintiff's predecessor in interest. See document attached as Exhibit 5.

Defendants do possess some confidential financial information that supports their contention that they had the financial ability to make the 2002 payment. That information includes copies of six-figure canceled checks from Bank of Marshall Islands in 2008 and 2009, copies of 2006 and 2007 deposit slips showing large deposits to Bank of Guam, and a printout of the bank ledger for Map Vision Wholesale for 03/02/11 to 02/01/2016.

Defendants counsel telephoned Plaintiff's counsel about a stipulated protective order for these documents. Plaintiff's counsel stated that he was only seeking documents that would directly support the $200,000 payment. Defendant's counsel is of the opinion that the request as written is broader than that and that Defendants may wish to introduce the above-described documents at trial. Thus, they are disclosed here. They are available for inspection but not copying at the office of Defendant's counsel.

Copies are available upon signing a stipulated protective order."

2. Section 438 of the LRA was adopted in December 2003, AFTER the April 2001 Lease and 2002 payment.

Plaintiffs correctly state Section 438 of the LRA Act but omit its source which was the Land Recording Act 2003, P.L. 2003-92. The stated commencement date of the Act is 3 December 2003 although Section 443 seems to allow Cabinet to set a later date.

https://rmiparliament.org/cms/images/LEGISLATION/PRINCIPAL/2003/2003-0092/LandRecordingandRegistrationAct2003_2.pdf

The Act is not retroactive and does not apply to a 2002 payment made at least a year before the commencement of the Act. See excerpts of the Act attached as EXHIBIT 1.

3. The Court has already found NLGC and EHC to be related

Section 3 of Plaintiff's argument is nothing but a shell game where EHC, the successor-in-interest to NLGC, seeks to avoid being bound by the acts of EHC/NLGC joint agent, Rubin Tsitsi.

Such argument is contrary to the Court's Established Facts and Plaintiffs have submitted no new evidence to the contrary.

4. The Master Lease was restored by its terms, Subleases by operation of law

On page 4 of its Order, the court has already found that there is a material issue whether the termination of the master lease was final.

At trial, Defendants will show that:

1) by its terms, the 20 November 1993 Agreement between Landowners and EHC revoked the termination of the Master Lease and thus restored the Master Lease and its subleases; or

2) the common law doctrine of "Estoppel by Deed" automatically restored the subleases when EHC reacquired the Master Lease ***regardless*** of whether this was by Master Lease restoration or by entering into a new Master Lease.

The common law doctrine of Estoppel by Deed is explained in this seminar Pennsylvania Supreme Court case involving leases, *Shedden v Anadarko Company*, attached hereto as EXHIBIT 2 and available directly at:

https://caselaw.findlaw.com/pa-supreme-court/1730543.html

The Court explained that in Pennsylvania, [the] doctrine of estoppel by deed precludes one who leases property which he does not own, but of which he later acquires ownership, from denying the lease on the basis he did not have ownership at the time the lease was executed. Ex.2 page 6, para 3.

Further, "when a vendor or mortgagor either sells or mortgages land which he does not own, and afterwards acquires title thereto, he is not permitted to set up this after-acquired title to defeat his previous grant or mortgage, for this would permit him to perpetrate a fraud upon his grantee or creditor."; *Daley v. Hornbaker*, 325 Pa.Super. 172, 472 A.2d 703, 705 (Pa.Super.1984) ("A grantor is estopped to assert anything in derogation of his deed, as against grantee."). Ex.2 page 8, para 2.

Request for Relief

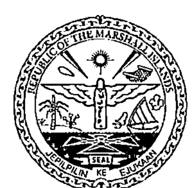
Defendants ask that the Court DENY Plaintiff's 2nd Motion for Declaratory/Summary Judgment.

