

September 2017

MANTESE HONIGMAN, PC BUSINESS LAW NEWSLETTER



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MICHIGAN SUPREME COURT RULES ON MEMBER OPPRESSION STATUTE

The Michigan Supreme Court has decided only two shareholder or member oppression cases in its history, and Mantese Honigman PC handled both of them. Here, Gerard Mantese argues [Frank v Linkner, 894 NW2d 574 \(Mich 2017\)](#) in the Michigan Supreme Court. On May 15, 2017, the Court held that the LLC member oppression statute, MCL 450.4515, does not require that members suffer financial harm from unfair actions of the control group before they can sue. The Court further held that when

defendants fraudulently conceal their wrongdoing, the statute of limitations is tolled. Plaintiffs were represented by Gerard Mantese, Doug Toering and Fatima (Mansour) Bolyea.

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MANTESE HONIGMAN, PC EXPANDS TO NEW YORK

Mantese Honigman, PC is excited to announce that it has opened an office in Manhattan at 5 West 19th Street, New York, NY, phone: 212-401-4008. The office will focus its practice on corporate law, business litigation and real estate.



GERARD MANTESE RECEIVES THE ROBERTS P. HUDSON AWARD

MH is proud to announce that, in September 2017, the State Bar of Michigan conferred its top honor, the Roberts P. Hudson Award, on Gerard V. Mantese. Bestowed upon only 42 attorneys in the State of Michigan since 1979, the award recognizes attorneys who have made outstanding contributions to the legal profession.

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MH ATTORNEYS OBTAIN \$30 MILLION REMEDY FOR OPPRESSED SHAREHOLDERS

On August 31, 2017, Gerard V. Mantese, Ian Williamson, Douglas Toering and Fatima Bolyea, after trial, obtained an [Order](#) for their shareholder clients, requiring the corporation to buy out their shares, and pay interest and attorney fees. The total remedy will likely exceed \$30 Million. The controlling shareholders failed to pay dividends, engaged in an abusive stock redemption scheme, and engaged in other unfair and wrongful conduct. This is one of the largest shareholder oppression awards in the State of Michigan.

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MH HITS SCAM ARTIST FOR \$26 MILLION

Gerard Mantese, Dave Honigman, Theresamarie Mantese, and Kate Eisenstein were part of the litigation team that obtained a \$26 Million summary judgment against First American Monetary Consultants, Inc. and Larry Bates, for swindling numerous people out of money in a gold and silver coin scam. The firm filed the case in the Western District of Tennessee Federal Court. On August 8, 2017, the Court granted MH's

Motion to Pierce the Corporate Veil, thus holding the individual defendants individually liable for \$26 Million in damages. The firm's litigation helped launch a criminal investigation, leading to a [conviction against Bates for criminal fraud](#) and a 21-year sentence.
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SQUEEZED OUT SHAREHOLDER RECOVERS \$1.25 MILLION FOR OPPRESSION, BREACH OF FIDUCIARY DUTY

The plaintiff business owner sold some of the shares in his company to an investment group, which abused its power, attempted to oust the plaintiff, and breached the sales agreement. The value of the company took a hit due to defendants' actions. MH counter-punched with a tenacious lawsuit, leading to the [defendants' paying \\$1.25 Million](#), and receiving nothing on their counter-suit. Douglas Toering, Gerard Mantese, Ian Williamson, and Jordan Segal represented the plaintiff.
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TERRY MILNE OSGOOD RECEIVES "WOMEN IN THE LAW" AWARD

MH appellate specialist, Terry Osgood, was recognized by Michigan Lawyers Weekly on September 7, 2017 as one of the leading [Women in Michigan Law](#), in honor of her effective writing, appellate victories, and mentoring of young attorneys.

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SHAREHOLDER OPPRESSION CASE SETTLES FOR \$900,000

Plaintiff retired from a company he helped make successful and was then swiftly denied information and profits. He sued for oppression and breach of contract in connection with the refusal to purchase his stock at fair value. After vigorous discovery, Gerard Mantese and Kate Eisenstein [secured a \\$900,000 settlement](#) for plaintiff.

