SUPERIOR COURT OF NEW JERSEY
APPELLATE DIVISION
DOCKET NO. A-3286-21

SARA ANN EDMONDSON,

Plaintiff-Appellant,

v.

LILLISTON FORD,

Defendant-Respondent.

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Submitted June 6, 2023 – Decided August 16, 2023

Before Judges Susswein and Berdote Byrne.

On appeal from the Superior Court of New Jersey, Law Division, Cumberland County, Docket No. L-0089-22.

Sara Ann Edmondson, appellant pro se.

Cooper Levenson, PA, attorneys for respondent (Jennifer B. Barr, of counsel and on the brief; Samantha T. Edgell, on the brief).

PER CURIAM

Plaintiff Sara Ann Edmondson appeals from a May 17, 2022 Law Division order granting defendant's motion to dismiss and denying plaintiff's cross-

motion for summary judgment. This appeal is the culmination of protracted litigation between the parties in both state and federal courts arising from plaintiff's purchase of a used car from defendant Lilliston Ford in February 2012. Plaintiff claims she experienced mechanical difficulties with the vehicle and that defendant failed to fix the problem despite multiple attempts. The parties each brought claims against the other in state court, which were dismissed without prejudice in January 2013. The dispute next moved to federal court and then to compelled arbitration, which resulted in the dismissal of plaintiff's claims with prejudice.

Plaintiff then filed another complaint against defendant in state court, alleging consumer fraud and related counts. Judge Benjamin D. Morgan issued a written opinion concluding that plaintiff's complaint was barred by the doctrines of res judicata and collateral estoppel. After carefully reviewing the extensive record in light of the governing legal principles and arguments of the parties, we affirm substantially for the reasons explained in Judge Morgan's cogent opinion.

I.

We discern the following procedural history and pertinent facts from the record. In February 2012, plaintiff purchased a pre-owned 2012 Ford Focus

from defendant. As a part of that purchase, plaintiff agreed to trade in her 2004 Lincoln LS in exchange for an $800 credit. Shortly after the purchase, plaintiff claimed that she experienced mechanical difficulties with the Focus. Defendant attempted multiple times to repair it, but plaintiff claimed the repairs were unsuccessful. Defendant would not accept return of the Focus and demanded plaintiff turn over the title to the Lincoln or reimburse defendant for the vehicle trade-in credit. Plaintiff refused.

The parties originally brought suit against each other in New Jersey state court in June 2012. Defendant sought to compel plaintiff to turn over title to the Lincoln or reimburse defendant for the trade-in credit she received. Plaintiff counterclaimed, asserting the vehicle was defective. In January 2013, the trial judge administratively dismissed both parties' claims without prejudice.[1]

In October 2013, plaintiff filed a demand for arbitration with the American Arbitration Association (AAA). In November 2013, the AAA declined to arbitrate the case because of the parties' failure to pay the required fees.

[1] The parties disagree as to the impetus for that order. Plaintiff claims that the parties mutually agreed to withdraw their filings and proceed to arbitration. Defendant asserts the parties had reached a settlement whereupon defendant withdrew its claims without prejudice on the condition that plaintiff execute a form stating that the title to the trade-in vehicle had been lost.

Plaintiff then filed suit in federal court, asserting violations of the Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301–2312, and the Odometer Act, 49 U.S.C. §§ 32704–32711, in addition to raising several state law claims.[2] Edmondson v. Lilliston Ford, Inc. (Edmondson I), 593 F. App'x 108, 110 (3d Cir. 2014). Plaintiff filed a motion to compel arbitration, which was initially denied by the District Court. Ibid. She appealed, and after a remand by the Third Circuit and a series of protracted proceedings, the District Court ultimately granted plaintiff's motion to compel arbitration. Id. at 113; Edmondson v. Lilliston Ford, Inc. (Edmondson II), No. 13-7704, 2017 U.S. Dist. LEXIS 63354, at *7 (D.N.J. Apr. 26, 2017).

