

Order

Michigan Supreme Court
Lansing, Michigan

September 27, 2016

Robert P. Young, Jr.,
Chief Justice

149145 & (57)

Stephen J. Markman
Brian K. Zahra
Bridget M. McCormack
David F. Viviano
Richard H. Bernstein
Joan L. Larsen,
Justices

TAYLOR MADISON, a minor, by her
next friend LATRESE DICKENS,
Plaintiff-Appellant,

v

SC: 149145
COA: 312880
Wayne CC: 12-003944-AV

AAA OF MICHIGAN,
Defendant-Appellee.

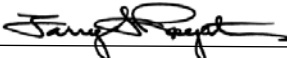
By order of February 4, 2015, the application for leave to appeal the March 13, 2014 judgment of the Court of Appeals was held in abeyance pending the decision in *Hodge v State Farm Mutual Automobile Ins Co* (Docket No. 149043). On order of the Court, the case having been decided on June 6, 2016, ___ Mich ___ (2016), the application and motion for peremptory reversal are considered. In light of our opinion in *Hodge*, pursuant to MCR 7.305(H)(1), in lieu of granting leave to appeal, we REVERSE the judgment of the Court of Appeals, REINSTATE the November 3, 2011 judgment entered in the 36th District Court, and REMAND this case to the district court for further proceedings.



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I, Larry S. Royster, Clerk of the Michigan Supreme Court, certify that the foregoing is a true and complete copy of the order entered at the direction of the Court.

September 27, 2016


Clerk

STATE OF MICHIGAN
COURT OF APPEALS

TAYLOR MADISON, a Minor, by her Next
Friend, LATRESE DICKENS,

UNPUBLISHED
March 13, 2014

Plaintiff-Appellee,

v

No. 312880
Wayne Circuit Court
LC No. 12-003944-AV

AAA OF MICHIGAN,

Defendant-Appellant.

Before: SERVITTO, P.J., and SAWYER and BOONSTRA, JJ.

PER CURIAM.

Defendant appeals by leave granted¹ the circuit court's opinion and order affirming the district court's denial of defendant's motion for judgment notwithstanding the verdict ("JNOV") or transfer in this no-fault insurance action. We reverse the circuit court, vacate the judgment of the district court, and remand for dismissal or transfer of plaintiff's case to the circuit court.

I. PERTINENT FACTS AND PROCEDURAL HISTORY

Plaintiff² filed a complaint against defendant for no-fault attendant care services provided by her mother, Latrese Dickens, in the district court alleging the statutory jurisdictional maximum of \$25,000 in damages. After filing suit but prior to trial, Dickens provided affidavits to defendant indicating that she had provided attendant care from June 30, 2009 through September 2, 2010, and should be compensated at a rate of fourteen dollars per hour. At trial, plaintiff submitted proofs alleging damages in the amount of \$144,480 (reflecting 24-hour care of plaintiff by Dickens for the time period specified at fourteen dollars per hour). The jury returned a non-unanimous verdict for plaintiff in the amount of \$41,280.³ The parties stipulated

¹ *Madison v AAA of Michigan*, unpublished order of the Court of Appeals, issued April 19, 2013 (Docket No. 312880).

² As Taylor Madison is the individual who was injured, we will refer to her as "plaintiff."

³ The jury verdict awarded plaintiff damages for 12 hour per day care at a rate of eight dollars per hour.

to the entry of a judgment on the jury verdict in the amount of \$25,000, the maximum within the district court's jurisdiction. Defendant filed a motion for JNOV or transfer on the ground that plaintiff's proofs showed that the actual amount in controversy was greater than the \$25,000 alleged in the complaint; therefore, the district court lacked subject matter jurisdiction over the case. The district court denied defendant's motion. The circuit court affirmed the district court's denial, holding that "[a]lthough it is true that jurisdiction can be challenged at any time under MCR 2.116(D)(3), it seems disingenuous to ask that the Jury Verdict be set aside at this juncture." This appeal followed.

II. STANDARD OF REVIEW

The issue of subject-matter jurisdiction can be raised at any point in the proceedings, including after trial has occurred. *Glen Lake-Crystal River Watershed Riparians v Glen Lake Ass'n*, 264 Mich App 523, 527-528; 695 NW2d 508 (2004). "Whether the district court has subject-matter jurisdiction on the facts presented is a question of law reviewed de novo." *Moody v Homeowners Insurance Co*, ___ Mich App ___; ___ NW2d ___ (2014) (Docket No. 301783), slip op at 5-6. A trial court's decision on a motion for JNOV is also reviewed de novo. *Merkur Steel Supply, Inc v Detroit*, 261 Mich App 116, 124; 680 NW2d 485 (2004).

III. ANALYSIS

Defendant contends that the actual amount in controversy was greater than that alleged in plaintiff's complaint and, therefore, the district court lacked subject-matter jurisdiction. We agree, and hold that the district court erred in finding that it had subject-matter jurisdiction and in denying defendant's motion for JNOV or transfer, and that the circuit court erred in affirming the district court's order.

