

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION**

Zaria Lenay York,)	
)	
Plaintiff,)	
)	
v.)	No. 21 L 3509
)	
Skye S. Battice and Stacey Burton,)	
)	
Defendants.)	

MEMORANDUM OPINION AND ORDER

Contracts are to be enforced according to their unambiguous language. In this case, a settlement agreement executed by the plaintiff and one defendant discharged a second defendant as a direct third-party beneficiary to the agreement. For that reason, the defendant’s motion to dismiss is granted and this case is dismissed with prejudice.

Facts

On March 23, 2021, a vehicle driven by Skye Battice struck a concrete median on Interstate 290 in Chicago. Zaria Lenay York was a passenger in the vehicle and suffered injuries. Stacey Burton owned the vehicle Battice drove at the time of the accident.

On April 2, 2021, York filed a single-count negligence complaint against Battice. Four days later, on April 6, 2021, York’s attorney made a policy-limit demand on American Alliance Casualty Company, Burton’s insurance carrier. The policy limit was \$25,000 per occurrence. American Alliance did not initially offer the policy limits to settle the case.

On August 4, 2021, York filed her first amended complaint naming both Battice and Burton as defendants, and the parties continued negotiating a settlement. On September 21, 2021, York and American Alliance reached a settlement. The executed settlement agreement contained a release, stating, in part, that:

Zaria York . . . for and in sole consideration of the payment of twenty-five thousand dollars and xx/100 (\$25,000.00) to the undersigned, release, acquit and forever discharges Skye Battice, and the American Alliance Casualty Company, and their agents,

servants employees, attorneys, officers, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships, of and from any and all claims, causes of action, demands, rights, damages, costs, loss of service, expenses and compensation whatsoever, which the undersigned now has or which may hereafter accrue on account of or in any way growing out of any and all known or unknown, foreseen and unforeseen bodily or personal injury claims . . . resulting or to result from the automobile accident casualty or event which occurred on or about 03/23/21 at/or near I-290, County of Cook, State of Illinois.

As of September 21, 2021, York knew there existed a nearly \$61,000 lien from Mt. Sinai Hospital for York's medical care and treatment. Up to that point, York had apparently not attempted to negotiate the lien. On October 5, 2021 York cashed the \$25,000 policy-limits check tendered by American Alliance.

On October 28, 2021, York made a second policy-limit demand on American Alliance, this time citing a Mt. Sinai lien of nearly \$51,000. On November 23, 2021, this court entered an order arising from the settlement agreement. York's attorney drafted the order in which this court dismissed York's complaint, "solely as related to those claims that York asserts against Defendant Skye Battice."

On December 10, 2021, Burton filed a motion to dismiss the first amended complaint. Burton argues that the September 21, 2021 executed settlement agreement released Burton from all of York's injury claims arising from the March 23, 2021 accident. The parties fully briefed the motion.

Analysis

The Code of Civil Procedure authorizes the involuntary dismissal of claims based on affirmative matter outside the complaint. 735 ILCS 5/2-619(a)(9); *Illinois Graphics Co. v. Nickum*, 159 Ill. 2d 469, 485 (1994). A court considering a section 2-619 motion must construe the pleadings and supporting documents in a light most favorable to the nonmoving party. See *Czarowski v. Lata*, 227 Ill. 2d 364, 369 (2008). As has been stated: "The purpose of a section 2-619 motion is to dispose of issues of law and easily proved issues of fact early in the litigation." *Id.* at 369.

In this dispute, Burton's argument is based on the release contained in the September 21, 2021 settlement agreement. As a result, this court is being asked to interpret a contract. To construe a contract, a court's primary

objective is to carry out the parties' intent. *Gallagher v. Lenart*, 226 Ill. 2d 208, 232 (2007). That objective requires a focus on the contract's language. *Id.* at 233. A contract is to be construed as a whole, viewing each provision in light of the other provisions. *Id.* If the contract's words are clear and unambiguous, they are to be given their plain, ordinary and popular meaning. *Central Ill. Light Co. v. Home Ins. Co.*, 213 Ill. 2d 141, 153 (2004).