Dated: 12 August 2018
Baja California

Digitally signed by James McCaffrey
DN: cn=James McCaffrey, o=McCaffrey Firm, ou, email=James@McCaffreyFirm.com, c=MH
Date: 2018.08.12 16:33:22 -07'00'

By: ______________________________
James McCaffrey, Attorney for Defendants

TITLE 24 – PROPERTY
CHAPTER 4 - LAND REGISTRATION AUTHORITY



Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

LAND RECORDING AND REGISTRATION ACT 2003

AN ACT to create the Land Registration Authority and provide for its operation and procedures; to provide for the recording of all land interests, registration of certain land interests, and guarantee of title to registered interests; and to establish legal requirements for land leases in the Republic.

Commencement:	*December 3, 2003*
Source:	*P. L. 2003-92*
Amended By:	*P. L. 2006-59*
P.L. 2015-43.	

PART I - GENERAL PROVISIONS

§401. Short title.

This Chapter may be cited as the "Land Recording and Registration Act 2003". [P.L. 2003-92, §1].

§402. Interpretation.

(1) In this Chapter, unless the context otherwise requires:

(2) "**Authority**" means the Land Registration Authority established in Part II of this Chapter.

(3) "**Board**" means the Board of Directors of the Authority.

PART VII – MISCELLANEOUS

§435. Correction of errors.

Upon recommendation of the Registrar, the Authority is authorized to correct any errors which may be discovered with respect to a certificate of registration, including but not limited to errors with respect to land surveys, legal descriptions, overlooked prior recorded interests, and characterization of objections or other matters noted on the certificate. No such correction shall operate to invalidate a right to any claim under the guarantee which accrued before the correction, but from and after recording of the corrected certificate, no new rights shall arise because of the error. [P.L. 2003-92, §35].

§436. Liability limitation.

Neither the Authority nor any of its members or employees shall be liable to any person for an error made in good faith except to the extent that it results from gross negligence. [P.L. 2003-92, §36].

§437. Writing required.

No contract with respect to land which is not to be performed within one year after the making thereof and no conveyance of a ownership, leasehold for a term of more than one year, mortgage, or easement interest shall be valid against the parties thereto or any third party unless the contract or conveyance is in writing. This section shall not operate to invalidate any unwritten interest in land or conveyance thereof which was valid before the effective date of this Chapter. [P.L. 2003-92, §37].

§438. Advance rental payments.

(1) No lease shall require the payment of rent more than three (3) years before the end of the portion of the term for which it is payable.

(2) Except for the damages that the lessor is entitled to recover as a result of a default by the lessee, no rent payable under a lease shall be paid more than one year in advance of the due date provided in the lease. A payment in violation of this subsection shall be void as against any heirs or successors of the lessor who acquired their interest in the land between the date the rent was paid and one year before it was due. [P.L. 2003-92, §38].

connection with a registration procedure, or otherwise, knowing it to be forged, fabricated, false, or misleading in any material respect shall be guilty of providing false information and shall upon conviction be liable to a fine not exceeding ($1,000) six months imprisonment or both

(4) Every person who willfully and without authorization removes, destroys, alters, falsifies, conceals, mutilates, or obliterates any document in the land records or submitted in connection with a registration procedure under this Chapter shall be guilty of tampering with land records and upon conviction be liable to a fine not exceeding two thousand five hundred dollars ($2,500) or one year imprisonment or both.

(5) Offences specified in this Section shall have the same status as offenses specified in Title 31 of MIRC for all purposes, including but not limited to applying the provisions therein regarding accessories, attempts, and conspiracies. [P.L. 2003-92, §41].

§442. Repeals.

The following laws are hereby repealed in their entirety:

(1) the*Marshall Islands Development Land Registration Authority Act 2000*, Public Law No. 2001-26;

(2) 24 MIRC, Chapter 1, Part IV ("Recording of Land Transfers"), except that section117 thereof shall remain effective until the records referred to therein have been transferred from the Clerk of Court to the Authority as provided in Section 19 of this Chapter;

(3) the following section of 24 MIRC, Chapter 3 ("*Real Property Mortgage Act 1987*"), also known as P.L. 1987-13: sections 2 (b), 4 through 7, and 16;

(4) 30 MIRC, Chapter 1, Part 1, section 3 ("Judgments affecting land");

(5) the Land Lease Commission Act of 1993; and

(6) Section 119 of 24 MIRC chapter 1 .[P.L. 2003-92, §42].

