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ALABAMA COURT OF CIVIL APPEALS

OCTOBER TERM, 2021-2022

2200446

Kevin Coffman

v.

Snead Hydraulic & Supply, LLC, d/b/a Snead Hydraulic &
Repair, LLC

2200452

Snead Hydraulic & Supply, LLC, d/b/a Snead Hydraulic &
Repair, LLC

v.

Kevin Coffman
Appeals from Blount Circuit Court
(CV-19-900111)

FRIDY, Judge.

Kevin Coffman appeals from a judgment of the Blount Circuit Court ("the trial court") insofar as it awarded him compensatory damages in an amount less than the total damages he sought in his action asserting a breach-of-contract claim and other claims against Snead Hydraulic & Supply, LLC, d/b/a Snead Hydraulic & Repair, LLC ("Snead Hydraulic"). Snead Hydraulic cross-appeals from the trial court's judgment insofar as it found Snead Hydraulic liable for breach of contract and awarded compensatory damages to Coffman as a result of that breach.

Procedural Background

On March 2, 2019, Coffman filed a complaint against Snead Hydraulic and Craig Vaughn, the owner and operator of Snead Hydraulic, seeking \$37,629.66 in damages arising from what Coffman alleged was Snead Hydraulic's failure to repair his John Deere 270 skid steer loader ("the skid steer" or "the machine"). In his complaint, Coffman alleged

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claims of breach of contract, fraudulent misrepresentation, breach of implied warranty, and deceptive trade practices. The trial court held a bench trial, and, at the close of Coffman's case, Snead Hydraulic and Vaughn moved for a judgment on partial findings. See Rule 52(c), Ala. R. Civ. P. The trial court granted the motion as to the claims of fraudulent misrepresentation and deceptive trade practices. On December 11, 2020, the trial court entered a judgment finding Snead Hydraulic and Vaughn liable for breach of contract and awarding Coffman damages in the amount of \$11,418.61. The trial court found that Snead Hydraulic and Vaughn were not liable for breach of implied warranty.

Snead Hydraulic and Vaughn timely filed a postjudgment motion in which they asked the trial court to find that they were not liable for breach of contract and to dismiss Vaughn from the case in his individual capacity. Coffman also timely filed a postjudgment motion in which he asked the trial court to reconsider its award of compensatory damages and to award him all the general and special damages he had requested in his complaint. On February 8, 2021, the trial court entered an order granting Snead Hydraulic and Vaughn's postjudgment motion insofar as it sought

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to dismiss Vaughn as a defendant, but denying that motion insofar as it sought a determination that Snead Hydraulic was not liable for breach of contract, and denying Coffman's postjudgment motion. Coffman filed a timely notice of appeal, and Snead Hydraulic filed a timely notice of cross-appeal.

Factual Background

A skid steer is a machine used to move dirt and gravel. At the trial, Howard Posey, a service manager at Ag-Pro, a shop that sells and services John Deere machinery, testified that Coffman's skid steer was "an older machine." He explained that there is a drive motor on each side of a skid steer and that a hydrostat creates pressure that diverts hydraulic fluid down to the drive motors. Vaughn testified that the hydrostats on a skid steer are two back-to-back pumps that work in unison from the back of the engine that runs the drive motors. In turn, Vaughn explained, the drive motors, through valves, enable the operator to steer and control the machine. He said that there must be a hydrostat pump and a drive motor for each side of the skid steer for it to operate.

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Coffman testified that, in early October 2017, he purchased the skid steer from a person who had advertised it for sale on Craigslist, an online classified-advertisement Web site. He said that that person had purchased the machine at auction. Coffman did not know the model year of the skid steer, but Posey estimated that it was a 2008, 2009, or 2010 model. Coffman said that he bought the skid steer to level some of his property so that he could build a house there. He said that he had no problems with the skid steer until mid-November 2017, when the low-fluid light came on in the cab. He turned the machine off, he said, and, when he looked underneath it, he saw fluid. He said that he checked the dipstick, saw that the machine was low on fluid, and determined that there was a leak somewhere that needed to be fixed. He took the machine to Snead Hydraulic's shop for repairs. Coffman said that he spoke to Vaughn at Snead Hydraulic's shop and that, initially, he authorized repairs of up to \$1,000. He said that he told Vaughn to call him if the repairs were going to cost more than that.

The estimate that Snead Hydraulic prepared for Coffman indicates that the skid steer was brought in for the first time on November 14, 2017.