In essence, Burton argues that she is a third-party beneficiary to the September 21, 2021 settlement agreement executed by York and American Alliance. Third-party beneficiaries to an agreement are of two types, direct or incidental. Direct third-party beneficiaries exist based on a contract's express provision "identifying the third-party beneficiary by name or by description of a class to which the third party belongs." *Turner v. Orthopedic & Shoulder Ctr., S.C.*, 2017 IL App (4th) 160552, ¶ 48 (quoting *Martis v. Grinnell Mut. Reinsurance Co.*, 388 Ill. App. 3d 1017, 1020 (3d Dist. 2009)); *F.H. Paschen/S.N. Nielson, Inc. v. Burnham Station, L.L.C.*, 372 Ill. App. 3d 89, 96 (1st Dist. 2007). Importantly, only a direct beneficiary has a right against the contracting parties. *People ex rel. Resnik v. Curtis & Davis, Architects & Planners, Inc.*, 78 Ill. 2d 381, 384-85 (1980) (quoting *Carson Pirie Scott & Co. v. Parrett*, 346 Ill. 252, 257 (1931)). In contrast, an incidental third-party beneficiary is one "who receives an unintended benefit from a contract." *Bank of Am. Nat'l Ass'n v. Bassman FBT, L.L.C.*, 2012 IL App (2d) 110729, ¶ 27 (citing *Caswell v. Zoya Int'l, Inc.*, 274 Ill. App. 3d 1072, 1074-75 (1st Dist. 1995)).

The language of the September 21, 2021 release is plain and unambiguous and explicitly describes a class of persons to which Burton belongs. As provided, the release:

forever discharges Skye Battice, and the American Alliance Casualty Company . . . *and all other persons . . . from any and all claims . . . the undersigned now has or which may hereafter accrue on account of or in any way growing out of any and all known or unknown, foreseen and unforeseen bodily or personal injury claims . . . resulting or to result from the automobile accident casualty or event which occurred on or about 03/23/21 at/or near I-290, County of Cook, State of Illinois.*

(Emphasis added.) The release includes Burton because: (1) she falls within the rubric of "all other persons;" and (2) she is a person against whom York had a claim as of September 23, 2021 arising out of the March 23, 2021 collision. Such unambiguous language properly identifies Burton as a direct third-party beneficiary of the settlement agreement.

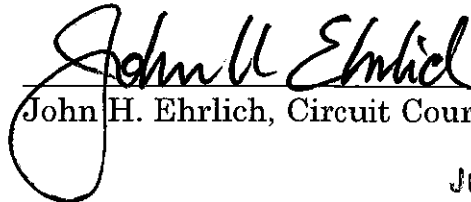
It is transparent that York is attempting to get a proverbial second bite of the apple by maintaining that she still has a claim against Burton. Yet, American Alliance tendered its \$25,000 policy limits in the settlement agreement. Even if York had additional claims against Burton that survived the executed release, which, as a matter of law, she does not have, there exists no pool of money with which to pay those additional claims.

York's motivation is plainly an attempt to collect additional funds to cover at least part of the Mt. Sinai medical lien that York failed to negotiate pre-settlement. Illinois' Health Care Services Lien Act codifies the requirement of health care providers to negotiate their liens in instances in which the lien is greater than a settlement or judgment. *See generally* 770 ILCS 23/1 – 999 (specifically 770 ILCS 23/10). The statute also authorizes a court to adjudicate such a negotiated lien, *see* 770 ILCS 23/30, so that a plaintiff recovers at least something from a settlement or judgment. The insurmountable hurdle for York is that she cannot do now through the court what she failed to do pursuant to the statute before September 21, 2021. Further, this court cannot invalidate an unambiguous release and, thereby, subvert the benefit of the bargain to which York and American Alliance agreed. Had York disagreed with the release, she certainly had the opportunity before September 21, 2021, to negotiate its terms. Contract law simply does not give this court the authority to provide York with the proverbial second bite of the apple.

Conclusion

For the reasons presented above, it is ordered that:

1. Burton's motion to dismiss is granted; and
2. This case is dismissed with prejudice.



John H. Ehrlich, Circuit Court Judge

Judge John H. Ehrlich

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Circuit Court 2075