§443. Effective Date

This Chapter shall take effect on a date to be decided by the Cabinet and publicly notified by circular, newspaper and radio notices, after certification,

in accordance with Article IV Section 21 of the Constitution and the Rules and Procedures of the Nitijela.

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SHEDDEN v. ANADARKO COMPANY

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Supreme Court of Pennsylvania.

Leo E. SHEDDEN and Sandra L. Shedden, Appellants v. ANADARKO E. & P. COMPANY, L.P., Appellee.

No. 103 MAP 2014.

Decided: March 29, 2016

SAYLOR, C.J., BAER, TODD, DONOHUE, DOUGHERTY, WECHT, JJ.

OPINION

In this appeal, we consider whether the Superior Court properly applied the doctrine of estoppel by deed to conclude that an oil and gas lease between Appellee, Anadarko E. & P. Co., L.P. ("Anadarko"), and Appellants, Leo and Sandra Shedden, covers the oil and gas rights to 100% of the property identified in the lease, notwithstanding the fact that, unbeknownst to them, Appellants owned only a one-half interest in the oil and gas rights to the property at the time the lease was executed, and, consequently, received a bonus payment only for the oil and gas rights they actually owned. Upon review, we affirm.

The facts of the instant case are undisputed. Appellants are the owners of a 62–acre parcel of land (the "Property") located in Ward Township, Tioga County, which they purchased from Colgate University in 1990. Unbeknownst to Appellants, on February 21, 1894, Appellants' predecessors in interest, Ezra and Emma Baxter (the "Baxters"), reserved by recorded deed one-half of the oil and gas rights to the Property.[1] In May 2006, Appellants leased to Anadarko the oil and gas rights to the Property for a term of five years, expressly warranting title in all of the oil and gas.[2] As consideration, Anadarko agreed to pay Appellants a bonus payment

of $80 per acre. Anadarko sent Appellants a Lease Purchase Report and an Order of Payment reflecting a bonus payment of $80 per acre on 62 acres, totaling $4,960. Prior to tendering the bonus payment, however, Anadarko's land agent discovered the Baxters' 1894 reservation of one-half of the oil and gas rights to the Property, and informed Appellants that Anadarko would pay a bonus on only 31 of the 62 acres. Thereafter, Anadarko sent Appellants a revised Order for Payment, describing the subject Property as "a tract of land containing 62.00 gross acres, 31.00 net acres," and indicating that, as consideration for the agreement, Anadarko would pay Appellants a total of $2,480. Order for Payment (R.R. at 19a). Appellants did not sign the revised Order for Payment, but subsequently accepted Anadarko's payment of $2,480. Critical to the instant appeal, two years after executing the Lease, Appellants filed a motion to quiet title on the Baxters' previously-reserved one-half interest in the oil and gas rights to the Property, which the trial court granted.

On March 31, 2011, Anadarko invoked the extension clause contained in the Lease by sending Appellants a check in the amount of $4,340, which represented an extension payment of $70 per acre on 62 acres. Appellants did not cash the check, however, based on their belief that Anadarko had leased the oil and gas rights to only one-half of the Property, and, thus, that Anadarko overpaid them by $2,170. On October 21, 2011, Appellants filed a declaratory judgment action seeking a declaration that the Lease "only pertains to oil and gas contained on 31 acres" of the Property. Complaint, 10/12/11, at 4 (R.R. 5a). In response, Anadarko filed a motion for summary judgment, asserting that Appellants were estopped, both by their contractual promises and by the doctrine of estoppel by deed, from denying that the Lease grants Anadarko 100% of the oil and gas rights to the Property.

