Judgment rendered August 26, 2026.
Application for rehearing may be filed
within the delay allowed by Art. 2166,
La. C.C.P.

No. 56,976-CA

COURT OF APPEAL
SECOND CIRCUIT
STATE OF LOUISIANA

* * * * *

JIMMIE W. MEEK AND DEBORAH S. OLSON — Plaintiffs-Appellees

versus

CORETTA JOHNSON — Defendant-Appellant

* * * * *

Appealed from the
Twenty-Sixth Judicial District Court for the
Parish of Bossier, Louisiana
Trial Court No. 165,740

Honorable Charles A. Smith, Judge

* * * * *

WAYNE E. WEBB — Counsel for Appellant

SHUEY SMITH, LLC
By: Richard E. Hiller — Counsel for Appellees

* * * * *

Before PITMAN, STONE, and HUNTER, JJ.

PITMAN, C. J.

Defendant-Appellant Coretta Johnson appeals the trial court's judgment in favor of Plaintiffs-Appellees Jimmie W. Meek and Deborah S. Olson (collectively, the "Meeks"). For the following reasons, we affirm and award to the Meeks attorney fees and costs in the amount of $2,371.50.

FACTS

On September 13, 2021, the Meeks filed a petition against Johnson, seeking damages for breach of contract. They stated that they owned immovable property located at 333 Dogwood South Lane in Haughton (the "Property") and that on June 5, 2021, they entered into an agreement with Johnson to sell the Property to her (the "Contract"). The Contract provided that the sales price was $408,500; Johnson would make a deposit of $1,000; and the closing date would occur on or before July 23, 2021. They alleged that Johnson failed to complete the sale of the Property and breached the Contract. They stated that the following clause of the Contract applied:

> DEFAULT OF AGREEMENT BY BUYER: In the event of any default of this Agreement by the BUYER, the SELLER shall have at the SELLER'S option the right to declare this Agreement null and void with no further demand, or to demand and sue for any of the following: 1) Termination of this Agreement; 2) Specific performance; 3) Termination of this Agreement and an amount equal to 10% of the Sale Price as stipulated damages.
>
> Further, the SELLER shall be entitled to retain the Deposit. The prevailing party to any litigation brought to enforce any provision of this Agreement shall be awarded their attorney fees and costs. The BUYER may also be liable for Broker fees.

They further stated that they were entitled to the remedies provided in the Contract, including ten percent of the sales price as stipulated damages, plus the deposit, attorney fees, costs and broker fees.

On October 11, 2021, Johnson filed an answer. She argued that the Contract was subject to a condition that the Property would appraise for an amount not less than the sales price. She stated that based on an appraisal of $371,000, she opted not to purchase the Property, the Meeks did not reduce the sales price and the Contract terminated on its own accord. She stated that her agent arranged a second appraisal, which valued the Property at $410,000. She alleged collusion among the Meeks, her agent and the mortgage loan processor in an effort to obtain an appraisal for the sales price. Johnson also argued that the Contract was null and void because the Meeks sold the Property to a third party on September 7, 2021, days before filing their petition. She requested that the Meeks be denied their demands at their costs, that they return her deposit and that she be awarded attorney fees.

A bench trial was held on May 22, 2025. Deborah Olson testified that she and her husband moved to Louisiana in 2017 and purchased the Property. In 2021, they hired a real estate agent to sell the Property because they were moving to another state. She stated that they listed the Property for $405,000 and had eight offers on the first day it was on the market, including from Johnson. Olson testified that she, her husband and Johnson entered into the Contract, which stated that the sales price was $408,500. They then removed the Property from the market. Olson understood that Johnson needed to obtain financing to purchase the Property; that the sale was conditioned upon the Property appraising for the sales price; and that if the appraised value were less than the sales price, Johnson could request in writing a reduction in price. Olson stated that the Property appraised for $371,000 and that Johnson did not request in writing a reduction in price.

