

[Cite as *Francis David Corp. v. Mac Auto Mart, Inc.*, 2010-Ohio-1064.]

Court of Appeals of Ohio

EIGHTH APPELLATE DISTRICT
COUNTY OF CUYAHOGA

JOURNAL ENTRY AND OPINION
No. 93532

FRANCIS DAVID CORP., ETC.

PLAINTIFF-APPELLEE

vs.

MAC AUTO MART, INC., ET AL.

DEFENDANTS-APPELLANTS

**JUDGMENT:
AFFIRMED**

Civil Appeal from the
Garfield Heights Municipal Court
Case No. CVI-0800175

BEFORE: Rocco, J., Gallagher, A.J., and Cooney, J.

RELEASED: March 18, 2010

JOURNALIZED:

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N.B. This entry is an announcement of the court's decision. See App.R. 22(B) and 26(A); Loc.App.R. 22. This decision will be journalized and will become the judgment and order of the court pursuant to App.R. 22(C) unless a motion for reconsideration with supporting brief per App.R. 26(A), or a motion for consideration en banc with supporting brief per Loc.App.R. 25.1(B)(2), is filed within ten days of the announcement of the court's decision. The time period for review by the Supreme Court of Ohio shall begin to run upon the journalization of this court's announcement of decision by the clerk per App.R. 22(C). See, also, S.Ct. Prac.R. 2.2(A)(1).

KENNETH A. ROCCO, J.:

{¶ 1} Defendants-appellants, Mac Auto Mart, Inc. and Rudy Yeganehlayegh, appeal from a Garfield Heights Municipal Court judgment overruling their motion to dismiss the complaint for lack of subject matter jurisdiction and awarding judgment against them, jointly and severally, in favor of plaintiff-appellee, Francis David Corp., d.b.a. First Hudson Leasing, in the amount of \$2,800.96 plus eight percent interest and costs. Appellants urge that the municipal court did not have subject matter jurisdiction over this matter. We find the court had subject matter jurisdiction. Therefore, we affirm.

{¶ 2} Appellee filed this action in the municipal court on January 10, 2008. Appellee claimed appellants breached a non-cancelable commercial lease agreement and a personal guarantee by failing to make lease payments when due. The complaint alleged that the appellee was located in Independence, Ohio, while the appellants operated a business in Detroit, Michigan. Appellants filed a motion to dismiss the complaint for lack of subject matter jurisdiction. The case was scheduled for trial on June 30, 2008. Neither the appellants nor their counsel appeared for trial. The court heard testimony from Robert Weiner, an employee of appellee. The court determined it had subject matter jurisdiction, and granted judgment for

appellee against the appellants, jointly and severally, for \$2,800.96, plus interest and costs.

{¶ 3} Appellee has moved to dismiss this appeal as moot because it filed a satisfaction of judgment in the municipal court. Satisfaction of a judgment normally moots any appeal from that judgment, but only “[w]here the court rendering judgment ha[d] jurisdiction of the subject matter of the action and the parties, and fraud has not intervened * * *.” *Blodgett v. Blodgett* (1990), 49 Ohio St.3d 243, 245, 551 N.E.2d 1249; see, also, *Lynch v. Lakewood Bd. of Edn.* (1927), 116 Ohio St. 361, 372, 156 N.E. 188; *Nextel West Corp. v. Franklin Cty. Bd. of Zoning Appeals*, Franklin App. No. 03AP-625, 2004-Ohio-2943, ¶5. “[I]f the [lower] court did not have subject-matter jurisdiction over the action, its ‘judgment’ is void ab initio and a nullity. Therefore, no ‘satisfaction’ of such void judgment * * * could occur.” *Nextel West*, supra, at ¶5 (quoting a memorandum decision in a prior appeal of that matter).

