Brad Pattershall Prevails in Credit Contract Case

After more than a year of litigation, Brad Pattershall prevailed in a bench trial on behalf of his client, a real estate company based in Rangeley, Maine ("Client"). Client recently constructed a new office building in Rangeley with materials provided by a local lumber supply company ("Plaintiff"). Considering the surge in lumber prices during the COVID-19 pandemic, Client questioned the invoices it received from Plaintiff because they were at odds with the terms of the original quoted prices. Plaintiff ultimately placed a mechanic's lien on Client's property for approximately $125,000.

Ultimately, Client paid to discharge the lien on its property, but Plaintiff claimed it was owed interest and attorney's fees for having carried the costs on account. The trial took place in Farmington, with the focus being whether there was a meeting of the minds concerning the credit terms pursuant to which Client bought the building materials. The Superior Court (Lipez, J.) held (1) that there was no such meeting of the minds and (2) that interest and attorney's fees must be supported by a contract and cannot be awarded on an equitable basis. Judgment was entered for Client, avoiding a six-figure liability for interest and Plaintiff's attorney's fees. Having paid the value of the mechanic's lien in full, Client fully satisfied all debt owed to Plaintiff.

The Court found Plaintiff had billed the materials to the account of a different corporation, albeit one to which the owner of Client also had a connection. This was based on an incorrect assumption on the part of Plaintiff and not based on an agreement between Plaintiff and Client. The billed third-party corporation had a separate project going in the Rangeley area, had used its account for that project, and had specific terms of credit for its account. However, the third-party corporation was in no way involved in the construction of Client's real estate office building. The terms of credit on the account between Plaintiff and the third-party corporation could not be applied as between Plaintiff and Client. As between Plaintiff and Client there was no contract at all.

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