In response to Anadarko's motion for summary judgment, Appellants argued that they could not have leased to Anadarko 100% of the oil and gas rights to the Property because they owned only one-half of the rights thereto at the time the Lease was executed. Appellants further maintained that Anadarko's 2006 revised bonus payment of $80 on 31 net acres of the Property constituted a modification of the Lease. Appellants contended that, because Anadarko leased only one-half of the oil and gas rights to

the Property, Anadarko could extend the primary term of the Lease only as to one-half of the oil and gas rights to the Property.

On April 16, 2013, the trial court granted Anadarko's motion for summary judgment and dismissed Appellants' declaratory judgment action, concluding that the Lease "covers all oil and gas underlying the entirety of [Appellants'] 62–acre property . and that the Primary Term of the Lease was timely and validly extended, and the Lease remains in effect according to its terms." Trial Court Order, 4/16/13. In support of its order, the trial court observed that the Lease described the premises as:

containing for the purpose of calculating rentals and royalties, 62.00 acres whether actually containing more or less. In addition to the above described land, any and all strings or parcels of land adjoining or contiguous to the above described land and owned or claimed by LESSOR are hereby leased to LESSEE.

Lease at 1 (R.R. at 10a). Based on this language, the trial court determined that Appellants intended "to enter into a binding lease exclusively with Anadarko as to all 62 acres." Trial Court Opinion, 6/19/13, at 3–4.

The trial court rejected Appellants' argument that their receipt of a bonus payment equal to one-half of the agreed-upon sum for 62 acres modified the Lease such that it applied only to 31 acres, noting that Paragraph C.3 of the Lease provides: "[i]f LESSOR owns less than all of the oil and gas rights in the premises, LESSOR shall be entitled to only a share of the rentals and royalties equivalent to the proportion of such oil and gas rights owned by LESSOR." Lease at 2 § C.3 (R.R. at 11A). Moreover, the trial court determined that, under the doctrine of estoppel by deed, Appellants' subsequent acquisition of title to the previously-reserved one-half interest in the oil and gas rights to the Property passed to Anadarko under the terms of the Lease, and that Appellants' covenant of warranty in the Lease estops them from arguing otherwise. Trial Court Opinion, 6/19/13, at 5–6.

The Superior Court, in a unanimous published opinion, affirmed the trial court's grant of summary judgment in favor of Anadarko. Shedden v. Anadarko E & P Co., L.P., 88 A.3d 228 (Pa.Super.2014). Citing this Court's decision in Dixon v. Fuller, 196 Pa. 349, 46 A. 553 (Pa.1900), and its own decision in Hennebont Co. v. Kroger Co., 221 Pa.Super. 65, 289 A.2d 229 (Pa.Super.1972), the court noted

that the doctrine of estoppel by deed is well established in this Commonwealth, and concluded that, pursuant thereto, "[Appellants] are barred from denying that the Lease covers all 62 acres of the leased premises." Shedden, 88 A.3d at 233. The court found it immaterial that Appellants received a bonus payment of only one-half of the agreed-upon sum, noting that Paragraph C.3 of the Lease specifically provides that they were entitled to only the share of the rentals and royalties equivalent to the proportion of gas and oil they actually owned. Id. (citing Lease at 2 § C.3). Finally, the Superior Court held that Anadarko's exercise of its contractual option to extend the Lease for an additional five years was timely, and covered all 62 acres of the Property.

We granted allowance of appeal to consider the propriety of the Superior Court's grant of summary judgment in favor of Anadarko, based on its finding that, pursuant to the doctrine of estoppel by deed, Appellants are precluded from arguing that the Lease does not cover the oil and gas rights to the entirety of the Property, despite Appellants having initially received a bonus payment of one-half the agreed-upon sum.3

Summary judgment is appropriate only where the record clearly demonstrates that there is no genuine issue of material fact, and the moving party is entitled to judgment as a matter of law. Summers v. Certainteed Corp., 606 Pa. 294, 997 A.2d 1152, 1159 (Pa.2010). An appellate court may reverse a grant of summary judgment if there has been an error of law or an abuse of discretion. Weaver v. Lancaster Newspapers, Inc., 592 Pa. 458, 926 A.2d 899, 902 (Pa.2007). The issue as to whether there are genuine issues as to any material fact presents a question of law; thus, on that question, our standard of review is de novo and our scope of review is plenary. Id. at 903.