Rather, Johnson changed her lender and asked for the closing date to be extended to July 23, 2021, so she could obtain a second appraisal. The second appraisal valued the Property at $410,000. Olson testified that on July 22, 2021, Johnson's agent notified them that she would not purchase the Property. Olson stated that she emailed Johnson to ask her to "think about what she was doing," that Johnson responded that she did not think the second appraisal was fair and that she (Olson) responded that they did not want to pursue legal action but would follow the Contract. In response to Johnson's default, they hired an attorney, sent a demand letter to Johnson and ultimately sued Johnson for termination of the agreement and stipulated damages of $40,850 plus the $1,000 deposit, attorney fees and court costs. Olson testified that they put the Property back on the market in August 2021 and sold it to a third party on September 7, 2021, for $407,500. She noted that prior to this sale, the Property appraised for $427,000. She stated that attorney fees totaled $16,811.15, not including trial time.

Nicole Bryson testified that she is a licensed real estate agent and represented Johnson in the Contract. On June 4, 2021, she and Johnson toured the Property and then Bryson helped Johnson make an offer on it. Knowing there were multiple offers on the Property, they decided to present a competitive offer of $408,500. Bryson stated that Johnson understood the Contract and was aware of what would occur if the Property did not appraise for the sales price. When the first appraisal valued the Property at $371,000, she discussed Johnson's options with her, including requesting that the Meeks reduce the sales price. Bryson stated that she called the Meeks' agent to discuss reducing the price and that the Meeks did not reduce it. Bryson testified that Johnson wanted to continue with her purchase of the Property so she decided to order a second appraisal and use a different lender. Bryson stated that the second appraisal valued the Property at $410,000, but Johnson was unhappy with the difference in appraisals. Bryson and the lender both discussed with Johnson what would happen if she did not close on the Property, including that she would be in breach of contract and could be sued by the Meeks. Bryson noted that Johnson thought she (Bryson), the broker and the appraiser worked together to "fix" the appraisal, which Bryson denied. Bryson stated that on July 22, 2021, Johnson fired her as her agent, told her she no longer wanted to purchase the Property and requested the return of her deposit.

Johnson testified that following the first appraisal, her lender advised against her purchasing the Property. She stated that she told Bryson that she would offer $385,000 and pay the additional amount out of pocket but that the Contract was never amended. She disagreed with the second appraisal because the appraiser used new, larger houses in a different city as comparables. She stated that she told her agent that she did not want to close on the Property and requested the return of her deposit. She testified that she believed she was "out of" the Contract at that time. She noted that she purchased a different property and explained that she would not have purchased it if she knew she were still under contract to purchase the Property. She stated that she had spent $7,225 in attorney fees, not including time for the trial, and $2,608.82 in court costs.

On September 5, 2024, the trial court filed an opinion. It addressed the provision of the Contract regarding appraisals, which required the buyer to request in writing that the seller reduce the sales price if the property appraised for less than the sales price.[1] It found that the Contract clearly explained the necessary steps to take and that Johnson took no steps to void the Contract or reduce the sales price following the first appraisal. It also noted that the second appraisal valued the Property above the sales price and that the Contract clearly states that then the buyer "shall" purchase the Property at the sales price, which did not occur in this case. The court found that Johnson's credibility "declined" throughout her testimony. It stated that her disapproval with the methods of the second appraisal did not create a basis to void the Contract and not purchase the Property. It noted that Johnson had the opportunity to correct her default but failed to do so. The court found the language of the Contract regarding default by the buyer to be clear and that the Meeks chose to pursue an amount equal to ten percent of the sales price, retain the deposit and be awarded fees and costs. The trial court did not find the stipulated damages to be unreasonable and, therefore, did not modify the damages to which the parties agreed. Accordingly, the trial court determined that the Meeks were entitled to damages, return of the deposit, reasonable attorney fees and court costs.