Following disputes regarding arbitrator selection and costs, an arbitration proceeding was finally held in December 2016. Id. at *7–8. The arbitrator issued an arbitration award dismissing all of plaintiff's claims and ordering her to return title of the Lincoln to defendant within fourteen days or refund the trade-in value and remove the Lincoln from defendant's premises. Id. at *8–9.

[2] The state law claims included violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 to -227, recission of contract, negligent hiring, common law fraud, equitable fraud, breach of contract, negligent misrepresentation, and unjust enrichment.

The ruling specified that plaintiff failed to prove any cause of action upon which relief could be granted. Id. at *8.

Plaintiff moved to vacate the arbitration award. Id. at *10. She refused to turn over the title to the 2004 Lincoln or reimburse defendant the $800 vehicle trade-in credit. Ibid. She also refused to remove the Lincoln from defendant's lot where it has been stored since 2012. Ibid. The District Court denied plaintiff's motion to vacate the arbitration award, confirmed that award, and ordered plaintiff to reimburse defendant for attorney's fees incurred to enforce the award. Id. at *24–25. Plaintiff appealed, and the Third Circuit Court of Appeals affirmed the District Court's order. Edmondson v. Lilliston Ford Inc. (Edmondson III), 722 F. App'x 251, 252 (3d Cir. 2018).

In response to further filings in federal court, in June 2021, the District Court issued an order to show cause "as to why [p]laintiff should not be enjoined from pursuing, in any other forum, relief relating to the subject matter of this case." Edmondson v. Lilliston Ford, Inc. (Edmondson IV), No. 13-7704, 2021 U.S. Dist. LEXIS 120068 at *12 (D.N.J. June 26, 2021). Chief Judge Reneé Marie Bumb commented that "[p]laintiff has engaged in a pattern of contumacious behavior" and that her "repeated attempts to flout this [c]ourt's [o]rders and avoid satisfying judgments entered against her have prolonged this

case by several years." Id. at *3. Judge Bumb also observed that "[p]laintiff has a predictable leitmotif: file a motion to challenge some action, receive an adverse ruling, appeal, and repeat." Ibid. She went on to explain that

> although [p]laintiff's motions—and the appeals that followed—were rejected, they have succeeded in prolonging this litigation and in preventing [d]efendant from receiving what it has been awarded. But this delay must end. Accordingly, the [c]ourt will now take a more active role in this matter to prevent [p]laintiff from further abusing and making a mockery of the judicial system.
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> [Id. at *4.]

Judge Bumb added:

> [T]his [c]ourt cannot allow [p]laintiff to continue her evasive litigation practices by using the state courts. Other than [p]laintiff satisfying the judgments entered against her, [t]his matter is fully resolved. Any attempt to involve the state courts in this matter would result only in further, and unnecessary, delay.
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> [Id. at *12.]

On August 2, 2021, Judge Bumb issued an order precluding plaintiff from "filing any further actions relating to the subject matter of this case, without first obtaining permission to do so from the undersigned, unless [p]laintiff is represented by counsel. This [p]reclusion [o]rder shall apply to both [s]tate and

[f]ederal [f]ilings."[3] Judge Bumb further stated in her order that "[t]o protect the integrity of the judicial system and to avoid further vexat[ious] litigation, the [c]ourt will only permit [p]laintiff to assert additional claims if it appears that her claims are reasonably grounded in law."

In February 2022, plaintiff filed a complaint against defendant in state court alleging consumer fraud, recission of contract that was the product of fraud, negligent hiring, common law fraud, equitable fraud, negligent misrepresentation, breach of implied covenant of good faith and fair dealing, and liability of principal to a third party. Plaintiff also attempted, unsuccessfully, to reinstate her counterclaim that had been dismissed in January 2013.

Defendant filed a motion to dismiss the new complaint, arguing plaintiff violated Judge Bumb's August 2021 preclusion order. Plaintiff cross-moved for summary judgment, arguing the arbitration clause in the retail purchase

[3] Judge Morgan's written opinion explicitly "[took] no position on [d]efendant's initial argument that the federal court has the ability to restrict a litigant from filing claims before a state court." We likewise decline to address that argument and note that plaintiff's apparent violation of the District Court's order by bringing the state court action now before us without first obtaining its permission played no part in our decision to affirm the dismissal of the complaint with prejudice.

agreement was inapplicable[4] and that she should be awarded judgment on her substantive causes of action. Defendant opposed the cross-motion, arguing these issues had already been decided by Judge Bumb and the arbitrator and were thus barred under the doctrines of res judicata and collateral estoppel.

