

**Rhyne v. K-Mart Corp.**  
594 S.E. 2d 1 (N.C. 2004)

BRADY, Justice

On or about 28 April 1998, K-Mart employees confronted plaintiffs as the couple was walking near a K-Mart retail store in Gaston County, North Carolina. Roberts, one of the employees, inquired of plaintiffs as to whether they had been rummaging through K-Mart's dumpsters. Mr. Rhyne responded that plaintiffs had not touched the dumpsters and were walking for exercise purposes only.

The following day, plaintiffs were again walking in the store's parking lot when they were approached by Roberts and Hoyle. This time, Roberts grabbed Mr. Rhyne, placed him in a choke-hold, and forced him to the ground. As Mrs. Rhyne attempted to assist her husband, who was at that time struggling to break free from Roberts, Hoyle pushed Mrs. Rhyne to the ground. \* \* \*

As a result of the incident, plaintiffs sought and received medical attention for various physical and psychological ailments. Mr. Rhyne sustained a total of \$5,376.12 in medical bills and lost wages, while Mrs. Rhyne sustained a total of \$13,582.40 in medical bills. \* \* \*

[Plaintiffs filed a civil action against K-Mart, Roberts, and Hoyle]

Regarding K-Mart, the jury returned a verdict finding that the corporation, through its agent Roberts, falsely imprisoned or unlawfully detained plaintiffs, inflicted intentional emotional distress on plaintiffs, maliciously prosecuted Mr. Rhyne, and negligently injured both plaintiffs. The jury awarded compensatory damages to Mr. Rhyne in the amount of \$8,255.00. \* \* \* The jury awarded compensatory damages to Mrs. Rhyne in the amount of \$10,730.00. \* \* \* [Further,] the jury found that each plaintiff was entitled to an award of punitive damages in the amount of \$11.5 million. \* \* \* The statute at issue in the present appeal, N.C.G.S. § 1D-25, instructs trial courts to reduce awards of punitive damages to an amount that is three times the compensatory damages award or \$250,000.00, whichever amount is greater. Pursuant to that statute, the trial court reduced the amount awarded each plaintiff to \$250,000.00. \* \* \*

[Plaintiffs and K-Mart appealed. The appellate court affirmed.]

K-Mart argues that the Court of Appeals misinterpreted section 1D-25(b). Subsection (b) provides as follows:

Punitive damages awarded against a defendant shall not exceed three times the amount of compensatory damages or two hundred fifty thousand dollars (\$250,000), whichever is greater. If a trier of fact returns a verdict for punitive damages in excess of the maximum amount specified under this subsection, the trial court shall reduce the award and enter judgment for punitive damages in the maximum amount.

The Court of Appeals concluded that section 1D-25(b) applied per plaintiff, such that each plaintiff should receive the greater of three times his individual compensatory damages award or \$250,000.00. Because the trebling of each plaintiff's compensatory damages award resulted in an amount less than \$250,000.00, the Court of Appeals determined that each plaintiff in the instant case should receive \$250,000.00, requiring K-Mart to pay a total of \$500,000.00 in punitive damages.

K-Mart argues that the punitive damages limitation should apply per defendant, such that it should be required to pay a total of \$250,000.00 in punitive damages. According to K-Mart, a per-defendant application is dictated by the plain meaning of the statute as it directs a trial court to reduce "[p]unitive damages awarded against a defendant." N.C.G.S. § 1D-25(b) (emphasis added). We do not agree with K-Mart's argument.

The meaning of N.C.G.S. § 1D-25(b) is easily resolved through applying the well-established rules of statutory construction. A statute that is clear and unambiguous must be construed using its plain meaning. "But where a statute is ambiguous, judicial construction must be used to ascertain the legislative will.

K-Mart supports its argument that the punitive damages limitation applies per defendant by isolating one particular portion of section 1D-25(b) — that "[p]unitive damages awarded against a defendant shall not exceed" the amount specified therein. N.C.G.S. § 1D-25(b) (emphasis added). However, this Court does not read segments of a statute in isolation. Rather, we construe statutes in *pari materia*, giving effect, if possible, to every provision.

The use of other singular terms in section 1D-25(b) suggests that the statute applies to reduce each plaintiff's individual punitive damages award. The second sentence of section 1D-25 refers to that which is to be reduced as " a verdict" and " the award." N.C.G.S. § 1D-25(b) (emphasis added). We acknowledge that when a jury returns multiple verdicts, it will, more than likely, submit one verdict sheet to the trial court. Furthermore, in our everyday parlance, we may refer to the verdict sheet as a verdict or declare that the jury has returned its verdict or a verdict. However, as the verdict sheet reflects in the case sub judice, the jury may actually return two separate punitive damages awards, as there are two distinct verdicts based upon causes of action for individual plaintiffs.

Here, the jury returned one verdict against K-Mart for Mr. Rhyne in the amount of \$11.2 million and a separate verdict for Mrs. Rhyne in the same amount. Mr. and Mrs. Rhyne joined in one civil action to bring their claims, and K-Mart was, in essence, a separate defendant with respect to each plaintiff's action. Thus, reading N.C.G.S. 1D-25 in its entirety, as we must, the statute directs the trial court to reduce both the award for Mr. Rhyne and the award for Mrs. Rhyne and to enter judgment against K-Mart in the amount of \$250,000.00 for each plaintiff.

This construction of section 1D-25(b) is further supported by the operation of other statutes within Chapter 1D. Most significantly, section 1D-15(a) directs the trier of fact to consider an exclusive list of aggravating factors when determining whether to award punitive damages. N.C.G.S. § 1D-15(a). In the absence of some legislative directive, it is assumed that the trier of fact should, as it did at common law, consider these factors as to each plaintiff's cause of action and not as to each defendant. It follows that, like section 1D-15(a), section 1D-25(b) applies to the individual jury verdict of each plaintiff. \* \* \*

For the reasons stated above, we hold that N.C.G.S. § 1D-25 \* \* \* applies to limit the recovery of each plaintiff. We therefore affirm \* \* \*