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Vaughn testified that Coffman told him that he had purchased the skid steer at auction. According to Vaughn, Coffman also told him that "everything on it was leaking and was not quite right" and that Coffman wanted "to try to get it right." Vaughn said that he inspected the skid steer and that "it had leaks pretty much everywhere." He said that the leaks were so bad that he could not tell where they were by just a glance. He noted that the skid steer was not in good condition. After his inspection, Vaughn said, he provided Coffman with a written estimate of \$11,418.61 to make the necessary repairs. The estimate included a six-month limited workmanship warranty. The warranty read:

"WARRANTY GUIDELINES FOR PUMPS, MOTORS, HYDROSTATS & VALVES. Your system must be fully flushed and kidney shot by Snead Hydraulic & Supply [(SHS)] in order for the warranty to be valid. By signing below customer understands that if the complete system is not flushed by SHS, all warranties are void and he/she assumes all future responsibility. Any tampering of any kind to equipment and/or components furnished by SHS will void warranty. SHS does not issue cash refunds in work performed. The warranty covers rework done in our facilities and by our employees only. Should customer have any other entity work on said equipment, SHS will not be responsible for any cost incurred thereof."

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It is undisputed that Coffman did not authorize the work until sometime between late November and mid-December 2017. Upon giving his approval, Coffman made a down payment of \$3,500. During his testimony, Vaughn described in great detail the work performed on the skid steer. That work included removing the hydrostat pump and hydrostat motors, along with the lines connecting them and the drive motors. The drive motors also had to be removed. The removed components were disassembled and worked on in Snead Hydraulic's shop, then put back together and reinstalled in the skid steer. The hydraulic system was flushed and cleaned, and new oil and filters were added.

During the course of their work, Vaughn said, the mechanics discovered "a brake issue with one of the drive motors." Vaughn said that the braking system is on the end of the hydrostat drive motor and is operated through "a fluid power control" and that the pressure level controls the brakes. Vaughn said that the brakes on the skid steer were not working at all. As the mechanics investigated the brakes, Vaughn said, they found numerous problems with the entire braking system, including with the valves and brake lines, which, he said, were collapsed

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and stopped up. To repair those problems, Vaughn explained, they put on a new brake-release valve, new lines, and a new brake chamber. The mechanics repaired the brakes so that they were working like they should, he said. Coffman was apprised of the mechanics' work throughout the repairs, Vaughn said.

Once all the repairs were completed, Vaughn said, mechanics operated the skid steer on a pile of dirt, rocks, and chert to ensure that the pressure was working properly before returning it to Coffman. On March 2, 2018, Coffman picked up the machine from Snead Hydraulic's shop. Coffman testified that, within a day or two of picking up the machine, he began operating it and that, although it "started out fine," it began to grow weaker until it would "hardly move." He called Vaughn, who sent a technician to Coffman's property; the technician confirmed that the skid steer was not running properly. Coffman returned the machine to Snead Hydraulic's shop, and, Vaughn said, it was "running really rough" and had no power. Mechanics found water in the fuel system. In fact, Vaughn said, the contents of the tank were mostly water with only a little fuel. Vaughn

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said nothing Snead Hydraulic had done previously would have caused that.

Vaughn explained that, if there is water in the fuel, the skid steer would not have power. Usually, he said, water enters a fuel system when the operator "grabs a bucket of fuel" from wherever it is stored and pours the fuel into the machine, not realizing that water has gotten into the fuel because of rain or some other reason. At other times, he said, the business where the operator bought the fuel can have water in its fuel. Coffman said that he did not know how water got into the fuel system. He added that the gas he had put in the skid steer was kept in a five-gallon bucket that he stored inside, and, he said, there was no chance for rain water to have gotten in the bucket of fuel.

To repair the fuel system, Vaughn said, mechanics cleaned out the fuel tank, flushed the fuel lines, and added new fuel filters and fuel. Both Vaughn and Coffman testified that they had a heated discussion about what Coffman would pay for the work Snead Hydraulic performed on the fuel system. Vaughn said that the problem was not related to the previous work and was not included in the warranty. Coffman testified that he did

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not want to pay for the wrecker that Snead Hydraulic had used to take the skid steer back to its shop to work on the fuel system. He explained that he "felt like [Vaughn] should have flushed the system and found the water in the fuel prior to working on it. If it was operating like it did at my house, it should have operated the same there." Ultimately, Snead Hydraulic charged Coffman \$402.21 for the fuel filters and five gallons of diesel fuel, although the job cost it more than that to complete. Normally, Vaughn said, the work done on the fuel system costs between \$1,800 and \$2,000. Snead Hydraulic performed another test drive, and, again, the skid steer was working when it left the shop.