Judge Morgan heard oral argument on April 29, 2022. On May 17, 2022, he issued an order granting defendant's motion to dismiss and denying plaintiff's cross-motion for summary judgment.[5] The order was accompanied by an eight-page decision in which Judge Morgan concluded that plaintiff's complaint was barred by the doctrines of res judicata and collateral estoppel. He reasoned that the "same issues of the contract's applicability and defendant's alleged fraudulent behavior have already been resolved by the federal court and arbitrator in a final judgment." He emphasized that "[b]oth cases have the same parties, the same issues, the same causes of action, and there has been a final determination made after an adjudication." This appeal follows.

Plaintiff raises the following contention for our consideration:

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[4] We note that plaintiff had previously moved in federal court to compel arbitration and litigated that issue up to the Third Circuit, where she ultimately prevailed.

[5] Although not mentioned in the text of the one-page order, the accompanying written opinion makes clear Judge Morgan denied plaintiff's cross-motion for summary judgment.

POINT I

DID THE FAILURE OF THE FEDERAL COURT TO EXERCISE PENDENT JURISDICTION IN THE CONTROVERSY THEN BEFORE THE COURT EFFECTIVELY BAR PLAINTIFFS FROM OBTAINING THE COMPLETE RELIEF SOUGHT HERE, UNDER THE PRINCIPLE OF RES JUDICATA?

II.

We begin our analysis by acknowledging the legal principles that govern this appeal. We apply a de novo standard of review to a trial court order dismissing a complaint under Rule 4:6-2(e). Baskin v. P.C. Richard & Son, LLC, 246 N.J. 157, 171 (2021) (citing Dimitrakopoulos v. Borrus, Goldin, Foley, Vignuolo, Hyman & Stahl, PC, 237 N.J. 91, 108 (2019)). We owe no deference to the trial court's conclusions. Rezem Fam. Assocs., LP v. Borough of Millstone, 423 N.J. Super. 103, 114 (App. Div. 2011). The application of res judicata and collateral estoppel doctrines are questions of law which we also review de novo. See Selective Ins. Co. v. McAllister, 327 N.J. Super. 168, 173 (App. Div. 2000).

In considering a Rule 4:6-2(e) motion for failure to state a claim, "[a] reviewing court must examine 'the legal sufficiency of the facts alleged on the face of the complaint,' giving the plaintiff the benefit of 'every reasonable

inference of fact.'" Baskin, 246 N.J. at 171 (quoting Dimitrakopoulos, 237 N.J. at 107). We assume the allegations of the complaint are true, viewing the pleading generously "to determine whether a cause of action can be gleaned even from an obscure statement." Seidenberg v. Summit Bank, 348 N.J. Super. 243, 250 (App. Div. 2002) (citing Printing Mart-Morristown v. Sharp Elecs. Corp., 116 N.J. 739, 746 (1989)). The test for determining the adequacy of a pleading is "whether a cause of action is 'suggested' by the facts." Printing Mart-Morristown, 116 N.J. at 746 (quoting Velantzas v. Colgate-Palmolive Co., 109 N.J. 189, 192 (1988)). "A pleading should be dismissed if it states no basis for relief and discovery would not provide one." Rezem Fam. Assocs., 423 N.J. Super. at 113.

Under the doctrine of res judicata, once a "'controversy between parties is . . . fairly litigated and determined[,] it is no longer open to relitigation.'" Wadeer v. N.J. Mfrs. Ins. Co., 220 N.J. 591, 606 (2015) (quoting Lubliner v. Bd. of Alcoholic Beverage Control, 33 N.J. 428, 435 (1960)). For res judicata to bar a subsequent complaint, three elements must be satisfied:

> (1) the judgment in the prior action must be valid, final, and on the merits; (2) the parties in the later action must be identical to or in privity with those in the prior action; and (3) the claim in the later action must grow out of the same transaction or occurrence as the claim in the earlier one.

