

1 UNITED STATES COURT OF APPEALS

2 FOR THE SECOND CIRCUIT

3 August Term, 2002

4 (Argued: May 14, 2003

Decided: February 2, 2004

5 Modified: February 27, 2004)

6
7 Docket No. 02-7707(L)

8 02-7713(con), 02-7767(con), 02-7773(con)

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11 PHILIP BECKER, PATRICIA BECKER, JOHN F.
12 JURGENS, GAIL JURGENS, BRIDGET JURGENS and
13 KATE JURGENS,

14
15 Plaintiffs-Appellees,

16 v.

17 POLING TRANSPORTATION CORPORATION, CHESTER A.
18 POLING, INC., MOTOR VESSEL POLING BROS. NO. 9
19 INC., ANTHONY J, CLARA P, JEANNE C, their
20 tackle, engines and appurtenances, etc. IN
21 REM, ULTIMATE TRANSPORT INC., JANET MAHLAND
22 and MABEL L. POLING CORP.,

23
24 Defendants,

25 METRO FUEL OIL CORPORATION and METRO
26 TERMINALS CORP.,

27
28 Defendants-Appellants.

29 - - - - -

30 B e f o r e: WINTER, KATZMANN, Circuit Judges, and GOLDBERG,
31 Judge.*

32
33 Appeal from a judgment entered in the United States District
34 Court for the Eastern District of New York (Robert M. Levy,

*The Honorable Richard W. Goldberg, of the United States Court for International Trade, sitting by designation.

1 Magistrate Judge) holding appellant vicariously liable for the
2 negligence of an independent contractor and setting off the
3 amount of the contractor's pre-trial settlement with appellees.
4 We hold that appellant is directly and jointly and severally
5 liable for the damages suffered by appellees as a result of
6 appellant's negligence in selecting the independent contractor;
7 that appellees' conduct did not constitute a superseding cause of
8 their injuries as a matter of law; and that we cannot reach the
9 question of whether the district court erroneously set off the
10 settlement amount because there is no cross-appeal. We therefore
11 affirm.

12 ANDREW ZAJAC, Fiedelman & McGaw,
13 Jericho, New York, and
14 Jacobowitz, Garfinkel & Lesman,
15 New York, New York, for
16 Defendants-Appellants.
17

18 PAUL T. HOFMANN, Cappiello
19 Hoffman & Katz, P.C., New York,
20 New York, for the Becker
21 Plaintiffs-Appellees.
22

23 LEE F. BANTLE, Bantle & Levy,
24 LLP, New York, New York, for the
25 Jurgens Plaintiffs-Appellees.
26

27 WINTER, Circuit Judge:

28 Metro Fuel Oil Corp. and Metro Terminals Corp.
29 (collectively, "Metro") appeal from a judgment entered after a
30 jury trial before Magistrate Judge Levy holding Metro liable to
31 Philip Becker ("Becker") and John Jurgens ("Jurgens") for

1 injuries sustained when a petroleum transfer operation resulted
2 in a fire. The magistrate judge held Metro vicariously liable
3 for the negligence of its independent contractor, Ultimate Fuel
4 Transportation, Inc. ("Ultimate"). Ultimate had settled with
5 appellees before trial, and the district court set off from the
6 total damages found by the jury the amount of the settlement.

7 On appeal, Metro argues that: (i) it is not vicariously
8 liable for Ultimate's negligence; (ii) Becker's and Jurgens'
9 settlement with Ultimate bars any recovery from Metro; and (iii)
10 Becker's and Jurgens' actions in conducting the transfer
11 operation constituted a superseding, intervening cause of their
12 injuries. Appellees argue that the setoff based on the
13 settlement was error.

14 We hold that Metro was directly and jointly and severally
15 liable to Becker and Jurgens because of Metro's negligence in
16 selecting Ultimate to perform the work in question. We also hold
17 that Becker's and Jurgens' actions were not as a matter of law a
18 superseding, intervening cause of their injuries. Because there
19 was no cross-appeal, we cannot enlarge the judgment by
20 eliminating the setoff and do not address appellees' argument in
21 that regard. Accordingly, we affirm.

22 BACKGROUND

23 a) Facts

24 We view the facts in the light most favorable to appellees,

1 who prevailed before the jury. Norton v. Sam's Club, 145 F.3d
2 114, 118 (2d Cir. 1998).

