

STATE OF MICHIGAN
COURT OF APPEALS

In re Estate of Victorine L. Knopf, Deceased.

NEIL KNOPF,

Petitioner-Appellee,

v

NOELLE KNOPF, Personal Representative of the
Estate of Victorine L. Knopf, Deceased,

Respondent-Appellant.

UNPUBLISHED
February 14, 2003

No. 238377
Grand Traverse Probate Court
LC No. 99-025496-IE

Before: Neff, P.J., and Bandstra and Kelly, JJ.

PER CURIAM.

Respondent appeals as of right from the probate court's order entering the settlement agreement signed by the parties as a final order of the court and dismissing the petition. We affirm.

I. Basic Facts and Procedural History

The decedent executed a pour-over will and trust on August 23, 1995. She died on September 29, 1999. Pursuant to the terms of the will, respondent was appointed personal representative of the estate and successor to the decedent's trust. The major asset in decedent's estate was the "Willow Beach Motel" (the property) consisting of several rental cottages and a small home. According to the terms of the will, ownership of the property transferred to the trust for distribution. The trust provided that the property be held in trust for respondent until respondent died or no longer wished to occupy the property. At that time, the property was to be sold and the proceeds distributed as follows: 40% or \$10,000, whichever was less, to petitioner and the remainder to respondent. All other assets were to pass equally to the parties.

Petitioner challenged the decedent's estate plan on the basis of lack of competency and undue influence. Ultimately, petitioner abandoned the competency claim. In November 2000, the parties agreed to submit the remaining claim to mediation. On November 28, 2000, the parties signed a handwritten "Settlement Agreement Outline" (the agreement). The agreement provided for the termination of decedent's trust, that the property would be deeded to respondent, that respondent would sell the property by a certain date and pay petitioner 25% of the proceeds,

and that respondent would prepay petitioner \$50,000 within thirty days of the new trial date (December 13, 2000) or the execution of the comprehensive settlement agreement, whichever came first. It further stated:

The above is accepted by the parties as their settlement with the understanding that counsel will draft a comprehensive settlement agreement using this as setting forth the material terms of the settlement.

The parties were unable to agree on a “comprehensive settlement” agreement. In September 2001, petitioner filed a Motion to Enforce Settlement Agreement. At the hearing, petitioner argued that the agreement was binding and requested the probate court to enter that agreement as an order. Respondent argued that the agreement was not binding because it lacked mutuality of asset on all essential terms. The probate court found that the agreement was enforceable pursuant to MCR 2.507(H), entered the agreement as an order, and dismissed the case. The trial court denied respondent’s motion for reconsideration.

II. Analysis

Respondent argues that the trial court erred in finding that the agreement was a “complete, binding, and enforceable agreement” pursuant to MCR 2.507(H). We disagree. We review de novo this issue involving interpretation of a court rule. *Michigan Mutual Ins Co v Indiana Ins Co*, 247 Mich App 480, 483; 637 NW2d 232 (2001).

Settlement agreements become binding on parties where made in open court or evidenced by writing. MCR 2.507(H); *Michigan Mutual, supra* at 484. A settlement agreement is a contract and is construed and applied under general contract principles. *Id.*, quoting *Walbridge Aldinger Co v Walcon Corp*, 207 Mich App 566, 571; 525 NW2d 489 (1994). A party is bound by the settlement agreement absent a showing of duress, mistake, fraud, or unconscionable advantage. *Massachusetts Indemnity and Life Ins Co v Thomas*, 206 Mich App 265, 268; 520 NW2d 708 (1994). Moreover, because settlement agreements are favored in Michigan, our Courts are generally reluctant to set them aside. *Metropolitan Life Ins Co v Goolsby*, 165 Mich App 126, 128; 418 NW2d 700 (1987).

There must be a meeting of the minds on all the material facts in order to form a valid settlement agreement. *Siegel v Spinny*, 141 Mich App 346, 350; 367 NW2d 860 (1985). In this case, the agreement specifically stated:

The above is accepted by the parties as their settlement with the understanding that counsel will draft a comprehensive settlement agreement using this as setting forth the material terms of the settlement.

We find that because the parties agreed that the material terms were set forth in the agreement, the agreement was enforceable even though there were some minor details to be resolved. See *Scholnick’s Importers-Clothiers, Inc v Lent*, 130 Mich App 104, 109-110; 343 NW2d 249 (1983). The fact that respondent, after signing the agreement, decided that additional terms were material does not negate an otherwise enforceable agreement.

Affirmed.

/s/ Janet T. Neff
/s/ Richard A. Bandstra
/s/ Kirsten Frank Kelly