Appellants contend that the Superior Court erred in applying the doctrine of estoppel by deed to conclude that the Lease grants Anadarko the oil and gas rights to the entire 62 acres of the Property for two reasons. First, Appellants submit that application of the doctrine of estoppel by deed is not justified in this case because Anadarko was not prejudiced by Appellants' misrepresentation in the Lease that they owned 100% of the oil and gas rights to Property. Second, Appellants contend that there was a "necessary and implied modification of both the consideration and

the scope of the lease" as a result of Anadarko's payment, and their receipt, of one-half of the agreed-upon bonus. Appellants' Brief at 14.

As a finding that the Lease was modified by the parties would render the issue of estoppel by deed moot, we begin by addressing Appellants' lease modification argument. Appellants emphasize that the revised Order for Payment described the Lease as covering only 31 net acres, and they argue that, by paying Appellants a bonus on only 31 acres, Anadarko "elected to forego any attempt to lease the remaining interest in the oil and gas which was reserved by Ezra and Emma Baxter," and "knowingly accepted a lease of one-half of the oil and gas underlying [Appellants'] property." Id. Appellants further aver that the concept of modification is in accord with Paragraph C.3 of the Lease, which provides for a proportional reduction in rents and royalties upon discovery that Appellants own less property than the Lease purports to convey.

In response, Anadarko asserts that its payment of a reduced bonus did not constitute a modification of the scope of the Lease, but, rather, was proper consideration for the interest actually conveyed by Appellants pursuant to the terms of the Lease. Specifically, Anadarko relies on Paragraph C.3 of the Lease, noting it provides that Appellants were entitled to a bonus payment only for the interest actually conveyed, i.e., one-half of the oil and gas rights to the Property.

An oil and gas lease is in the nature of a contract, and, thus, is controlled by principles of contract law. T.W. Phillips Gas & Oil Co. v. Jedlicka, 615 Pa. 199, 42 A.3d 261, 267 (Pa.2012). A contract, either oral or written, may be modified by a subsequent agreement which is supported by legally sufficient consideration, or a substitute therefor, and meets the requirements for contract formation. Kreutzer v. Monterey Cty. Herald Co., 560 Pa. 600, 747 A.2d 358, 362 (Pa.2000); see also Wilcox v. Regester, 417 Pa. 475, 207 A.2d 817, 821 (Pa.1965) ("An agreement may be modified with the assent of both contracting parties if the modification is supported by consideration.").

We hold that the Lease between Appellants and Anadarko was not modified as a result of Anadarko's payment of, and Appellants' acceptance of, a bonus payment of one-half the originally agreed-upon sum. Anadarko originally agreed to pay Appellants an $80 per

acre bonus for the oil and gas rights to the Property. Paragraph 3.C of the Lease provided, however, that if Appellants owned less than all of the oil and gas rights to the Property, they would be entitled to payment only in proportion to the oil and gas rights they actually owned. Pursuant to that paragraph, upon finding that Appellants owned only one-half of the oil and gas rights to the Property, under the express terms of the Lease, Anadarko was obligated to pay Appellants only one-half of the agreed-upon bonus payment—i.e., $40 per acre—and this was the exact consideration that Appellants received. Accordingly, rather than a modification of the Lease, Anadarko's payment of a reduced bonus was in accord with its precise terms, and so cannot be considered as additional consideration or evidence of an agreement to modify the Lease.