3 Becker and Jurgens were employed by Poling Transportation
4 Corporation ("Poling"). On August 18, 1995, they were severely
5 burned in a fire that occurred while they were transferring
6 petroleum from the CLARA P, a decrepit barge, to a truck that was
7 parked dockside. The CLARA P was owned by Poling but was about
8 to be sold. The terms of the sale required that the barge be
9 delivered empty to the buyer. Poling's dispatcher, Rick Carment,
10 called Joseph Squadritto, the Director of Marketing at Metro, to
11 see if Metro was interested in the petroleum that was to be
12 removed from the CLARA P. Carment offered the petroleum free of
13 charge if Metro arranged for a pickup. Squadritto went to the
14 Poling yard for a sample of the petroleum and agreed that Metro
15 would take it.

16 Carment advised Squadritto that a vacuum truck was needed to
17 transfer the product because the pumping mechanism on the CLARA P
18 was defunct. Squadritto then asked Ultimate to pick up the
19 petroleum, even though Squadritto knew that Ultimate did not have
20 a vacuum truck.

21 On the day of the fire, Becker and Jurgens were assigned,
22 first, to pump water and, second, the petroleum from the CLARA P.
23 Jurgens had been told that there was some urgency to emptying the
24 barge and emptied the water with a portable pump in the morning.

1 Carment told Jurgens that a vacuum truck would be coming to
2 remove the product later that afternoon and directed Jurgens to
3 oversee the transfer. At about 5:30 p.m., an Ultimate truck
4 arrived at the Poling yard. Neither Jurgens, Becker, nor the
5 Ultimate driver appear ever to have transferred petroleum from
6 ship to truck, or to have received training on how to do so. The
7 Ultimate truck was not a vacuum truck, and the driver informed
8 Jurgens and Becker that Ultimate did not, in fact, have vacuum
9 trucks. At this point Jurgens, Becker, and the Ultimate driver
10 conferred and decided to use the portable pump that had been used
11 earlier that day to transfer the water. The pump was used to
12 fill the first holding compartment of the truck uneventfully.
13 The pump was then shut down, and the hose was switched to the
14 next compartment. When the pump was restarted, a fire broke out
15 on the CLARA P burning both Becker and Jurgens. There is no
16 serious dispute that the fire was caused by the use of the
17 portable pump instead of a vacuum truck.

18 b) Proceedings in the District Court

19 _____Becker and Jurgens brought the present action against
20 Poling, Ultimate, and Metro, asserting claims under the Jones
21 Act, 46 U.S.C. § 688, and general maritime law. Ultimate
22 defaulted and eventually paid Becker and Jurgens \$250,000 each in
23 exchange for the settlement of their claims against Ultimate and
24 their agreement to "indemnify, defend, and hold harmless

1 [Ultimate] against any and all claims and cross claims asserted
2 by the other defendants . . . , including any and all claims for
3 contractual and/or common law indemnification." Becker v. Poling
4 Transp. Corp., No. 96 CV 1768, slip op. at 2 (E.D.N.Y. May 23,
5 2002) (magistrate judge's Memorandum and Order). Poling filed
6 for bankruptcy, and Metro was the only defendant to appear at
7 trial.

8 Prior to trial, Metro moved for summary judgment on two
9 grounds: (i) it had no duty to the plaintiffs because it did not
10 own the barge or the pump and did not control the manner in which
11 the work was performed; and (ii) appellees' actions were, as a
12 matter of law, a superseding, intervening cause of the accident.
13 The late Judge Nickerson denied Metro's motion and held that
14 triable issues existed as to whether Metro was liable. Becker,
15 No. 96 CV 1768 (E.D.N.Y. Sept. 19, 2000) (district court's
16 Memorandum and Order). The district court stated that Metro
17 might be liable for Ultimate's negligence under theories of
18 agency, vicarious liability (if Ultimate was an independent
19 contractor and the jury determined that the work was inherently
20 dangerous, Alva Steamship Co., Ltd. v. City of New York, 616 F.2d
21 605, 610 (2d Cir. 1980)), Becker, slip op. at 21-38 (district
22 court's Sept. 19, 2000 Memorandum and Order), and on a theory of
23 negligent hiring, id. at 35.

24 A jury trial was held and presided over by Magistrate Judge

1 Levy. Damages were to be found and, if appropriate, apportioned
2 only after liability was determined. As to liability, the jury
3 was given a special verdict form, and the pertinent questions and
4 the jury's answers are as follows:

- 5 1. In regard to the occurrence of August 18, 1995,
6 have the plaintiffs, John Jurgens and Philip
7 Becker, established by a preponderance of the
8 evidence that Metro hired Ultimate Transport as an
9 independent contractor to conduct the transfer
10 operation?

11
12 YES

13
14 * * *

- 15
16 3. Have the plaintiffs established by a preponderance
17 of the evidence that the work involved in the
18 transfer operation on August 18, 1995 was
19 inherently dangerous?