Coffman said that, the next time he operated the skid steer, it worked normally at first but then began making a noise and would not move, "like a brake was locking up on it." Vaughn said that he believed it was "a couple of weeks" after the machine had been returned to Coffman that Coffman called and said there was a problem with the brakes and that the skid steer would not run. The skid steer was again returned to Snead Hydraulic's shop. Vaughn testified that, on that occasion,

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mechanics found that the drive motor brake on the right side was burned out.

Vaughn acknowledged that Snead Hydraulic had previously worked on the right-side motor of the skid steer. Because all the parts in the brake system on that side were new, Vaughn said, the mechanics investigated and concluded that that side did not have the correct electrical current that it needed to properly open a valve. Vaughn said that Snead Hydraulic did not perform electrical work.

Coffman said that he and Vaughn had a heated discussion about whether the right-side drive motor should be covered under the warranty, but, eventually, he said, Vaughn agreed that Snead Hydraulic would complete the necessary repairs under warranty. Vaughn testified that Snead Hydraulic put a new brake chamber on the skid steer at no charge. He said that he told Coffman that the skid steer had electrical issues that had caused the right brake chamber to burn out and advised Coffman to have the electrical issues evaluated. Coffman testified that he "[did not] know that [Vaughn] ever told me there was an electrical problem." The machine was returned to Coffman in working condition, Vaughn said.

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A few weeks later, Coffman contacted Snead Hydraulic again, saying that the skid steer was not working. Once again, the machine was returned to Snead Hydraulic's shop for repairs. On that occasion, Vaughn said, mechanics found that the paint had burned off the right-side drive motor, indicating that the motor had gotten "real hot" and that it was ruined. He said that he told Coffman that he was going to have to have a new drive motor and that Coffman "wasn't happy about it." Vaughn said that he ended up buying a brand new drive motor from Ag-Pro and installing it on the skid steer. The new motor was \$5,000, Vaughn said, but he did not charge Coffman for the parts or labor.

During the course of the repair job, Coffman came to Snead Hydraulic's shop to observe what the mechanics were doing. Vaughn said that he attempted to explain the electrical issue to Coffman. He also said that he explained to Coffman that, because the right-side drive motor was new, the left-side drive motor needed to be replaced as well. Vaughn said that if one of the drive motors is older than the other, stress is placed on the older one because the motors have to work in unison. By not replacing both drive motors at the same time, Vaughn explained, "you can be doing

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yourself a lot more damage than good." Coffman told Vaughn that he was not going to spend any more money and just wanted the right-side drive motor repaired. At that point, Vaughn informed Coffman that Snead Hydraulic would not do any more warranty work if he did not purchase a left-side motor. Coffman did not purchase the left-side drive motor, Vaughn said.

After the repairs were completed, Vaughn said, he conducted another test drive and made a video of that drive to show that the skid steer was operating properly at the time. The skid steer was returned to Coffman a final time. Coffman said that, before he got home, he stopped at a friend's house and tested the machine. He said that it still did not operate correctly and still acted as though a brake was locking up. Coffman testified that he thought that Snead Hydraulic had put a new left-side drive motor on the machine to prevent the same issues from recurring. When the machine still did not operate properly, Coffman said, he took it to Ag-Pro. After mechanics at Ag-Pro performed a diagnostics test on the skid steer at a cost of \$1,241, Coffman said, they estimated it

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would cost \$21,161.05 to repair the machine. Coffman left the skid steer at Ag-Pro, where it remains in an outdoor lot.

During his testimony, when Coffman was asked how Snead Hydraulic had "not lived up to the deal" he had made with it, he replied that the skid steer "is still tore up." Coffman said that he did not dispute that Snead Hydraulic had performed work on the skid steer. During his testimony, Coffman and the attorney for Vaughn and Snead Hydraulic had the following colloquy:

"Q. [ATTORNEY]: Don't you think that Mr. Vaughn ought to be paid for the work he has done?

"A. [COFFMAN]: Yeah, I paid him.

"Q.: So my problem is then if you believe he did the work that he told you he was going to do — and he did. Right?

"A.: Do what now?

"Q.: He performed the work that he told you he was going to do. Right?

"A.: Yes.

"Q.: And you paid him for that?

"A.: Yes.

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"Q.: Why does he owe you money?

