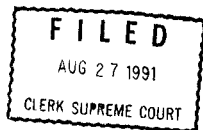


IN THE COURT OF APPEALS OF IOWA

No. 1-013 / 90-341



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LINDNER AVIATION, INC.,

Appellee/Cross-Appellant,

vs.

LOZELLE MICHAELIS THOMPSON,

Appellant/Cross-Appellee.

Appeal from the Iowa District Court for Lee County,
David Fahey, Judge.

Both parties appeal from the findings of the trial
court. **AFFIRMED.**

Alfredo Parrish and Max Exline of Parrish, Kruidenier &
Exline, Des Moines, for appellant.

Vivian P. Meyer, Keokuk, for appellee.

Considered by Schlegel, P.J., and Sackett and Habhab,
JJ.

HABHAB, J.

In 1978, Lindner Aviation bought a Cessna 310 airplane. In 1982, the defendant, Lozelle Michaelis Thompson, a medical doctor, negotiated with Lindner to purchase the airplane. Dr. Thompson eventually purchased the airplane and then leased it back to Lindner. The lease provided that Lindner would, at Dr. Thompson's expense, maintain and keep the aircraft in good order. Lindner also charged Dr. Thompson hangar rent.

In 1983, the Cessna 310's engines showed signs of cracking and needed to be replaced. Dr. Thompson decided against repairing the Cessna 310 but instead, in August 1983, bought a Cessna 402. Dr. Thompson leased the 402 to Lindner under terms similar to those for the 310.

In late May or early June 1984, Dr. Thompson decided not to keep the aircraft. As a result, she ceased making payments on her loan used to purchase the plane. From June 1984 through March 1985, however, Lindner made the payments on the plane. In the fall of 1985, Lindner purchased the Cessna 402 .

Lindner then filed this action, seeking to recover the unpaid maintenance charges and other expenses under the lease as well as the loan payments it made on the Cessna 402. Following trial, the district court awarded Lindner damages to cover the unpaid charges on the lease but denied its recovery for the loan payments. Dr. Thompson appealed and Lindner has cross-appealed.

Our review of this action at law tried to the court is for errors of law. Iowa R. App. P. 4. Findings of facts in a law action have the effect of a special jury verdict and are binding on us if supported by substantial evidence. Iowa R. App. P. 14(f)(1). We construe the trial court's findings broadly and liberally. Grinnell Mut. Reinsurance Co. v. Voeltz, 431 N.W.2d 783, 785 (Iowa 1988). In case of doubt or ambiguity, we construe the findings to uphold, rather than defeat, the trial court's judgment. Id. We are prohibited from weighing the evidence or the credibility of the witnesses. Id.

A finding of fact is supported by substantial evidence if the finding may be reasonably inferred from the evidence. In evaluating sufficiency of the evidence, we view it in its 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 substantial or sufficient when a reasonable mind would accept it as adequate to reach the same findings. Waukon Auto v. Farmers & Merchants Sav. Bank, 440 N.W.2d 844, 846 (Iowa 1989). Evidence is not insubstantial merely because it could support contrary inferences. Grinnell Mut. Reinsurance Co., 431 N.W.2d at 785.

With these principles in mind, we turn to the issues raised on appeal.

I. Fraudulent Inducement.

Dr. Thompson first argues the trial court's finding of no fraud is not supported by substantial evidence. Dr. Thompson asserts she was fraudulently induced to purchase the plane by certain misrepresentations of Lindner. She alleges Lindner represented the plane would pay for itself, and this alleged misrepresentation was false.

The trial court found no fraud in the transaction. Dr. Thompson had a similar arrangement with another plane previously. She was familiar with the business risks involved. Additionally, there is evidence she entered into the transactions for the tax benefits, as well as for the business possibilities, and to have a plane for her personal use. We determine the trial court's finding of no fraud is supported by substantial evidence. We affirm on this issue.

II. Maintenance and Hangar Charges.

Dr. Thompson next argues the trial court erred in allowing maintenance and hangar charges against Dr. Thompson. She alleges Lindner agreed to wipe out these charges as part of an alleged purchase agreement.

The trial court found Dr. Thompson had a contract with Lindner concerning maintenance charges. It further found there was an ongoing understanding concerning the hangar charges. Thus, there was both an express contract and an implied-in-fact contract concerning these items.

Our review of the facts convinces us the trial court has correctly discerned the parties' understanding. Dr. Thompson paid the hanger and maintenance charges for some time without protest. In fact, her only protest arose after this suit had been filed to collect the back charges. We find the trial court's findings on this issue supported by substantial evidence. We affirm.

III. Loan Payments.

Lindner cross-appeals, claiming the trial court erred in failing to award the installment payments it made after Dr. Thompson defaulted. Lindner basically argues unjust enrichment, a restitutionary principle.

The trial court found there was no contract or understanding between Dr. Thompson and Lindner for Lindner to make these payments. Indeed, it is conceivable Dr. Thompson would have been satisfied if the bank holding the note on the plane had simply repossessed the plane. The trial court further found Lindner kept the payments current for its own business advantage. As lessee, Lindner was under no obligation to make the payments. Lindner reaped not only the advantage of continuous use of the plane, but also in the end purchased the plane from the bank at an apparently advantageous price.

This is the type of hard question typically referred to the finder of fact. We are bound by the findings of fact of the trial court if supported by substantial evidence.

We determine the trial court's findings on this issue are supported by substantial evidence. We therefore affirm.

We affirm the trial court on all issues.

AFFIRMED.