20
21 YES

- 22
23 4. Have the plaintiffs established by a preponderance
24 of the evidence:

25
26 (A) That Ultimate lacked the competence to
27 perform the work for which Metro hired it AND

28
29 (B) That Metro knew, or in the use of
30 reasonable care should have known, that
31 Ultimate was not qualified to undertake the
32 work?

33
34 YES

35
36 * * *

- 37
38 7. In regard to the occurrence of August 18, 1995,
39 have the plaintiffs established by a preponderance
40 of the evidence that Ultimate was negligent?

41
42 YES

1 8. Have the plaintiffs established by a preponderance
2 of the evidence that Ultimate's negligence was a
3 substantial cause of the plaintiffs' injuries?
4

5 YES

6 No question was posed to the jury as to whether Metro's negligent
7 selection of Ultimate, as found in the answers to Question 4, was
8 the substantial or proximate cause of appellees' injuries.¹ The
9 jury also found that although Poling was negligent, its
10 negligence was not a cause of Becker's and Jurgens' injuries, and
11 that neither Becker nor Jurgens was negligent.

12 A chambers conference was then held. Counsel for all
13 parties agreed that the jury had determined Ultimate to be 100%
14 at fault. They also agreed not to have the jury apportion
15 liability between Ultimate and Metro, apparently on the
16 assumption that vicarious liability was the only form of
17 liability applicable to Metro. The jury was then asked to find
18 damages.

19 The jury awarded Jurgens \$530,000 and awarded Becker
20 \$505,000, for past and future pain and suffering and medical
21 expenses, and for past lost income. The total award for both
22 Jurgens and Becker amounted to \$1,035,000.

23 Magistrate Judge Levy concluded that the jury had found
24 Metro liable for Ultimate's negligence under two theories.
25 First, although Ultimate was an independent contractor, the work
26 contracted for was "inherently dangerous," thus creating

1 vicarious liability on the part of Metro. Becker, slip op. at 6
2 (magistrate judge's May 23, 2002 Memorandum and Order). See Alva
3 Steamship, 616 F.2d at 610 ("Where the activity performed by the
4 contractor is an inherently dangerous one, the negligence of the
5 contractor may be imputed to the employer."). Second, Metro was
6 liable for negligently selecting Ultimate, a carrier without a
7 vacuum truck. Becker, slip op. at 6 (magistrate judge's May 23,
8 2002 Memorandum and Order). The negligent selection theory
9 raised a question as to the type of liability it would create for
10 Metro: direct or vicarious. Magistrate Judge Levy explained:

11 Since the parties and the court all assumed that both
12 of these theories [inherently dangerous activity and
13 negligent hiring] raised only vicarious liability
14 claims against Metro, the jury was not asked whether
15 Metro's negligence in hiring Ultimate was a substantial
16 or proximate cause of the plaintiffs' injuries. Nor
17 was the jury asked to apportion fault between Metro and
18 Ultimate, since all of the parties assumed that the
19 verdict made Ultimate 100 percent negligent and Metro
20 vicariously liable for that negligence. . . . Metro
21 falls into the unusual -- and perhaps unique --
22 category of being a defendant that is both negligent
23 and vicariously liable, but not a direct tortfeasor.

24
25 Id. Despite a substantial discussion indicating his belief that
26 Metro's negligent hiring of Ultimate created a form of direct
27 liability, the magistrate judge considered his options limited by
28 the absence of a proximate cause jury finding as to that type of
29 negligence, and consequently concluded that Metro could not be
30 held directly liable. Instead, the magistrate judge appears to
31 have held Metro only vicariously liable for appellees' injuries

1 resulting from its negligent selection of Ultimate. Id.

2 Having determined that Metro was only vicariously liable,
3 the magistrate judge then considered whether Ultimate's
4 settlement with Becker and Jurgens should reduce the \$1,035,000
5 damages award against Metro. The magistrate judge declined to
6 apply McDermott, Inc. v. AmClyde, 511 U.S. 202 (1994), which
7 holds that, when two or more parties have contributed to a
8 plaintiff's injury, liability must be allocated proportionately
9 and a settlement by one tortfeasor does not change the exposure
10 of a non-settling joint tortfeasor. The magistrate judge held
11 that McDermott is applicable only where the settling and non-
12 settling defendants are joint tortfeasors but not applicable
13 where, as here, a party -- Metro -- is only vicariously liable
14 for another party's -- Ultimate's -- negligence. Becker, slip
15 op. at 9, 13 (magistrate judge's May 23, 2002 Memorandum and
16 Order). The magistrate judge also rejected Metro's argument
17 that, when one tortfeasor is 100 percent liable -- everyone
18 apparently assumed Ultimate was -- and has discharged its
19 responsibility by settling, there is no remaining liability for
20 which a vicariously liable party can be held responsible. Id. at
21 13-14. After reviewing the divided authority on the issue, the
22 magistrate judge entered judgment against Metro for the amount of
23 the verdict, with a setoff for the amount of Becker's and
24 Jurgens' settlement with Ultimate. The resulting judgment was in

1 the amount of \$535,000 -- \$255,000 for Becker and \$280,000 for
2 Jurgens. Id. at 16. Metro appealed; Becker and Jurgens did not
3 cross-appeal.

