New England Regional Midweek Update
7/23/2025

Dear Stewart Partners,

Welcome to this week's Midweek Update. This issue features two timely topics: a Connecticut appellate case addressing easement ambiguity on beachfront property in Ringel v. Gottlieb, and potential Vermont legislation aimed at tightening protections around broker-held escrow accounts. We are also providing information on a Stewart Special Alert issued for property at 68 Sarasota Avenue in Narragansett, Rhode Island. In addition, as a reminder, certain recording fees have increased as of July 1, 2025 in Connecticut. We've included a link to our previously issued bulletin below. Lastly, the Massachusetts Underwriters Talk Title August installment is right around the corner, information and a registration link is below.

Case Summary: Gerald Ringel et al. v. Maria Genedina Gottlieb, 233 Conn. App. 798 (2025) By: Frank Cammarano, Esq., Underwriting Counsel, Connecticut

Facts

In 1969, Joseph and Alice Badolati sold the property known as 1205 Fairfield Beach Road, a beachfront parcel of land located in Fairfield, CT, to the plaintiffs to this action; while retaining ownership of 1206 Fairfield Beach Road, a parcel located directly across Fairfield Beach Road in Fairfield, from the plaintiff's property. The Warranty Deed conveying title to 1205 Fairfield Beach Road to the plaintiff contains the following: ''The premises are conveyed subject to the Grantors reserving for the benefit of themselves, their heirs, successors, assigns, occupants and tenants of premises across Fairfield Beach Road, Fairfield, Connecticut, known as [1206] Fairfield Beach Road[1], Fairfield, Connecticut, the title to which premises is being retained by the Grantors herein an easement over the westerly portion of the premises being conveyed herein. This easement to be used as a Right-of-Way for access to the Beach and Waters of Long Island Sound. In addition, there is reserved to the Grantors and their heirs, successors, assigns, occupants and tenants full boating and swimming rights and other normal uses.'' After this conveyance, the Badolatis' daughter, Carole Anne Quinn, acquired title to and resided at 1206 Fairfield Beach Road. The defendant acquired title to 1206 Fairfield Beach Road on August 1, 2019, pursuant to an executor's deed executed by Kathleen Quinn, executor of the last will and testament of Carole Anne Quinn.

In September, 2021, the plaintiffs commenced an action against the defendant in which they alleged that the defendant used the easement in a manner that exceeded its scope and constituted both a nuisance and a trespass on the plaintiffs' property. The defendant subsequently filed (1) an answer in which she denied the plaintiffs' claims and (2) a counterclaim seeking an injunction in which she alleged, inter alia, that the plaintiffs significantly impeded her use of the easement and had severely interfered with her ability to peacefully use and enjoy the beach.

Prior to trial, the parties narrowed the disputed issues down solely to the scope and location of the easement. The trial court found the easement language in the warranty deed to be clear and unambiguous, granting the defendant general beach easement rights above the mean high-water line. The plaintiff property owners appealed from the trial court's judgment defining the scope and location of the easement to include use of the plaintiffs' property above the mean high-water line.

Holding

On appeal, the plaintiffs claimed, inter alia, that the court erred by holding that the warranty deed at issue clearly and unambiguously reserved a general beach easement for the defendant's use of the plaintiffs' property above the mean high-water line. The plaintiff argued the easement was intended solely for access to the area below the mean high-water line, emphasizing the capitalization of "Beach" and its context in the deed. The defendant claimed the easement included access to both the beach above the high-water mark and the waters of Long Island Sound, supported by Connecticut case law suggesting "beach" refers to the area above the mean high-water mark. The Appellate Court (the "Court") held that the trial court erred in concluding that the easement language in the warranty deed was clear and unambiguous, as the definition of ''beach'' in Connecticut caselaw is not consistent and both parties' interpretations of the term ''beach'' were reasonable, and, therefore, the language in the deed was ambiguous as to the easement's location and scope.

[1] The original easement states "134A Fairfield Beach Road" which is now known as 1206 Fairfield Beach Road

In light of the conflicting arguments regarding the location and scope of the easement, resolving the plaintiffs' claim required the Court to determine whether the term ''Beach,'' as it is used in the deed, is clear and unambiguous. The Court first examined the ordinary meaning of the term as defined by Black's Law Dictionary and Ballentine's Law Dictionary at the time the deed was executed. On the basis of those definitions, the Court determined that the term ''beach,'' as it was used in the deed, could reasonably be interpreted as a reference to the area above the mean high-water line or as a reference to the area below the mean high-water line.

The Court then explained that Connecticut case law does not specify a precise and uniform definition of the term "beach", citing the Connecticut Supreme Court holding in Newkirk v. Sherwood, 89 Conn. 598 (1915), that ''[t]he word 'beach' may be used to mean land between high and low-water mark, or it may be used to include a sandy shore above mean high water which is washed by storms and by exceptionally high tides.'' Id. At 605. Alternatively, the Court noted, that some cases suggest that ''beach'' specifically refers to the area above the mean high-water mark, whereas the area between the high and low

water mark is called the ‘‘shore.’’ See, Church v. Meeker, 34 Conn. 421, 424–25, 431 (1867).