> [Rippon v. Smigel, 449 N.J. Super. 344, 367 (App. Div. 2017) (citing Velasquez v. Franz, 123 N.J. 498, 505–06 (1991)).]

A judgment made "'[o]n the merits' means that the factual issues directly involved must have been actually litigated and determined." Adelman v. BSI Fin. Servs., Inc., 453 N.J. Super. 31, 40 (App. Div. 2018) (quoting Slowinski v. Valley Nat'l Bank, 264 N.J. Super. 172, 183 (App. Div. 1993)). In contrast, "a judgment entered by confession, consent, or default" is not on the merits because "none of the issues [are] actually litigated." Ibid. (quoting Allesandra v. Gross, 187 N.J. Super. 96, 106 (App. Div. 1982)). "[I]n appropriate circumstances[,] an arbitration award can have a res judicata or collateral estoppel effect in subsequent litigation." Nogue v. Est. of Santiago, 224 N.J. Super. 383, 385–86 (App. Div. 1988).

The doctrine of collateral estoppel is an equitable remedy that "bars relitigation of any issue which was actually determined in a prior action, generally between the same parties, involving a different claim or cause of action." In re Liquidation of Integrity Ins. Co., 214 N.J. 51, 66 (2013) (quoting N.J. Div. of Youth & Fam. Servs. v. R.D., 207 N.J. 88, 114 (2011)). For collateral estoppel to apply,

> the party asserting the bar must show that: (1) the issue to be precluded is identical to the issue decided in the prior proceeding; (2) the issue was actually litigated in the prior proceeding; (3) the court in the prior proceeding issued a final judgment on the merits; (4) the determination of the issue was essential to the prior judgment; and (5) the party against whom the doctrine is asserted was a party to or in privity with a party to the earlier proceeding.
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> [Winters v. N. Hudson Reg'l Fire & Rescue, 212 N.J. 67, 85 (2012) (quoting Olivieri v. Y.M.F. Carpet, Inc., 186 N.J. 511, 521 (2006)).]

III.

We next apply the foregoing legal principles to the present facts. We are satisfied all three elements of res judicata are met. First, a final judgment has been issued in this case by the District Court and affirmed by the Third Circuit Court of Appeals. Edmondson III, 722 F. App'x at 252. Second, the parties in this matter are the same as those in the federal litigation. Third, the claims in the latest complaint are almost identical and most certainly "gr[e]w out of the same transaction or occurrence as the claim in the earlier one." See Rippon, 449 N.J. Super. at 367. Clearly, plaintiff seeks to relitigate the same claims—relating to plaintiff's 2012 purchase of a pre-owned vehicle from defendant and plaintiff's refusal to turn over title of the trade-in vehicle or reimburse the trade-

in credit amount—that were previously considered and rejected by the arbitrator. Accordingly, the doctrine of res judicata applies.

We likewise conclude that all five elements of collateral estoppel are satisfied. First, the claims precluded are the same as the state claims brought by plaintiff in federal court. Second, those claims were actually litigated—the arbitrator dismissed all of plaintiff's claims, finding that she failed to prove any cause of action upon which relief could be granted. That arbitration award was then confirmed by the District Court, whose order was then affirmed by the Third Circuit Court of Appeals. Edmondson III, 722 F. App'x at 252. Third, the arbitration award constituted a final judgment on the merits. Fourth, the determination of the issue—whether plaintiff could make out any of her state law claims—was essential to the arbitrator's decision. Fifth, the parties are the same as in the earlier proceedings.

In sum, although we apply de novo review, we conclude Judge Morgan appropriately granted defendant's motion to dismiss and denied plaintiff's cross-motion for summary judgment. The judge's findings are amply supported by the record, and his decisions comport with the applicable legal principles.

To the extent we have not specifically addressed them, any remaining arguments raised by plaintiff lack sufficient merit to warrant discussion. R. 2:11-3(e)(1)(E).

Affirmed.

I hereby certify that the foregoing is a true copy of the original on file in my office.

CLERK OF THE APPELLATE DIVISION