{¶ 4} This appeal may proceed on the question whether the trial court had subject matter jurisdiction, even if the judgment was allegedly satisfied. See *Cook Family Invest. v. Billings*, Lorain App. No. 07CA009281, 2009-Ohio-73, ¶10-16. Because the municipal court’s subject matter jurisdiction is the only issue in this appeal, there are no other issues that may

be rendered moot if we find the court did have subject matter jurisdiction. Cf. *id.* Therefore, we overrule the motion to dismiss.

{¶ 5} In their sole assignment of error, appellants contend that the municipal court erred by denying their motion to dismiss for lack of subject matter jurisdiction. They contend that neither they nor their dispute have any connection to the territorial limits of the Garfield Heights Municipal Court.

{¶ 6} We review *de novo* the legal question whether the municipal court had subject matter jurisdiction. *Udelson v. Udelson*, Cuyahoga App. No. 92717, 2009-Ohio-6462, ¶13. Municipal courts are created by statute and their subject-matter jurisdiction is defined by statute. *Cheap Escape Co., Inc. v. Haddox*, 120 Ohio St.3d 493, 2008-Ohio-6323, 900 N.E.2d 601, ¶7. R.C. 1901.18(A) defines the subject-matter jurisdiction of the municipal courts as follows:

“Except as otherwise provided in this division or section 1901.181 of the Revised Code, subject to the monetary jurisdiction of municipal courts as set forth in section 1901.17 of the Revised Code, a municipal court has original jurisdiction within its territory in all of the following actions or proceedings * * *:

“* * *

“(3) In any action at law based on contract * * *.”

{¶ 7} The court in *Cheap Escape* determined that “the only * * * logical way to read the phrase [‘within its territory’] is as a limit on the types of

actions that a court may hear. Thus, the phrase ‘original jurisdiction within its territory in all of the following actions’ means that a municipal court may hear only those matters listed in R.C. 1901.18(A)(1) through (12) that have a territorial connection to the court.” Id. at ¶16.

{¶ 8} “The Garfield Heights municipal court has jurisdiction within the municipal corporations of Maple Heights, Walton Hills, Valley View, Cuyahoga Heights, Newburgh Heights, Independence, and Brecksville in Cuyahoga county.” R.C. 1901.02(B). Appellants urge that a forum selection clause in the parties’ contract formed the sole “territorial connection” to the municipal court. We disagree. The first paragraph of the complaint here alleged the necessary territorial connection by asserting that appellee’s business is located in Independence, Ohio. Appellee established this fact through testimony at trial. In addition, appellee established at trial that it executed the contract in Independence and accepted lease payments there. These facts are sufficient to establish a territorial connection to the court, giving the court subject matter jurisdiction. See *Groll Furniture Co. v. Epps*, Marion App. No. 9-09-13, 2009-Ohio-3533; *Cheap Escape Co. v. Tri-State Constr., L.L.C.*, 173 Ohio App.3d 683, 2007-Ohio-6185, 880 N.E.2d 122.

{¶ 9} Appellants’ sole assignment of error is without merit. The municipal court’s judgment is affirmed.

It is ordered that appellee recover from appellants costs herein taxed.

The court finds there were reasonable grounds for this appeal.

It is ordered that a special mandate be sent to said court to carry this judgment into execution.

A certified copy of this entry shall constitute the mandate pursuant to Rule 27 of the Rules of Appellate Procedure.

KENNETH A. ROCCO, JUDGE

SEAN C. GALLAGHER, A.J., CONCURS;
COLLEEN CONWAY COONEY, J., DISSENTS
(SEE ATTACHED DISSENTING OPINION)

COLLEEN CONWAY COONEY, J., DISSENTING:

{¶ 10} I respectfully dissent. As the majority correctly notes, satisfaction of a judgment normally moots any appeal from such judgment if the trial court had jurisdiction of the subject matter and parties. Here, the Garfield Heights Municipal Court had jurisdiction. Therefore, I would dismiss the appeal as moot. See *Brickman v. Brickman*, Cuyahoga App. No. 81778, 2004-Ohio-2006.