

STATE OF MICHIGAN  
COURT OF APPEALS

---

DURWOOD ROLLER,

Plaintiff-Appellee,

v

CHRYSLER CORPORATION, INC.,

Defendant-Appellant.

---

UNPUBLISHED

August 20, 2002

No. 227523

Oakland Circuit Court

LC No. 94-473978-CK

ON REHEARING

Before: Zahra, P.J., and Neff and Saad, JJ.

PER CURIAM.

This case has a long appellate history and is currently before this Court for a third time. The question before us is whether plaintiff is entitled to exercise rights under certain stock option agreements in light of an employment separation agreement plaintiff executed with defendant. The trial court entered judgment in favor of plaintiff. We vacate that judgment and remand for entry of judgment in favor of defendant.

I. Facts and Procedural History

In a prior appeal, this Court reversed a judgment in favor of plaintiff and remanded the case to the trial court. *Roller v Chrysler Corp, Inc (On Remand)*, unpublished opinion per curiam of the Court of Appeals, issued September 3, 1999 (Docket No. 194756) (“*Roller II*”). On remand, the trial court found as a matter of law that plaintiff’s separation from employment with defendant was via retirement, not a layoff and, therefore, plaintiff was entitled to exercise his rights to purchase stock options under the stock option agreements for a period of five years. The trial court subsequently reinstated the prior jury verdict that had been reversed by this Court in *Roller II*.

Defendant appealed as of right, arguing that summary disposition should have been granted in its favor or, in the alternative, that a new trial was warranted based on the prior opinion of this Court in *Roller II* and a prior order of our Supreme Court. See *Roller v Chrysler Corp, Inc*, 459 Mich 976; 593 NW2d 548 (1999). Initially, we issued an opinion dated June 7, 2002 that reversed the trial court’s grant of summary disposition to plaintiff and remanded the matter to the trial court for a new trial to resolve the factual question whether plaintiff’s employment was terminated via retirement or layoff. *Roller v Chrysler Corp, Inc*, unpublished opinion per curiam of the Court of Appeals, issued June 7, 2002 (Docket No. 227523). Defendant filed a motion for rehearing, arguing that the status of plaintiff’s employment at the

time of termination is immaterial as a matter of law because this Court in *Roller II* determined that the separation agreement was an integrated and unambiguous document by which plaintiff released any and all past, present or future claims against his employer that in any way arose from his employment or termination of employment. Pursuant to an order issued simultaneous to this opinion, we grant the motion for rehearing and vacate our June 7, 2002 opinion. We now vacate the judgment entered by the trial court and remand for entry of judgment in favor of defendant.

## II. Analysis

The trial court found that this Court's opinion in *Roller II* required a finding that the stock option agreements had to be enforced and the separation agreement should be viewed only to determine whether plaintiff was laid off or retired for purposes of determining plaintiff's entitlement to purchase stock under the option plans. The trial court further concluded that, under the unambiguous language of the separation agreement, plaintiff's termination was via retirement and, therefore, plaintiff was entitled to purchase stock under the option plans for up to five years after the date of his retirement. Nothing in *Roller II* supports the trial court's findings. Our opinion in *Roller II* did, indeed, indicate that the terms of the stock option agreements *may* be applied in light of the terms of the separation agreement. However, our opinion did not mandate that the stock option agreements must be enforced under the terms of the separation agreement. More significantly, our opinion in *Roller II* held that the separation agreement was an integrated and unambiguous document. This Court concluded that:

plaintiff's rights under the stock option agreement must be determined in light of his employment status under the written terms of the separation agreement without consideration of any parol evidence. [*Id.*]

The initial question whether the stock option agreements could be applied in light of the separation agreement became a question of law once it was decided that the separation agreement was not ambiguous. "If contract language is clear and unambiguous, its meaning is a question of law." *UAW-GM, supra* at 491 (quotation omitted). Only "[w]here the contract language is unclear or susceptible to multiple meaning, interpretation becomes a question of fact." *Id.*

In *UAW-GM*, this Court acknowledged that "an integration clause nullifies all antecedent agreements." *Id.* at 499, 502. 3 Corbin, Contracts, § 578 provides:

If a written document, mutually assented to, declares in express terms that it contains the entire agreement of the parties . . . this declaration is conclusive as long as it has itself not been set aside by a court on grounds of fraud or mistake, or on some ground that is sufficient for setting aside other contracts. . . . It is just like a general release of all antecedent claims.

\* \* \*

. . . An agreement that we do now discharge and nullify all previous agreements and warranties is effective, so long as it is not itself avoided. . . .