4 DISCUSSION

5 Most of the complications of this case arise from the
6 failure of one or another party to observe substantive,
7 procedural, or even jurisdictional rules. In the end, however,
8 many of the omissions turn out to be offsetting. We begin with
9 an examination of our appellate jurisdiction.

10 a) Jurisdiction

11 Because a federal court must consider on its own motion
12 whether federal subject matter or appellate jurisdiction exists
13 in the case before it, we raised a question as to appellate
14 jurisdiction at argument. See Roco Carriers, Ltd. v. M/V
15 Nurnberg Express, 899 F.2d 1292, 1294 (2d Cir. 1990). Appellant
16 answered our inquiries by relying on final judgment jurisdiction
17 under 28 U.S.C. § 1291. However, the magistrate judge's ruling
18 left unresolved Metro's claims against Ultimate for indemnity and
19 contribution, which Metro had raised in its answers.² In urging
20 that we had jurisdiction, appellant's counsel informed us at oral
21 argument that Ultimate had never been served with those claims,
22 but he also (somewhat inconsistently) declined expressly to
23 abandon them so that jurisdictional doubts would be erased, see
24 McManus v. Gitano Group, Inc., 59 F.3d 382, 383-84 (2d Cir. 1995)

1 (allowing party on appeal to create retroactively an appealable
2 final judgment).

3 The claim against Ultimate may not have been served but it
4 has also never been dismissed. The appeal is therefore
5 interlocutory. See Lo Bue v. United States, 178 F.2d 528, 530-31
6 (2d Cir. 1949) (where a pending indemnity claim in the district
7 court had not been fully heard or not yet decided, the decree
8 from which the appeal was taken was not final in the sense that
9 it disposed of all the pending issues, and thus the appeal taken
10 under 28 U.S.C. § 1291 did not provide appellate jurisdiction).

11 However, we also suggested at argument for the benefit of
12 the parties, who were asked to brief the issue, that there might
13 be an exception to 28 U.S.C. § 1291 in admiralty cases that
14 allows review of some interlocutory appeals. In that regard,
15 Section 1292(a)(3) provides, in pertinent part, that courts of
16 appeals have jurisdiction to hear:

17 Interlocutory decrees of such district courts or the
18 judges thereof determining the rights and liabilities
19 of the parties to admiralty cases in which appeals from
20 final decrees are allowed.

21
22 28 U.S.C. § 1292(a)(3). The Section 1292(a)(3) exception to the
23 final judgment rule has its origins in the once common admiralty
24 practice of referring the determination of damages to a master or
25 commissioner after resolving the issue of liability. Roco
26 Carriers, 899 F.2d at 1297.

27 As an exception to the general rule, Section 1292(a)(3) is

1 construed narrowly. Thypin Steel Co. v. Asoma Corp., 215 F.3d
2 273, 279 (2d Cir. 2000). It provides appellate "jurisdiction
3 . . . when the court below, as is customary in admiralty, has
4 entered an interlocutory decree deciding the merits of the
5 controversy between the parties, but has left unsettled the
6 assessment of damages or other details required to be determined
7 prior to entry of a final decree." Id. at 280 (quoting Allen N.
8 Spooner & Son, Inc. v. Conn. Fire Ins. Co., 297 F.2d 609, 610 (2d
9 Cir. 1962) (per curiam)); Bergerson v. Koninklijke Luchtvaart
10 Maatschappij, N.V., 299 F.2d 78, 79 (2d Cir. 1962) (per curiam)
11 (same); see also Stolt Tank Containers, Inc. v. Evergreen Marine
12 Corp., 962 F.2d 276, 278 (2d Cir. 1992).³ Put simply, the crucial
13 inquiry for purposes of Section 1292(a)(3) is whether the
14 judgment has determined the rights and liabilities of the
15 parties, which, under our cases, means "deciding the merits of
16 the controversies between them." In re Wills Lines Inc., 227
17 F.2d 509, 510 (2d Cir. 1955) (citation omitted). We believe that
18 the judgment here meets that test.

