

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

DONNA PARSONS, et al.,

Plaintiffs/Counter-Defendants,

v

Case No. 15-145172-CB

Hon. Wendy Potts

BARBARA LOVELESS, et al.,

Defendants/Counter-Plaintiffs.

OPINION AND ORDER RE: MOTION FOR REINSTATEMENT OF CASE AND
ENFORCEMENT OF SETTLEMENT AGREEMENT

At a session of Court
Held in Pontiac, Michigan

On

AUG 09 2016

This matter is before the Court on the parties' supplemental briefing regarding Plaintiffs' motion for reinstatement of the case and enforcement of the settlement agreement. For purposes of background information, the North Woodward Investment Company Partnership was formed in 1978 by George Spears and Phillip Parsons to hold certain commercial property located on Woodward Avenue in Detroit. Plaintiff Donna Parsons is the widow of Harold "Steve" Parsons, and claims a 25% interest in the Partnership through Steve Parsons. Defendant Barbara Loveless is the ex-wife of George Spears, whose Trust was granted a 50% interest in the Partnership through their 1992 Judgment of Divorce and an April 3, 2012 Assignment of Partnership Interest. Phillip Parsons retains a 25% interest in the Partnership, however, he is not a party to this case.

The Court was notified that the matter had settled prior to June 13, 2016, the scheduled trial date. On June 13, 2016, the trial commenced with no appearance from the parties, lawyers, or witnesses after the case was called on the record. Further, the Court did not receive Trial Briefs as required by the Court's March 7, 2016 Final Trial Order. On June 13, 2016, the Court entered an Order giving the parties until noon on Friday, June 17, 2016 to submit their dismissal documents and stated that if the parties failed to do so, the Court would dismiss the matter with prejudice. On June 17, 2016, the Court entered a subsequent Order stating that the parties had until noon on June 30, 2016 to submit final documents. The Order further stated that if the parties failed to do so, the case would be dismissed. Since the parties failed to submit their final documents by June 30, 2016, the Court entered an Order dismissing the case with prejudice.

On July 12, 2016, the Plaintiffs filed a motion for reinstatement of the case and enforcement of the executed General Statement and Release Agreement ("Settlement Agreement"). In their motion, the Defendants are requesting the Court to enforce the parties' June 10, 2016 Settlement Agreement. The Defendant filed a Response to the motion in which she argues that the subsequent settlement agreement and release document – that includes Phil Parsons - is outrageous and unreasonable and she will not accept it. The Defendant argues that the Phil Parsons agreement provides the Plaintiff with all of the income from the property and requires the Defendant to accept all of the liability from Phil Parsons' interest.

The Defendant cites to the language within paragraph 5 "Dissolution of the Partnership" of the executed Settlement Agreement, which provides:

"The parties shall consent to an Order for Dissolution of the Partnership pursuant to a final Order of the Court entered in the Action. Plaintiffs shall be responsible for joining Phil Parsons in the Action, or obtaining his consent to the dissolution, in a form acceptable to all Parties and to Judge Potts so that his interest in the Partnership shall be subject to the Order for Dissolution. This Agreement shall be null and void, and Defendant shall have no obligation to pay any monies as described herein, if Phil Parsons

shall refuse to consent to the dissolution of the Partnership in a form acceptable to all Parties and Judge Potts. The disposition of Phil Parson's interest in the Partnership, in a form acceptable to all Parties and Judge Potts, shall be made and provided to all Parties before any Party is required to perform any obligation referenced in this Agreement."

Because there has been no disposition of Phil Parson's interest in the Partnership in a form acceptable to the Defendant, the Defendant argues that she is not obligated to perform any obligation under the parties' June 10, 2016 Settlement Agreement. The parties appeared before the Court on the Plaintiff's motion on July 20, 2016, at which time the Court ordered that each side present their proposed documents effectuating paragraph 5 of the Settlement Agreement.

As a result, the Plaintiffs filed their proposed documents, which include a proposed Dissolution of Partnership Agreement and a proposed Order for Dissolution of Partnership Agreement and Enforcing Settlement Agreement. The Defendant also filed a proposed Stipulation and Order for Dissolution of the "North Woodward Investments" Partnership as well as a proposed Affidavit of Phillip G. Parsons (for Phil Parsons to execute).

The parties' June 10, 2016 Settlement Agreement contains a Binding Statutory Arbitration provision (paragraph 17), which provides:

"The Parties agree that all disputes relating to this Agreement shall be submitted to binding statutory arbitration, with Thomas G. Hardy, Esq. sitting as the sole arbitrator pursuant to the Michigan Uniform Arbitration Act (the "UAA," MCL 691.1681, et seq). In the event Thomas G. Hardy is unable to sit as the sole arbitrator of any dispute, then the arbitrator shall be appointed in the manner provided in the UAA, unless the Parties agree in a signed writing to the appointment of an alternate arbitrator."

Here, the parties are in dispute over the language of the Settlement Agreement. The Plaintiff is attempting to have the terms of the Agreement enforced wherein the Defendant is obligated to pay certain debts of the Partnership. Conversely, the Defendant believes that she is not obligated under the terms of the Settlement Agreement because the parties have not agreed

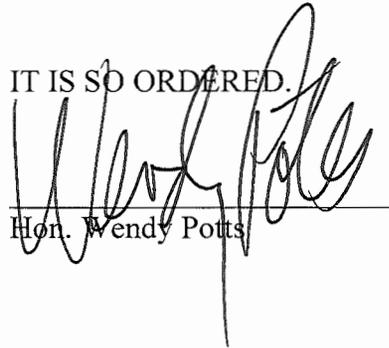
on the disposition of Phil Parson's interest in the Partnership (to then execute a dissolution agreement).

The Court notes that the parties agreed to Binding Statutory Arbitration in their June 10, 2016 General Settlement and Release Agreement. Further, the instant matter involves a dispute relating to the Agreement. Thus, if disputes relating to the Agreement remain, those disputes shall be submitted to binding statutory arbitration pursuant to the parties' Agreement. For all of the reasons stated above, Plaintiff's motion to reinstate the case is denied.

Dated:

AUG 09 2016

IT IS SO ORDERED.



Hon. Wendy Potts