\* \* \*

. . . By limiting the contract to the provisions that are in writing, the parties are definitely expressing an intention to nullify antecedent understandings or agreements. They are making the document a complete integration. Therefore, even if there had in fact been an antecedent warranty or other provision, it is discharged by the written agreement. [See *UAW-GM*, *supra* at 494.]

In *Romska v Oppper*, 234 Mich App 512, 514; 594 NW2d 853 (1999), the plaintiff and Farm Bureau Insurance settled an automobile negligence claim and the plaintiff signed a release, which released and discharged “all other parties, firms, or corporations who are or might be liable, from all claims of any kind or character”, which the plaintiff might have resulting from, directly or indirectly, the automobile accident. The settlement agreement also contained an integration clause. *Id.* The plaintiff subsequently tried to settle with the defendant, another potential at-fault party, and his insurance carrier. *Id.* The defendant argued that he was released by the previously mentioned release. *Id.* The trial court agreed and this Court affirmed:

Because defendant clearly fits within the class of “all other parties, firms or corporations who are or might be liable,” we see no need to look beyond the plain, explicit, and unambiguous language of the release in order to conclude that he has been released from liability. “There cannot be any broader classification than the word ‘all,’ and ‘all’ leaves room for no exceptions.” [*Id.* at 515-516 (footnote omitted), quoting *Calladine v Hyster Co*, 155 Mich App 175, 182; 399 NW2d 404 (1986).]

In this case, the separation agreement states that plaintiff released and forever discharged defendant:

from any and all claims, demands and causes of action he now has, or may have, by reason of any matter, act or omission arising out of, or in connection with, Roller’s employment with and separation from Chrysler.

Further, it states, “ I understand that this document is much more than a receipt. IT INCLUDES A RELEASE. I am giving up every right I have against Chrysler.” The integration clause provides as follows:

Attachments I, II and III, the cover letter to which they are attached, and the benefit plans referenced in the Attachments, constitute the entire agreement between Roller and Chrysler. *There are no agreements, understandings or representations made by Chrysler except as expressly stated in Attachments I, II and III, the cover letter and said benefit plans.* This agreement may not be amended except in writing signed by an authorized Chrysler representative. [Emphasis added.]

The plain, unambiguous language of the separation agreement nullified the antecedent stock option agreements and the only agreement between the parties was that set forth in the separation agreement. That agreement did not allow for the maintenance of purchases pursuant to the stock option agreements. Because the stock option agreements could not be applied in

light of the language of the separation agreement, the issue whether plaintiff was terminated via a layoff or retirement for purposes of the stock option plans is not material.

We disagree with plaintiff's alternative position that he did not release his rights under the stock option plans by way of the language of the separation agreement. Plaintiff's argument that the language of the release and integration clauses of the separation agreement did not encompass the stock option plans is entirely disingenuous. Plaintiff's *demand* to exercise his rights under the stock option plans or his *claim* to entitlement under those plans was plainly covered by the language in the separation agreement. The stock options were not property held by defendant, but were options that needed to be exercised and were subject to various conditions, including forfeiture. See *Everett v Everett*, 195 Mich App 50, 54; 489 NW2d 111 (1992) (stock options are employee benefits subject to various conditions and can be forfeited; the stock is not owned until purchased). Plaintiff's reliance on *Everett* to support that stock options are property and not claims, demands or rights waiting to be exercised is misplaced. In *Everett*, the options were treated as property by agreement of the parties. *Id.* at 51. The trial court divided the options on the assumption that they would be exercised and the judgment contained an order that the options be exercised. *Id.* at 53.

Plaintiff's argument that MCL 440.8319<sup>1</sup> was violated is also without merit. That statute formerly addressed contracts for the sale of securities and required that such contracts be in writing. There was no contract for the sale or disposition of securities in this case. Plaintiff did not hold securities, which were disposed of by way of the separation agreement. He merely held an option to purchase securities. See *Everett, supra* at 54 (stock is not owned and tradable until purchased).

### III. Conclusion

In sum, the plain, unambiguous language of the separation agreement extinguished any rights that plaintiff had in the stock option agreements. Reading the stock option agreements in light of the separation agreement, plaintiff is not entitled to obtain the relief he requested. Summary disposition in favor of defendant should have been granted. It is therefore unnecessary to determine whether his termination was via retirement or layoff for purposes of the stock option agreements.

Vacated and remanded for entry of an order granting defendant summary disposition.

/s/ Brian K. Zahra  
/s/ Henry William Saad

---

<sup>1</sup> MCL 440.8319 was repealed by 1998 PA 278, § 1.