19 Assuming for the moment causation with regard to appellees'
20 injuries, the jury's affirmative answer to Question 4(A), (B)
21 rendered Metro liable to Becker and Jurgens for its negligent act
22 of hiring Ultimate -- albeit at the time the parties construed
23 the answer to impose only vicarious liability. The magistrate
24 judge ruled that Metro was also vicariously liable for Ultimate's

1 negligence because the jury had found that the work involved was
2 inherently dangerous.

3 For reasons discussed at length infra, we cannot ignore the
4 fact that the parties' assumption that the negligent hiring of
5 Ultimate constituted only vicarious liability was a mistaken view
6 of the law, and the answer to Question 4(A), (B) rendered Metro
7 directly and jointly and severally liable for appellees'
8 injuries. As a result, Metro's pending claims for contribution
9 do not preclude an interlocutory appeal pursuant to Section
10 1292(a)(3) because its liability to appellees -- and that of
11 Poling as well -- has been determined and is unaffected by the
12 cross-claim or the indemnification clause in the Ultimate
13 settlement.

14 This application of Section 1292(a)(3) is consistent with
15 the holdings of other circuits. For example, in Nichols v.
16 Barwick, 792 F.2d 1520, 1522 (11th Cir. 1986), the plaintiff
17 suffered injuries from some equipment on the defendants' ship.
18 The plaintiff asserted various claims against the defendants and
19 the defendants filed third party claims against the manufacturer
20 of the equipment that had allegedly injured the plaintiff. The
21 Eleventh Circuit asserted jurisdiction pursuant to Section
22 1292(a)(3) even though "no final decision has been entered on
23 defendants' . . . complaints" for indemnity and contribution.
24 Id. We therefore conclude that we have appellate jurisdiction.

1 b) Applicable Law

2 _____ Because Becker and Jurgens were seamen injured in navigable
3 waters, maritime law governs their claims. See Executive Jet
4 Aviation, Inc. v. City of Cleveland, 409 U.S. 249, 253 (1972).
5 "In admiralty cases, federal maritime law applies where it
6 exists." Mentor Ins. Co. (U.K.) Ltd. v. Brannkasse, 996 F.2d
7 506, 513 (2d Cir. 1993) (citing Pope & Talbot, Inc. v. Hawn, 346
8 U.S. 406, 409-11 (1953)). Additionally, federal maritime law
9 incorporates common law negligence principles generally, and New
10 York law in particular. See Int'l Ore & Fertilizer Corp. v. SGS
11 Control Servs., Inc., 38 F.3d 1279, 1284 (2d Cir. 1994); see
12 generally Just v. Chambers, 312 U.S. 383, 388 (1941) ("With
13 respect to maritime torts we have held that the State may modify
14 or supplement the maritime law by creating liability which a
15 court of admiralty will recognize and enforce when the state
16 action is not hostile to the characteristic features of the
17 maritime law or inconsistent with federal legislation.").

18 c) Metro's Liability

19 _____ As a general rule, a party is not liable for the negligence
20 of an independent contractor. See Rosenberg v. Equitable Life
21 Assur. Soc'y of the United States, 595 N.E.2d 840, 842 (N.Y.
22 1992); Alva Steamship, 616 F.2d at 609. Under New York law,
23 there is an exception to this general rule where the employer has
24 hired an independent contractor for work that the employer "knows

1 or has reason to know involves special dangers inherent in the
2 work or dangers which should have been anticipated by the
3 employer." Rosenberg, 595 N.E.2d at 843. The parties dispute
4 whether the jury's answers to the questions on the Special
5 Verdict form imposed liability on this theory. However, we need
6 not reach this issue because the jury's answers are clearly
7 sufficient to impose direct, joint and several liability on Metro
8 for its negligent selection of Ultimate to transport the
9 petroleum.

10 A party is liable to an injured plaintiff where the party
11 itself was negligent "in selecting, instructing, or supervising
12 the contractor." Kleeman v. Rheingold, 614 N.E.2d 712, 715 (N.Y.
13 1993); see also Robinson v. Gov't of Malaysia, 269 F.3d 133, 145
14 (2d Cir. 2001); Melbourne v. New York Life Ins. Co., 707 N.Y.S.2d
15 64, 67 (N.Y. App. Div. 2000). In response to interrogatory 4,
16 the jury found:

17 (a) that Ultimate lacked the competence to perform the
18 work for which Metro hired it, and
19

20 (b) that Metro knew, or in the use of reasonable care
21 should have known, that Ultimate was not qualified to
22 undertake the work.
23

24 See Becker, slip op. at 3 (magistrate judge's May 23, 2002
25 Memorandum and Order). Metro does not, and cannot on this
26 record, challenge this factual finding. As noted, however, no
27 question was asked as to whether Metro's negligent selection of