"A.: Because the machine is still broke."

Regarding damages, Coffman testified that he believed that, in addition to the \$11,418.61 he had paid to Snead Hydraulic for repairs, he was entitled to recover the \$1,241 that he had paid Ag-Pro for the diagnostics test, the \$21,161.05 that Ag-Pro said it would cost to repair the machine, and the \$4,450 he said he had paid someone to prepare the property where he intended to build the house, i.e., to complete the work he had intended to do himself using the skid steer.

Analysis

We find the issue Snead Hydraulic raises in its cross-appeal, case number 2200452, is dispositive of both appeals, so we begin our analysis there. Snead Hydraulic argues that the trial court erred in finding in favor of Coffman regarding his breach-of-contract claim. Specifically, Snead Hydraulic contends that Coffman failed to prove that it did not perform as required pursuant to the contract and that he failed to prove any damages resulting from the alleged nonperformance of the contract.

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" '[W]hen a trial court hears ore tenus testimony, its findings on disputed facts are presumed correct and its judgment based on those findings will not be reversed unless the judgment is palpably erroneous or manifestly unjust.' Philpot v. State, 843 So. 2d 122, 125 (Ala. 2002). ' "The presumption of correctness, however, is rebuttable and may be overcome where there is insufficient evidence presented to the trial court to sustain its judgment." ' Waltman v. Rowell, 913 So. 2d 1083, 1086 (Ala. 2005) (quoting Dennis v. Dobbs, 474 So. 2d 77, 79 (Ala. 1985)). 'Additionally, the ore tenus rule does not extend to cloak with a presumption of correctness a trial judge's conclusions of law or the incorrect application of law to the facts.' Id."

Fadalla v. Fadalla, 929 So. 2d 429, 433 (Ala. 2005).

" 'The elements of a breach-of-contract claim under Alabama law are (1) a valid contract binding the parties; (2) the plaintiffs' performance under the contract; (3) the defendant's nonperformance; and (4) resulting damages.' " Shaffer v. Regions Fin. Corp., 29 So. 3d 872, 880 (Ala. 2009) (quoting Reynolds Metals Co. v. Hill, 825 So. 2d 100, 105 (Ala. 2002)). The party asserting a breach-of-contract claim must prove every element of that claim. Ex parte Steadman, 812 So. 2d 290, 293 (Ala. 2001); Shelton v. Clements, 834 So. 2d 775, 782 (Ala. Civ. App. 2002).

In its judgment, the trial court did not explicitly set forth its rationale for determining that Snead Hydraulic was liable for breach of

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contract and directing it to pay Coffman the \$11,418.61 he had paid for repairs. Snead Hydraulic asserts that "[t]he mere fact that the skid steer failed or began to not run properly" was an insufficient basis for the trial court to find it liable for breach of contract. We agree.

As the evidence outlined above indicates, and as Coffman acknowledged, Snead Hydraulic performed the repairs for which it was paid. Coffman did not present evidence tending to show that anything Snead Hydraulic did or failed to do caused the subsequent repeated breakdowns of the machine. Instead, it is undisputed that Snead Hydraulic undertook repairs of additional problems at a low cost or no cost to Coffman in an attempt to make the skid steer run properly. Importantly, the trial court explicitly found that Snead Hydraulic was not liable on Coffman's breach-of-implied-warranty claim, a disposition that Coffman does not challenge on appeal. We also note that Coffman did not assert a claim of negligent repair against Snead Hydraulic.

Based on our review of the record, we conclude that there is no evidence demonstrating that Snead Hydraulic failed to perform the repairs for which it was paid or otherwise breached a contract with

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Coffman. There was therefore no basis for requiring Snead Hydraulic to return to Coffman the amount he had paid for those repairs. For this reason, the judgment is due to be reversed and the cause remanded for the trial court to enter a judgment against Coffman on his breach-of-contract claim.

As for Coffman's appeal, case number 2200446, because we have concluded that Coffman failed to meet his burden of proving that Snead Hydraulic was liable for breach of contract, he is not entitled to recover any damages. See Steadman, supra, and Shelton, supra. Therefore, his contention on appeal that he was entitled to recover additional damages has been rendered moot, and, accordingly, his appeal is dismissed. See Gonzalez v. Gonzalez, 315 So. 3d 1134 (Ala. Civ. App. 2020).

2200446 -- APPEAL DISMISSED.

2200452 -- REVERSED AND REMANDED.

Thompson, P.J., and Moore, Edwards, and Hanson, JJ., concur.