Having concluded that the Lease was not modified as a result of Anadarko's payment of a reduced bonus, we next consider whether, having quieted title to the entire Property, the doctrine of estoppel by deed precludes Appellants from asserting that Anadarko is entitled to only one-half of the oil and gas rights to the Property. Under the doctrine of estoppel by deed,

[w]here one conveys with a general warranty land which he does not own at the time, but afterwards acquires the ownership of it, the principle of estoppel is that such acquisition inures to the benefit of the grantee, because the grantor is estopped to deny, against the terms of his warranty, that he had the title in question.

Jordan v. Chambers, 226 Pa. 573, 75 A. 956, 958 (Pa.1910);4 see also Hennebont, 289 A.2d at 233 (noting that, in Pennsylvania, doctrine of estoppel by deed precludes one who leases property which he does not own, but of which he later acquires ownership, from denying the lease on the basis he did not have ownership at the time the lease was executed).

Appellants do not dispute the viability of the doctrine of estoppel by deed in this context.5 However, they contend that, because estoppel by deed is an equitable doctrine, its application requires a finding of detrimental reliance by the grantee. Appellants' Brief at 10–11 (citing Novelty Knitting Mills, Inc. v. Siskind, 500 Pa. 432, 457 A.2d 502 (Pa.1983), In re Estate of Tallarico, 425 Pa. 280, 228 A.2d 736 (Pa.1967), and Northwestern Nat'l Bank v. Commonwealth, 345 Pa. 192, 27 A.2d 20 (Pa.1942)). Appellants further note that, in Shell Oil Co. v. Trailer & Truck Repair Co., Inc., 828 F.2d 205 (3d Cir.1987),

the United States Court of Appeals for the Third Circuit predicted that New Jersey courts would conclude that detrimental reliance is, in fact, an essential element of both equitable estoppel and estoppel by deed. Noting that Anadarko paid a reduced bonus upon learning of the Baxters' 1894 reservation of one-half of the oil and gas rights to the Property, Appellants maintain that there can be no finding of detrimental reliance by Anadarko and that the doctrine of estoppel by deed does not apply.

In response, Anadarko contends that Appellants conflate the principles of equitable estoppel with those of estoppel by deed, and are improperly attempting to impose a requirement of detrimental reliance on the application of estoppel by deed where none exists. Specifically, Anadarko observes that there are three distinct types of estoppel—estoppel by record, estoppel by deed, and equitable estoppel (also referred to as estoppel in pais)—and that estoppel by deed is a "technical legal theory" based on the grantor's own covenant in the deed and divorced from the subjective elements of inducement and justifiable reliance. Anadarko's Brief at 11–12 (citing In re Webb, 99 B.R. 283, 290 (Bankr.E.D.Pa.1989) ("Estoppel by deed . allows application of estoppel without any reference to the moral qualities of the party seeking to be estopped." (citation and internal quotation marks omitted)); In re Solomon, 40 F.Supp. 62, 65 (E.D.Pa.1941) ("[T]he doctrine of estoppel by deed is a distinct kind of estoppel which does not require all of the elements of estoppel in pais.")).

Anadarko further notes that, in Phillips v. Tetzner, this Court applied the doctrine of estoppel by deed despite a grantee's lack of payment at the time the grantor obtained full legal title to the subject property. 357 Pa. 43, 53 A.2d 129, 131–32 (Pa.1947) (purchaser's failure to tender consideration for a lease did not preclude application of estoppel by deed because tender of purchase money is excused "where such tender would be a useless and idle ceremony."). Thus, Anadarko maintains that, notwithstanding its reduced bonus payment to Appellants, estoppel by deed is applicable here because Appellants warranted their title, conveyed less than what they warranted, and subsequently perfected title.6

Appellants' sole basis for arguing that the doctrine of estoppel by deed should not apply is their contention that, because Anadarko paid a reduced bonus upon learning of the Baxters' 1894 reservation

of one-half of the oil and gas rights to the Property, Anadarko failed to demonstrate detrimental reliance. However, unlike the doctrine of equitable estoppel, we find that the doctrine estoppel by deed does not require detrimental reliance. The doctrine of equitable estoppel

prevents one from doing an act differently than the manner in which another was induced by word or deed to expect. A doctrine sounding in equity, equitable estoppel recognizes that an informal promise implied by one's words, deeds or representations which leads another to rely justifiably thereon to his own injury or detriment, may be enforced in equity.

