

**STATE OF MICHIGAN**  
**COURT OF APPEALS**

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RAY PRICE and JAMES STIPANOVICH,

Plaintiff-Appellants,

v

CALVIN P. TALHELM, WILDWOOD INVESTMENT TRUST, MORTGAGE CORPORATION OF AMERICA, DONALD W. CLOKE, FRED E. WEINBERGER, DOUGLAS J. DIXON, FMB/REED CITY BANK, MIDWEST RESOURCE MANAGEMENT, INC., MERIDIAN OIL & GAS, INC., DONALD C. COTTON, REALTY EXCHANGE GROUP, DONALD COTTON, DEAN T. SIETING, KEVIN PERUSKI, GEORGE EYMER, RICHARD SIMONS, and TED MCCULLOUGH,

Defendants,

and

SHELL WESTERN E & P, INC., RICHARD ISLES, NORMA ISLES and RODNEY WILLIAMS,

Defendants-Appellees,

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RAY PRICE and JAMES STIPANOVICH,

Plaintiffs-Appellants,

v

CALVIN P. TALHELM, MARJORIE TALHELM,

UNPUBLISHED

July 26, 1996

No. 169521

LC No. 91-008849-CZ

No. 171120

LC No. 91-008849-CZ

RICHARD SIMONS, TED MCCULLOUGH,  
REALTY EXCHANGE GROUP, INC.,  
DONALD W. CLOKE, FRED E. WEINBERGER,  
DOUGLAS J. DIXON, FMB/REED CITY BANK,  
MIDWEST RESOURCE MANAGEMENT, INC.,  
MERIDIAN OIL & GAS, INC., GERLADINE S. POPPY,  
DEAN T. SIETING, JANET C. SIETING,  
GEORGE EYMER, EVA MAE EYMER,  
DONALD COTTON, BARBARA J. COTTON,  
RANDY PERUSKI, KEVIN PERUSKI, and  
LINDA SIMONS.

Defendants,

and

RODNEY WILLIAMS, RICHARD L. ISLES,  
SHELL WESTERN E & P, INC., and NORMA J.  
ISLES,

Defendants-Appellees.

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Before: Holbrook, Jr., P.J., and Hood and Bandstra, JJ.

PER CURIAM.

In this quiet title action, the trial court granted summary disposition and sanctions against plaintiffs. We affirm.

Plaintiffs argue that the interest that Remvest Mutual Investment Trust ("Remvest") had in the contested property did not pass to Waterways Shipping Inc. ("Waterways") on February 24, 1982, the date when Remvest provided Waterways a quit claim deed, because Remvest had no intent to give effect to the deed at that time. Plaintiffs contend that Remvest's interest in the property passed to Waterways on March 12, 1982, after Remvest was the mortgage foreclosure purchaser of the property. However, physical delivery of a deed to a grantee raises a presumption of an intent to pass whatever interest is granted by the deed. *Resh v Fox*, 365 Mich 288, 291-292; 112 NW2d 486 (1961). Although this presumption is not conclusive, *id.*, our review of the record convinces us that the trial court properly held that no evidence had been produced to rebut this presumption. The trial court properly reasoned that "[i]t would be unwise for this or any Court to get into the business of attempting to ascertain a party's undocumented intentions when their actions appear clear and unambiguous."

Accordingly, the interest conveyed by Remvest to Waterways by the February 24 quit claim deed did not include any interest resulting in Remvest as a result of the March 12 foreclosure sale.<sup>1</sup>

Plaintiffs also failed to come forward with any evidence beyond their mere assertion to support the claim that Remvest acted as the agent for Waterways at the foreclosure sale. In fact, the record supports the opposite conclusion. If Waterways had purchased an interest in the property at the foreclosure sale through its agent Remvest, it would have likely asserted its interest in the bankruptcy court by seeking to set aside the share of deed or otherwise secure an assignment of the interest. Instead, just the opposite occurred when, on March 22, 1983, the bankruptcy court entered a default judgment against Waterways (and others) and revested title to various properties, including the subject of this appeal, in the trustee for Remvest.

The trial court correctly concluded that plaintiffs' argument that the quit claim transfer between Remvest and Waterways contained an "implied warranty" conveying future interests was contrary to relevant case law. *Brownell Realty, Inc v Kelly*, 103 Mich App 690, 695; 303 NW2d 871 (1981). Under that authority, the quit claim transfer granted Waterways the rights and title held by Remvest, and nothing more. *Id.* Because, however, Remvest's interest in the property was transferred to Waterways, there is no reason to conclude, as plaintiff argues, that the quit claim deed somehow "failed," meaning that the interest somehow reverted back to Remvest.

The trial court was thus correct in rejecting plaintiffs' motion for summary disposition. We further conclude that the trial court correctly determined that defendants-appellees were entitled to summary disposition.

Defendants-appellees argued that they have a valid claim to the property flowing from the interest held by the Gilberts. With respect to that argument, the trial court properly reasoned that, following the foreclosure sale, Remvest as mortgage purchaser did not obtain legal title until the expiration of the statutory redemption period. *Bankers Trust Co of Detroit v Rose*, 322 Mich 256, 260; 33 NW2d 783 (1948). Notwithstanding the misstatement found in the sheriff's deed, the statutory redemption period was one year. MCL 600.3240(8); MSA 27A.3240(8).<sup>2</sup> Because Remvest filed a voluntary bankruptcy petition, the bankruptcy trustee had the authority to act on behalf of Remvest. The bankruptcy trustee and the Gilberts reached an agreement to modify the terms of the mortgage and the trustee essentially returned the title to the Gilberts in exchange for a new mortgage and promissory note. We agree with the trial court that, in the context of a bankruptcy proceeding, this was the functional equivalent of a redemption of the Gilberts' title to the property. Having concluded that the Gilberts thus had good title to the property, the trial court properly concluded that defendants-appellees who claim an interest in the property through the Gilberts were entitled to summary disposition.

Finally, plaintiffs argue that the trial court improperly imposed sanctions against them after finding that their claim was ungrounded in fact and in law. We review the trial court's finding that plaintiffs' claim was frivolous to determine whether it was clearly erroneous. *LaRose Market, Inc v Sylvan Center, Inc*, 209 Mich App 201, 210; 530 NW2d 505 (1995). We have reviewed the reasoning employed by the trial court in determining that this action was not grounded in fact or law and do not conclude that this determination was clearly erroneous. Sanctions were properly

awarded against plaintiffs. MCL 600.2591; MSA 27A.2591; MCR 2.114(D), (E), (F); MCR 2.625(A)(2).

We affirm.

/s/ Donald E. Holbrook, Jr.

/s/ Harold Hood

/s/ Richard A. Bandstra

<sup>1</sup>Even if we concluded otherwise, Waterways would only have been granted the interest Remvest had as a result of that sale, an interest that was subject to the Gilbert's right of redemption. The trial court properly concluded that the bankruptcy action by which the Gilberts executed a new mortgage and promissory note to Remvest was the functional equivalent of a redemption and return of title to the Gilberts.

<sup>2</sup>This is the applicable section as compiled at the time of the foreclosure sale. It has since been re-compiled at MCL 600.3240(10); MSA 27A.3240(10).