1 Ultimate was a substantial or proximate cause of appellees'
2 injuries, without objection by Metro.

3 Immediately after the jury answered the verdict form's
4 questions regarding liability, the parties appeared to view the
5 jury's findings as imposing only vicarious liability on Metro for
6 Ultimate's negligence. And, indeed, the New York courts have
7 sometimes described negligent selection as an exception to the
8 general rule of no liability for the negligence of independent
9 contractors, thus implying vicarious liability. However, a
10 reading of the caselaw and an examination of the nature of the
11 negligent act itself demonstrates that such negligence is a form
12 of direct liability. As Kleeman explained,

13 although often classified as an "exception," this
14 category [negligent selection] may not be a true
15 exception to the general rule, since it concerns the
16 employer's liability for its own acts or omissions
17 rather than its vicarious liability for the acts and
18 omissions of the contractor.

19
20 614 N.E.2d at 715 n.1. See also Flood v. Re Lou Location Eng'g.,
21 487 F. Supp. 364, 367 (E.D.N.Y. 1980). The Restatement (Second)
22 of Torts § 411 (1965), takes the same position: "An employer is
23 subject to liability for physical harm to third persons caused by
24 his failure to exercise reasonable care to employ a competent and
25 careful contractor (a) to do work which will involve a risk of
26 physical harm unless it is skillfully and carefully done, or (b)
27 to perform any duty which the employer owes to third persons."

1 Id.

2 Indeed, in the present matter the district court itself
3 stated:

4 Here, the jury made the factual findings that Ultimate
5 lacked the competence to perform the work for which
6 Metro hired it, and that Metro knew, or in the use of
7 reasonable care should have known, that Ultimate was
8 not qualified to do the work. Under Kleeman and the
9 Restatement, then, the jury found Metro negligent for
10 hiring Ultimate to perform the transfer operation.
11 This would appear to make Metro a direct tortfeasor.

12
13 Becker, slip op. at 8 (magistrate judge's May 23, 2002 Memorandum
14 and Order).

15 Of course, a party's negligent selection of a contractor
16 must be a cause of a plaintiff's injuries for liability to be
17 created, and a potential complication arises in the present case
18 with regard to causation. Perhaps based on the mistaken
19 assumption that Metro would be only vicariously liable for
20 Ultimate's negligence, the jury was not asked to determine
21 whether Metro's negligence was a substantial or proximate cause
22 of appellees' injuries. As noted, however, Metro's negligent
23 selection of Ultimate led to direct, not vicarious, liability,
24 and Metro was clearly entitled to put the causation issue to the
25 jury in the liability phase of the trial. However, it did not.
26 Metro, and evidently the magistrate judge, also mistakenly
27 concluded that no finding of direct liability could be made
28 because of the omission of a question as to whether Metro's

1 negligent selection of Ultimate was a proximate cause of Becker's
2 and Jurgens' injuries. We disagree, and for several reasons.

3 First, whether Metro's liability to appellees is vicarious
4 or direct based on the answer to Question 4 is a matter of law,
5 and we are not bound by stipulations of law. Kamen v. Kemper
6 Fin. Servs. Inc., 500 U.S. 90, 99 (1991) ("When an issue or claim
7 is properly before the court, the court is not limited to the
8 particular legal theories advanced by the parties, but rather
9 retains the independent power to identify and apply the proper
10 construction of governing law."). Second, when Metro failed to
11 ask that the proximate cause question be submitted to the jury,
12 it waived the issue. Rule 49(a) of the Federal Rules of Civil
13 Procedure states:

14 Special Verdicts: The court may require a jury to
15 return only a special verdict in the form of a special
16 written finding upon each issue of fact. . . . The
17 court shall give to the jury such explanation and
18 instruction concerning the matter thus submitted as may
19 be necessary to enable the jury to make its findings
20 upon each issue. If in so doing the court omits any
21 issue of fact raised by the pleadings or by the
22 evidence, each party waives the right to a trial by
23 jury of the issue so omitted unless before the jury
24 retires the party demands its submission to the jury.
25 As to an issue omitted without such demand the court
26 may make a finding; or, if it fails to do so, it shall
27 be deemed to have made a finding in accord with the
28 judgment on the special verdict.

29
30 Fed. R. Civ. P. 49(a). Metro expressly agreed not to submit the
31 proximate cause issue to the jury and cannot now claim, on this

1 record, not to be directly liable for its own negligence.