Novelty Knitting Mills, 457 A.2d at 503 (emphasis added).

In contrast, the doctrine of estoppel by deed precludes one who conveys an interest in land that he does not own, but subsequently acquires the title thereto, from denying the validity of the first conveyance. Jordan, supra; Phillips, supra; Bowen v. A.R. Boyd Enterprises, Inc., 326 Pa. 385, 191 A. 137, 140 (Pa.1937) (under the doctrine of estoppel by deed, "when a vendor or mortgagor either sells or mortgages land which he does not own, and afterwards acquires title thereto, he is not permitted to set up this after-acquired title to defeat his previous grant or mortgage, for this would permit him to perpetrate a fraud upon his grantee or creditor."); Daley v. Hornbaker, 325 Pa.Super. 172, 472 A.2d 703, 705 (Pa.Super.1984) ("A grantor is estopped to assert anything in derogation of his deed, as against grantee.").

While the doctrine of estoppel by deed is rooted in equity, its considerations are broader:

The principle is that when a person has entered into a solemn engagement by deed, he or she will not be permitted to deny any matter that he or she has asserted therein for a deed is a solemn act to any part of which the law gives effect as the deliberate admission of the maker; to him or her it stands for truth, and in every situation in which he or she may be placed with respect to it, it is true as to him or her. Estoppel by deed promotes the judicious policy of making certain formal documents final and conclusive evidence of their contents.

28 Am.Jur.2d, Estoppel by Deed or Bond, § 5 (footnotes omitted). Accordingly, we reject Appellants' contention that detrimental

reliance is a prerequisite for application of the doctrine of estoppel by deed.7

Herein, Appellants conveyed, through a lease, the oil and gas rights to the Property, expressly warranting their full title to all the oil and gas therein. After discovering that they owned less than all of the oil and gas rights to the Property, Appellants filed a motion to quiet title to the one-half interest in the oil and gas rights to the Property, ultimately perfecting their title to all of the oil and gas rights to the Property. Under the doctrine of estoppel by deed, Appellants may not deny the validity of their initial conveyance to Anadarko of all of the oil and gas rights to the Property. See Jordan; Bowen; Daley.

For the above reasons, we hold that the Superior Court properly affirmed the trial court's grant of summary judgment in favor of Anadarko based on the doctrine of estoppel by deed.

Order affirmed.

Justice TODD.

Chief Justice SAYLOR and Justices BAER, DOUGHERTY and WECHT join the opinion. Justice DONOHUE did not participate in the consideration or decision of this case.

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Civil Action No. **2014-067**, EIGIGU HOLDINGS CORP v. LEANDER

METHOD OF FILING

The foregoing

OPPOSITION TO PLAINTIFF'S 2nd MOTION FOR SUMMARY JUDGMENT; EXHIBITS 1 AND 2

was filed with the High Court in Majuro on the date below-written.

CERTIFICATE OF SERVICE

I hereby certify that an exact duplicate of the document(s) filed above was duly served upon the below-named person(s) on the date below written by sending them a copy

(**X**) by Email to the email address opposite their name:

Divine F. Waiti
Attorney at Law
Marsol Lawyers & Consultants
P O Box 3897, MH 96960
Ace One Stop, Delap - 2nd Floor
www.marsollawyers.com

Counsel for Plaintiff EIGIGU HOLDINGS CORP.

djwaiti@gmail.com

Dated: 12 August 2018
Baja California

/s/ James McCaffrey
JAMES McCAFFREY
Attorney for Defendants LEANDER