IN THE COURT OF APPEALS OF IOWA

No. 7-255 / 95-1534 000293

WAYNE A. SORENSEN,

Plaintiff-Appellee,

vs.

ROBERT J. SORENSEN,

Defendant-Appellant.

Appeal from the Iowa District Court for Clinton County, David H. Sivright, Jr., Judge.

Wayne Sorensen filed a petition against his father, Robert, to establish rights in two farms Wayne operated and Robert owned. **AFFIRMED.**

Peter C. Riley of Tom Riley Law Firm, P.C., Cedar Rapids, for appellant.

Mark A. Tarnow of Wessels, Stojan & Stephens, P.C., Rock Island, Illinois, for appellee.

Heard by Sackett, Streit, and Habhab*, JJ.

*Senior judge assigned by order pursuant to Iowa Code § 602.9206 (1997).

HABHAB, S.J.

After graduation from high school, Wayne Sorenson began operating two of the family's farms in 1974. Robert Sorenson, Wayne's father, stated Wayne could operate the farms and pay their expenses or Robert would sell them because he was contemplating semi-retirement. Wayne's parents moved to Belleview in 1974 and Wayne lived on one farm and assumed full responsibility for operating that farm and one other. Both Wayne and Robert experienced financial difficulties in the 1980's. Robert and Dorothy Sorenson filed for reorganization in bankruptcy in 1986. As part of the reorganization, Robert and Dorothy executed a deed in lieu of foreclosure for the two farms in question to the lender and entered into a contract purchase of the farms from the lender. Wayne continued to operate the farms and to pay the contract installments, taxes, insurance, and operating expenses. Between 1988 and 1992, Wayne operated the farms at a loss.

In 1988, Robert and Dorothy executed new wills confirming their intention that Wayne receive the farms. Wayne's parents divorced and Robert acquired Dorothy's interest in the farms in the dissolution. On August 25, 1992, Wayne accepted service of a notice of termination of farm tenancy at a meeting at Robert's attorney's office. The notice allegedly was just to insure payment of money lent by Robert to Wayne. However, a dispute arose between Wayne and Robert concerning the money and offsets claimed by Wayne. Robert then enforced the termination and entered into a lease with Steve Dickey for the farms beginning with the 1993 crop year.

Wayne filed a petition against his father in 1994 to establish rights in the two farms under various theories, including promissory estoppel. Following a hearing, the district court found Wayne had shown a clear and definite agreement with his parents the two farms would be his if he operated the farms and paid the farm debts. The court found this agreement was clarified and reaffirmed through the years as Wayne worked the farms. The court viewed the wills as an expression of Wayne's parents' desire that he have the farms. The district court granted relief to Wayne under the promissory estoppel theory and denied all the other theories. The court set aside the lease with Steve Dickey and held Robert would retain title to the farms subject to Wayne's right to possess and operate them, so long as Wayne paid the contract installments, taxes, and insurance.

Both parties filed rule 179(b) motions. The court vacated its ruling which set aside the lease, instead restoring possession to Wayne beginning in 1996. The court also clarified its ruling, requiring Wayne to operate the farms rather than crop leasing or cash renting them. The district court also determined Wayne would be entitled to own the farms at any time he could pay the contract vendor in full. Robert appeals.

I. Standard of Review. The standard of review is in dispute because this case was filed as a law action, but the relief granted was equitable in nature. The pleadings, relief sought, and nature of the case ordinarily determine whether an action is legal or equitable. *Citizens Sav. Bank v. Sac City State Bank*, 315 N.W.2d 20, 24 (Iowa 1982). We will review a case on appeal in the same manner in which the trial court considered it regardless of what these factors suggest. *Id.* Where there is uncertainty about the nature of a case, a litmus test we use in making this determination is whether the trial court ruled on evidentiary objections. *Ernst v. Johnson County*, 522 N.W.2d 599, 602 (Iowa 1994). In addition, where the trial court labels its ruling a "decree," this is an indication it tried the matter in equity. *Id.* The petition in this case was filed as a law action and sought monetary damages. In the alternative, it asked for equitable relief. The district court ruled on objections as in a law action. The court labeled its decision "Findings of Fact, Conclusions of Law, and Verdict." We conclude this matter was tried at law, even though the relief given was equitable. Therefore, our review is on assigned error only. Iowa R. App. P. 4. Findings of fact in a law action are binding upon the appellate court if supported by substantial evidence. Iowa R. App. P. 14(f)(1); *Knudsen v. Andreasen*, 462 N.W.2d 294, 295 (Iowa App. 1990). Evidence is substantial when a reasonable mind would find the evidence presented adequate to reach the same findings. *Johnson v. Dodgen*, 451 N.W.2d 168, 171 (Iowa 1990); *Grinnell Mut. Reins. Co. v. Voeltz*, 431 N.W.2d 783, 785 (Iowa 1988). In evaluating sufficiency of the evidence, we view it in the light most favorable to sustaining the court's judgment. We need only consider evidence favorable to the judgment, whether or not it was contradicted. *Briggs Transp. Co. v. Starr Sales Co.*, 262 N.W.2d 805, 808 (Iowa 1978). Evidence is not insubstantial merely because it could support contrary inferences. *Grinnell Mut. Reins. Co.*, 431 N.W.2d at 785.

II. Discussion. The district court found the evidence supported Wayne's claim of promissory estoppel. The elements of promissory estoppel are (1) a clear and definite agreement; (2) proof that the party seeking to enforce the agreement reasonably relied upon it to his detriment; and (3) a finding that the equities support enforcement of the agreement. *Amana Society v. Colony Inn, Inc.*, 315 N.W.2d 101, 117 (Iowa 1982) (citing *In re Estate of Graham*, 295 N.W.2d 414, 418-19 (Iowa 1980)).

In addition, section 90 of the Restatement provides, "a promise which the promisor should reasonably expect to induce action or forbearance on the part of the promisee or a third person and which does induce such action or forbearance is binding if injustice can be avoided only by the enforcement of the promise." *See Uhl v. City of Sioux City*, 490 N.W.2d 69, 73-74 (Iowa App. 1992).

Our careful review of the trial record reveals substantial evidence supports all three elements of promissory estoppel. We affirm the decision of the district court.

AFFIRMED.