MCL 600.8301(1) provides, in pertinent part, that "[t]he district court has exclusive jurisdiction in civil actions when the amount in controversy does not exceed \$25,000.00." Alternatively, "[c]ircuit courts have original jurisdiction to hear and determine all civil claims and remedies, except where exclusive jurisdiction is given in the constitution or by statute to some other court or where the circuit courts are denied jurisdiction by the constitution or statutes of this state." MCL 600.605.

This Court recently considered the identical issue of the subject-matter jurisdiction of the district court when a plaintiff, having pleaded damages within the district court's jurisdictional limit, nonetheless argues and presents evidence of damages in excess of that limit. *Moody*, slip op at 1. In *Moody*, this Court considered the consolidated appeals of two no-fault plaintiffs who had filed their complaints in district court. Plaintiff Moody filed his complaint for no-fault benefits in the district court, alleging that his damages did not exceed \$25,000. *Id.* In answering the defendant's interrogatories, the plaintiff indicated that he intended to present evidence of damages in excess of \$400,000. *Id.* at 2. Based on this information, the defendant argued, in part, that the district court would lack jurisdiction to hear the plaintiff's claim upon presentation of evidence of damages in excess of \$25,000, and that the case should be transferred to the circuit court pursuant to MCR 2.227(A)(1). The district court declined to restrict the plaintiff's counsel from arguing damages in excess of the jurisdictional maximum, and stated that it would "cure the jurisdictional problem by limiting the judgment to \$25,000" *Id.* After trial, the

jury awarded plaintiffs an amount of damages in excess of \$25,000; the district court reduced the award to \$25,000 and entered the judgment. *Id.* at 3. The defendant appealed the entry of the judgment to the circuit court. *Id.* The circuit court concluded that the district court lacked jurisdiction over plaintiff’s claims, reversed the jury verdict, and remanded the case for dismissal or transfer. *Id.* at 5.

Plaintiff Hodge also filed her action in district court and presented proof of damages “far in excess” of the district court’s jurisdictional limit. *Id.* at 5. After a jury verdict in excess of the jurisdictional limit, the district court entered a judgment of \$25,000 plus interest in favor of Hodge. *Id.* The circuit court reversed the district court, holding that the amount in controversy exceeded the district court’s jurisdictional limit, and therefore the district court lacked subject matter jurisdiction over the case. *Id.*

This Court affirmed both circuit court reversals, stating:

We conclude that nothing in MCL 600.8301(1), MCR 2.227(A)(1), or MCR 2.116(C)(4), requires that a court limit its jurisdictional query to the amount in controversy alleged in the pleadings. Here, plaintiffs Moody and Hodge patently claimed damages far in excess of the \$25,000 amount-in-controversy limit of the district court’s jurisdiction throughout litigation. The district court was duty-bound to recognize the limits of its subject matter jurisdiction, *In re Estate of Fraser*, 288 Mich 392, 394; 285 NW 1 (1939), and either dismiss the plaintiff’s case or transfer it to the circuit court, *Fox v Univ of Michigan Bd of Regents*, 375 Mich 238, 242; 134 NW2d 146 (1965), and MCR 2.227(A)(1). Because the district court failed to either dismiss a case that was patently outside its subject-matter jurisdiction or transfer it to the circuit court, the subsequent district court judgment—and on the facts presented here, also the providers’ claims—is void. *In re Hatcher*, 443 Mich 426, 438; 505 NW2d 834 (1993), *Jackson City Bank & Trust Co v Fredrick*, 271 Mich 538, 544; 260 NW 908 (1935), and *Altman v Nelson*, 197 Mich App 467, 472-473; 495 NW2d 826 (1992). [*Id.* at 6 (footnotes omitted).]

The Court further concluded that the definition of “amount in controversy” in the jurisdictional statute, MCL 600.8301(1), is “the amount the parties to a lawsuit dispute, argue about, or debate during litigation.” *Id.* at 7. The Court held that the plaintiff’s pretrial discovery answers, trial arguments, and evidence presented at trial all showed that the amount in controversy exceeded the jurisdictional limit of the district court. *Id.*

As in *Moody*, plaintiff in this case, while claiming damages in her complaint within the district court’s jurisdictional limit, argued and presented evidence of an amount in controversy in excess of that limit. *Moody* is dispositive. MCR 7.215(J)(1).⁴ The district court did not have

⁴ Our conclusion is not altered by the fact that the parties stipulated to the entry of judgment for \$25,000; a court’s subject matter jurisdiction may not be waived or conferred upon the court by consent of the parties. *Id.* at 12; see also *In re Hatcher*, 443 Mich at 433.

subject-matter jurisdiction over the case, and it had no power to enter any judgment or take any other action other than transferring or dismissing the case. *Moody*, slip op at 12; *Todd v Dep't of Corrections*, 232 Mich App 623, 628; 591 NW2d 375 (1998); MCR 2.227(A)(1). Therefore, we reverse the decision of the circuit court affirming the district court's denial of defendant's motion, vacate the judgment of the district court, and remand to the district court for dismissal or transfer of plaintiff's case.

District court judgment vacated. Reversed and remanded to the district court for further proceedings consistent with this opinion. As the prevailing party, defendant may tax costs under MCR 7.219. We do not retain jurisdiction.

/s/ Deborah A. Servitto
/s/ David H. Sawyer
/s/ Mark T. Boonstra