2 Third, whatever error there may have been in not putting the
3 proximate cause issue regarding Metro's negligence to the jury
4 was not prejudicial, much less a miscarriage of justice. The
5 following matters are clear from the record and from the jury's
6 findings: (i) the injuries to Becker and Jurgens were caused by
7 Ultimate's negligence in failing to provide a vacuum truck; (ii)
8 Metro was negligent in selecting Ultimate when it knew that
9 Ultimate would not provide such a truck; and (iii) therefore,
10 there was factually no distinction between the injuries caused by
11 the two tortfeasors because their negligence jointly resulted in
12 the indivisible failure to provide a vacuum truck and thus the
13 injuries suffered by appellees. Consequently, the lack of a
14 specific proximate cause finding regarding Metro's negligence or
15 of a jury apportionment of damages does not affect the result,
16 and Metro and Ultimate are jointly and severally liable for the
17 injuries sustained by Becker and Jurgens.

18 Under Section 433A of the Restatement, where two or more
19 joint tortfeasors act independently and cause a distinct or
20 single harm, for which there is a reasonable basis for division
21 according to the contribution of each, then each is liable for
22 damages only for its own portion of the harm. Restatement
23 (Second) of Torts § 433A (1965). However, as in the instant
24 case, where the acts of joint tortfeasors cause a single

1 indivisible harm, damages are not apportioned, and each is liable
2 in damages for the entire harm. See United States v. Alcan
3 Aluminum Corp., 990 F.2d 711, 722 (2d Cir. 1993); see also
4 Restatement (Second) of Torts § 433A (1965) (Damages for harm are
5 to be apportioned among two or more causes where (a) there are
6 distinct harms, or (b) there is a reasonable basis for
7 determining the contribution of each cause to a single harm.
8 Damages for any other harm cannot be apportioned among two or
9 more causes.) In the present case, therefore, there were no
10 reasonable grounds on which to apportion damages between Metro
11 and Ultimate for their joint failure to provide a vacuum truck,
12 and joint and several liability exists.

13 d) Superseding, Intervening Negligence

14 Metro contends that Becker's and Jurgens' use of the
15 portable pump to transfer the product from the CLARA P to the
16 truck was, as a matter of law, the superseding, intervening cause
17 of their injuries and that this conduct absolves Metro of
18 liability. This argument essentially posits that Becker's and
19 Jurgens' use of the portable pump was both negligent as a matter
20 of law and not a foreseeable consequence of Metro's and
21 Ultimate's failure to provide a vacuum truck. The district judge
22 denied Metro summary judgment on this ground, and the jury found
23 no negligence on the part of Becker or Jurgens in conducting the
24 transfer operation.⁴

1 The weakness of Metro's substantive argument is facially
2 obvious. Moreover, Metro faces considerable procedural hurdles
3 in even raising this issue on appeal. Metro styles its appeal in
4 this respect as being from the district court's denial of Metro's
5 motion for summary judgment. However, the denial of a motion for
6 summary judgment is moot in light of the fact that the case has
7 since been tried before a jury. 19 James Wm. Moore et. al.,
8 19-205 Moore's Federal Practice § 205.08[2] ("a denial of summary
9 judgment based on a genuine dispute of material facts becomes
10 moot and unreviewable after trial since the dispute as to the
11 facts has been resolved"). Any such argument now should: (i)
12 have been preserved at trial; (ii) be based on the evidence given
13 to the jury at trial; and (iii) must challenge the jury finding
14 that Becker and Jurgens were not negligent. However, Metro did
15 not raise the superseding, intervening cause issue at trial, did
16 not ask for a jury answer on the issue, did not ask the
17 magistrate judge to charge the issue to the jury, and made no
18 post-verdict motion regarding the issue. "A party who fails to
19 object to jury instructions or to the substance of special
20 verdict questions to be put to the jury has no right to object to
21 those matters on appeal." Simms v. Village of Albion, 115 F.3d
22 1098, 1109 (2d Cir. 1997). Consequently, "[a]bsent objection, an
23 error may be pursued on appeal only if it is plain error that may
24 result in a miscarriage of justice, or in obvious instances of .

1 . . misapplied law." Metromedia Co. v. Fugazy, 983 F.2d 350, 363
2 (2d Cir. 1992) (internal quotation and citation omitted)
3 (ellipsis in original).

4 We see no possible miscarriage of justice here. Describing
5 the application of superseding proximate cause, the New York
6 Court of Appeals has noted that where

7 such an intervening cause interrupts the natural
8 sequence of events, turns aside their course, prevents
9 the natural and probable result of the original
10 act or omission, and produces a different result that
11 could not have been reasonably anticipated, it will
12 prevent a recovery on account of the act or omission of
13 the original wrongdoer.

