

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

KELSEY-HAYES COMPANY,

Plaintiff,

v

Case No. 13-137746-CK
Hon. Wendy Potts

HUTCHINSON SEAL DE MEXICO, et al,

Defendants.

OPINION AND ORDER RE: KELSEY-HAYES COMPANY'S SECOND MOTION TO
COMPEL RESPONSES TO REQUESTS FOR PRODUCTION

At a session of Court
Held in Pontiac, Michigan

On

MAR 13 2015

The matter is before the Court on Plaintiff Kelsey-Hayes Company's motion to compel Defendants to produce documents responsive to various written discovery requests. The Court has discretion to compel discovery. *Cabrera v Ekema*, 265 Mich App 402, 406; 695 NW2d 78 (2005). "Michigan follows an open, broad discovery policy that permits liberal discovery of any matter, not privileged, that is relevant to the subject matter involved in the pending case." *Reed Dairy Farm v Consumers Power Co*, 227 Mich App 614, 616; 576 NW2d 709 (1998).

Kelsey-Hayes first asserts that Defendants improperly objected or failed to respond to its requests for production Nos. 52-68 seeking information about Defendants' corporate structure, principals, and finances. Kelsey-Hayes claims this information is relevant to its allegation that the three Defendants are alter egos of each other and have abused the corporate form. All three Defendants responded to requests No. 52-68 by either stating that they have no documents or that

the request seeks irrelevant information. Defendants object to Kelsey-Hayes's "alter ego" theory, claiming that it is not a valid cause of action. See e.g., *Dewitt v Sealtex Co*, unpublished opinion of the Court of Appeals, decided June 5, 2008 (Docket Nos. 273387, 273390, 274255, 275931). However, Kelsey-Hayes has not alleged alter ego as an independent theory; instead it alleged facially valid contract and tort theories and claimed that all Defendants are liable under those theories because they used their corporate form to perpetrate a fraud or injure Kelsey-Hayes. It is proper for Kelsey-Hayes to ask the Court to ignore Defendants' corporate form if it can show that Defendant used their corporate structures in an attempt to avoid legal obligations." *Foodland Distribs. v Al-Naimi*, 220 Mich App 453, 456; 559 NW2d 379 (1996). Thus, Defendants cannot avoid discovery on this ground.

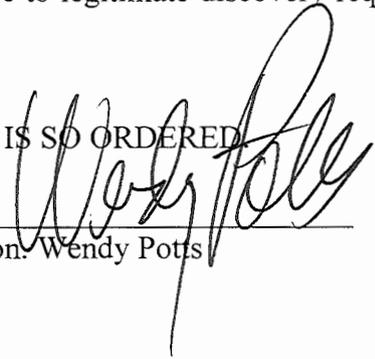
Defendants also assert that Kelsey-Hayes should not be allowed to obtain their confidential financial information because it could be damaging to Defendants if this information became public. However, the parties entered into a stipulated protective order that allows Defendants to maintain the confidentiality of their financial documents. Because this is not a basis for a valid objection either, the Court concludes that Defendants must respond to Kelsey-Hayes discovery requests Nos. 52-68 within 14 days.

Kelsey-Hayes also claims that Defendants improperly objected to or failed to respond to its requests Nos. 26-43. However, Defendants claim that they produced over 2,500 pages of documents. Although Defendants Catelsa Caceres, S.A. and Hutchinson Sealing Systems, Inc. did not produce any documents in response to these requests, it appears that Defendant Hutchinson Seal de Mexico produced documents in response to all of these requests other than Nos. 26, 27 and 28, to which it claims it has no responsive documents. To the extent that Kelsey-Hayes is claiming that Defendants' document production is inadequate or nonresponsive, the

Court will not review 2,500 pages of technical documents and compare those documents to nearly 20 technical requests to confirm whether Defendants' responses are adequate. However, the Court agrees with Kelsey-Hayes that "foundation" is not a proper objection to a written discovery request. Further, Defendants cannot refuse to provide discovery on the grounds that they believe that a request is "vague or ambiguous." Therefore, the Court orders all Defendants to review requests Nos. 26-43, confirm that their answers are full and complete, and if not, supplement their responses within 14 days. If Kelsey-Hayes is able to show that Defendants failed to produce discoverable documents that were responsive to legitimate discovery requests, the Court will consider sanctions.

Dated: **MAR 13 2015**

IT IS SO ORDERED



Hon. Wendy Potts