On October 6, 2025, the trial court signed a judgment in favor of the Meeks and against Johnson in the following amounts: $40,850 in damages, $1,000 deposit, $20,000 in attorney fees and court costs. It also awarded the

[1] The Contract states:

> If the appraised value of the Property is equal to or greater than the Sale Price, the BUYER shall pay the Sale Price agreed upon prior to the appraisal. If the appraised value is less than the Sale Price, the BUYER shall provide the SELLER with a copy of the appraisal within three (3) calendar days of receipt of same, along with BUYER'S written request for the SELLER to reduce the Sale Price. Within three (3) calendar days after the SELLER'S receipt of such written documentation of the appraised value, the BUYER shall have the option to pay the Sale Price agreed upon prior to the appraisal or to void this Agreement unless the SELLER agrees in writing to reduce the Sale Price to the appraised value or all parties agree to a new Sale Price.

Meeks legal interest on the damages of $40,850 from the date of judicial demand until paid.

Johnson appeals.

DISCUSSION

Stipulated Damages

In her sole assignment of error, Johnson argues that the trial court improperly applied the stipulated damages clause. She contends that the Meeks were prevented from seeking stipulated damages under the Contract because they sold the Property to a third party prior to filing their petition. She asserts that once they sold the Property, the subject matter of the Contract no longer existed and the stipulated damages clause became null and unenforceable. She requests that this court reverse the judgment of the trial court and award her attorney fees.

The Meeks argue that Johnson's argument is meritless. They contend that the only way to render the stipulated damages clause null was for Johnson to fulfill her obligation to purchase the Property. They argue that once they sold the Property to a third party, they no longer had the option under the Contract to pursue specific performance, so their only recourse was to seek stipulated damages. They assert that nothing under the terms of the Contract prevented them from requesting stipulated damages rather than specific performance.

Contracts have the effect of law for the parties. La. C.C. art. 1983. When the words of a contract are clear and explicit and lead to no absurd consequences, no further interpretation may be made in search of the parties' intent. La. C.C. art. 2046.

Parties may stipulate the damages to be recovered in case of nonperformance, defective performance or delay in performance of an obligation. La. C. C. art. 2005. An obligee may demand either the stipulated damages or performance of the principal obligation, but he may not demand both unless the damages have been stipulated for mere delay. La. C.C. art. 2007. Stipulated damages may not be modified by the court unless they are so manifestly unreasonable as to be contrary to public policy. La. C.C. art. 2012.

It is well settled that a court of appeal may not set aside a trial court's finding of fact in the absence of manifest error or unless it is clearly wrong. *Rosell v. ESCO*, 549 So. 2d 840 (La. 1989).

In this case, the trial court did not err in its analysis of the Contract's provisions regarding default by the buyer or in its application of the stipulated damages clause. The Contract is the law for the parties, and its words are clear and explicit and lead to no absurd consequences. The parties agreed that in the event of any default by Johnson, the Meeks had the option to either declare the Contract null and void or to sue for specific performance or stipulated damages. Johnson does not appeal the trial court's finding that her actions constituted a breach of contract. The Meeks' sale of the Property to a third party did not nullify the Contract. Although the Meeks could no longer pursue specific performance once they sold the Property to a third party, the option of terminating the Contract and requesting stipulated damages was still available to them. Therefore, the trial court did not err when it determined that the stipulated damages agreed to by the parties were reasonable and awarded the Meeks $40,850 in damages, the $1,000 deposit, reasonable attorney fees in the amount of $20,000 and court costs.

Accordingly, this assignment lacks merit.

Attorney Fees

The Meeks seek to recover the additional attorney fees of $2,371.50, which they incurred for defending the appeal and participating in oral argument.

The Contract provides that if any litigation is brought to enforce any provision the prevailing party shall be awarded their attorney fees and costs. As the prevailing party on appeal, the Meeks are entitled to their attorney fees and costs in the amount of $2,371.50.

CONCLUSION

For the foregoing reasons, we affirm the judgment of the trial court in favor of Plaintiffs-Appellees Jimmie W. Meek and Deborah S. Olson and award them additional attorney fees and costs in the amount of $2,371.50. Costs of this appeal are assessed to Defendant-Appellant Coretta Johnson.

AFFIRMED; ADDITIONAL ATTORNEY FEES AND COSTS AWARDED.