14
15 Sheehan v. City of New York, 354 N.E.2d 832, 835-36 (N.Y. 1976)

16 (internal quotation omitted). The Court of Appeals has further
17 explained that in determining whether an intervening act disrupts
18 the causal nexus between a defendant's negligent conduct and the
19 plaintiff's injury,

20 liability turns upon whether the intervening act is a
21 normal or foreseeable consequence of the situation
22 created by the defendant's negligence. If the
23 intervening act is extraordinary under the
24 circumstances, not foreseeable in the normal course of
25 events, or independent of or far removed from the
26 defendants' conduct, it may well be a superseding act
27 which breaks the causal nexus.

28
29 Derdiarian v. Felix Contracting Corp., 414 N.E.2d 666, 670 (N.Y.

30 1980) (internal citations omitted). Finally, "[b]ecause
31 questions concerning what is foreseeable and what is normal may
32 be the subject of varying inferences, as is the question of
33 negligence itself, these issues generally are for the fact finder

1 to resolve." Id.

2 In the instant matter, the jury could have found without
3 effort that Becker's and Jurgens' injuries were foreseeable to
4 Metro. Metro knew that the pump on the CLARA P was out of
5 operation and that a vacuum truck should be used to transfer the
6 petroleum from the barge. Metro also knew that Ultimate did not
7 have any vacuum trucks but hired it anyway. That Jurgens and
8 Becker used a portable pump to transfer the product because a
9 vacuum truck had not been provided could easily have been viewed
10 as a "normal or foreseeable consequence of the situation created
11 by [Metro's] negligence," id.

12 e) Effect of the Ultimate Settlement

13 The final issue concerns the effect on Metro's liability of
14 Becker's and Jurgens' settlement with Ultimate. The magistrate
15 judge offset the judgment against Metro by the amount of the
16 Ultimate settlement. Becker and Jurgens argue that the setoff
17 was error.

18 We cannot reach this issue. As discussed above, Metro is a
19 direct tortfeasor and jointly and severally liable with Ultimate
20 for Becker's and Jurgens' injuries. Edmonds v. Compagnie
21 Generale Transatlantique, 443 U.S. 256, 260 n.7 (1979); Alcan
22 Aluminum, 990 F.2d at 722. Metro is liable, therefore, at least
23 for the amount of the judgment, which equals appellees'
24 uncompensated losses.

1 Becker and Jurgens ask us to increase the judgment by
2 eliminating the setoff, but they have not cross-appealed. We
3 cannot overlook this failure, SGS Control, 38 F.3d at 1286 (in
4 absence of cross-appeal, court may affirm on alternative grounds
5 but may not enlarge judgment), particularly when preserving the
6 present judgment in their favor requires us to rely in part on a
7 waiver by Metro. This option leaves the present judgment in
8 place, a result that, whether or not arrived at by a tidy
9 process, provides full compensation to the plaintiffs for what
10 the jury found to be the total damages caused by the failure to
11 provide a vacuum truck and is consistent with the various waivers
12 of the parties.

13 CONCLUSION

14 We hold that Metro is jointly and severally liable with
15 Ultimate for Becker's and Jurgens' injuries. We do not reach
16 questions regarding the propriety of the setoff in the absence of
17 a cross-appeal. As a result, we affirm.
18
19

FOOTNOTES

1. Question 2 of the verdict form involved a theory of liability that is now irrelevant in light of our disposition of this case.

2. The magistrate judge addressed the issue as follows in his memorandum and order:

I also note that it is not unusual for courts to assess liability against a vicariously liable party without regard to whether or not that party will later be indemnified by the negligent agent. Thus, this court need not consider whether Metro will later be able to receive indemnification from Ultimate, from the plaintiffs, or from another source. Whether or not Metro is entitled to indemnification, and whether it will be able, as a practical matter, to recover any monies it is due are questions not presently before the court.

Becker, slip op. at 15 (magistrate judge's May 23, 2002 Memorandum and Order).

3. Stolt found Section 1292(a)(3) jurisdiction in a liability limitation case despite a "conditional" stipulation that provided no damages for the plaintiff if the district court should be affirmed, and \$2,500 damages if it should be reversed. It noted, however, that:

Absent the stipulation entered into by the parties, it is unclear whether we would have jurisdiction from [the district court's] grant of partial summary judgment. . . . However . . . the orders entered by the district court do determine the rights and liabilities of the parties.

Accordingly, we have jurisdiction under section 1292(a)(3).

962 F.2d at 278 (internal quotation omitted).

4. The jury responded to interrogatories 11 and 13 as follows:

In regard to the occurrence of August 18, 1995, has Metro established by a preponderance of the evidence that plaintiff [John Jurgens/Philip Becker] was negligent? NO.