The lack of consistency in Connecticut case law as to whether the term ‘‘beach,’’ as a matter of law, refers to the area above the mean high-water line bolstered the argument that the easement language is ambiguous, leading the Court to conclude that the easement language allows for more than one reasonable interpretation and is, therefore, ambiguous. As a result, the court’s judgment was reversed and the case remanded for a new trial to resolve the ambiguity as to the scope and location of the easement.

The Court's decision in Ringel v. Gottlieb underscores the importance of using clear and unambiguous language in instruments affecting real property, especially in the context of granting of easements, restrictive covenants, and negative easements. It also provides basic guidance to Connecticut attorneys on how to more particularly define easements involving access to the beaches of the Long Island Sound.

Broker Escrow Reform In Vermont & A Refresher On Attorney Trust Account Requirements By: Jill Spinelli Quong, Esq., Underwriting Counsel, Vermont

The Vermont Senate Finance Committee is considering legislation to regulate real estate broker escrow accounts, aiming to align broker practices with the legal protections long established for attorney trust accounts. This initiative responds to longstanding vulnerabilities that have complicated fraud investigations and title claims across the state.

According to a recent Citizen Portal article, the proposed legislation would:

- Protect good faith deposits from seizure in bankruptcy and civil judgments.
- Establish clear limitations on escrow fund usage, reducing unauthorized withdrawals and minimizing post-closing disputes.
- Introduce confidentiality provisions to safeguard sensitive financial information in contested or high-value transactions, lowering the risk of data-related claims against title agents and insurers.

According to 26 V.S.A § 2214 Vermont brokers must already:

- Deposit earnest money within five banking days of receipt
- Maintain separate escrow accounts unlinked to personal or business funds
- Keep accessible transaction documentation for inspection
- Allocate interest fairly when deposits generate earnings

However, these are regulatory mandates without statutory enforcement. Further, funds held in escrow are not currently protected from broker creditors, creating risk exposure in bankruptcy or litigation scenarios. A bill is expected to be formally drafted in the next legislative session to strengthen these protections.

Attorney Trust Account Requirements – A Refresher

Attorneys in Vermont handling client funds during real estate transactions are governed by a combination of professional conduct rules, ethics opinions, and statutory guidance:

- Attorneys must hold client funds in a separate trust account, distinct from personal or firm accounts. Vermont Rules of Professional Conduct, Rule 1.15(a)
- Short-term or nominal client deposits must be placed in IOLTA accounts, unless otherwise agreed. Vermont Rules of Professional Conduct, Rule 1.15(f)
- Commingling of funds is strictly prohibited. Vermont Rules of Professional Conduct, Rule 1.15(a)
- Earnest money must be deposited promptly, typically within five banking days. Ethics Guidance; aligned with 26 V.S.A. § 2214(a)
- Escrow funds used for taxes or insurance must be held in a federally insured institution. 8 V.S.A. § 10404 (referenced for attorney practices)
- Attorneys must maintain complete transaction records and provide accountings upon request. Vermont Rules of Professional Conduct, Rule 1.15(d)
- Dual representation of buyer and seller in the same transaction is prohibited. Ethics Opinion 96-05.
- Ownership or referral to title/escrow entities must be disclosed to clients. Vermont Rules of Professional Conduct 5.7 & Ethics Opinion 03-02.
- Attorneys issuing title insurance must follow underwriter protocols and ALTA Best Practices.

Together, Vermont's proposed reforms and longstanding attorney escrow rules signal a push toward uniform fiduciary standards across the real estate profession. As brokers prepare to adopt similar safeguards, real estate attorneys and title professionals should monitor these developments closely and update guidance and protocols accordingly.

Stewart Special Alert – 68 Sarasota Avenue, Narragansett, RI 02882

On July 21, 2025, Stewart issued a Special Alert relating to property at 68 Sarasota Avenue in Narragansett, Rhode Island (Washington County) and Kathryn A. Doyle. As a reminder, issuing offices are instructed not to accept any orders, issue any commitments or preliminary reports, or close any transactions involving this property without written clearance from Stewart Legal Services. You can read the Special Alert Bulletin here: Special Alert: SA2025209

Connecticut Recording Fee Increase

In June, we issued a bulletin to Connecticut issuing agents about a recording fee increase. The increase is now effective, and applies to all documents recorded on or after July 1, 2025. To view the bulletin for complete details, follow this link: CT2025001

Massachusetts Underwriters Talk Title – Upcoming August Installment

On August 6, 2025 at 11 AM, Tracie Kester, Esq. will be hosting our August webinar on Insuring Occupied Properties. The webinars in our Talk Title Series are concise 30-minute presentations, full of practical information geared towards attorneys and paralegals looking to learn or build knowledge in the topic area. We hope to see you, follow this link to Register Here

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