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INTERNATIONAL ANTITRUST CONSPIRACY BUSTED BY MH

Gerard V. Mantese, Kate Eisenstein, and Alex Blum were among the attorneys who represented numerous automotive dealerships in a large class action. The class action was brought against an array of automotive supplier defendants for widespread price-fixing. The U.S. District Court, Eastern District of Michigan, approved settlements in the case totaling in excess of \$100,000,000. This is believed to be the largest indirect purchaser antitrust class action in history.

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\$1.3 MILLION SETTLEMENT IN CLASS ACTION LAWSUIT

In a class action lawsuit against one of the nation's largest collectors of medical debt, Dave Honigman, Krista Hosmer, and Jordan Segal [obtained a \\$1.3 million settlement](#). The debt collector agreed to change its collection practices and settlement funds will be used to purchase and extinguish certain of the medical debts of a class of more than 600,000 Michigan hospital patients. The US District Court, Eastern District of Michigan, has preliminarily approved the settlement.

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MH NAMED IN TOP 50 BUSINESS LAWYERS IN THE STATE OF MI

Mantese Honigman, PC is proud to announce that Gerard Mantese and Douglas Toering were both named among the top 50 business lawyers in the State of Michigan, by Super Lawyers Magazine, in September 2017. Many other attorneys at MH have also received similar honors, including Ian Williamson and Terry Osgood (Super Lawyers), Dave Honigman (Leader in the Law), Theresamarie Mantese (Best Lawyers), and Alex Blum (Rising Star).



MANTESE HONIGMAN, PC BELIEVES IN COMMUNITY WORK

MH continues to devote substantial resources, both funds and time, to the community and to the less fortunate. For example, for the third year in a row, MH has been recognized for [donating more to Gleaners' summer lunch program](#) than any other company with under 25 employees. The firm also engages in pro bono work for children with autism, victims of domestic violence, military veterans, and many others. Here, Gerard Mantese is pictured walking to the [36th District Court in Detroit where one day a month MH represents tenants facing eviction](#).

ARTICLES AND SEMINARS

MH continues to publish more scholarly articles on business law and health care issues than virtually any other firm in the State of Michigan. Just in 2017, MH published or lectured on the following:

- [Michigan Business Courts and Oppression - A Review Of How Michigan Business Courts Have Treated Oppression Issues Since Madugula v Taub](#), Michigan Bar Journal (G. Mantese, D. Toering, and F. Bolyea)
- [Litigation Between Shareholders In Closely-Held Corporations: Protecting the Minority Shareholders From Abuse At The Hands of Majority Owners](#), Wayne Law Journal of Business (G. Mantese and I. Williamson)
- [Business Lawyers - What's New in Health Care Law?](#), Michigan Business Law Journal (T. Mantese, D. Toering and F. Bolyea)
- [In My Defense: The Author On The 25th Anniversary Of The Michigan Sales Representative Commission Act](#), Michigan Business Law Journal (D. Honigman and J. Segal)
- [Representing Physicians in Fair Hearing Proceedings, State Bar of Michigan Health Care Law Section](#) (T. Mantese and F. Bolyea)

- [Settled The Case For A Physician-Client? Not So Fast!](#), Laches (T. Mantese and F. Bolyea)
 - Appeared on [Practical Law](#) discussing Peer Review Among Doctors (T. Mantese and F. Bolyea)
 - Invited speaker for the inaugural presentation, "Physician Regulatory and Legal Update", 23rd Annual Health Law Institute sponsored by ICLE (T. Mantese and F. Bolyea)
 - Moderator and Co-Course Planner (with Michigan Judicial Institute), "MJL Business Court Judicial & Practitioner Seminar" (D. Toering)
 - Co-Planner and Presenter, "Fiduciary Duty Litigation in Business Disputes: Identifying Causes of Action, Key Defenses, Remedies, and Proof," Strafford Publications, Inc. Webinar (I. Williamson).
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A National Business Law Firm

Business and Commercial Litigation
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Health Care Law
Class Actions
Appeals and Arbitration
Intellectual Property
Real Estate and Land Use

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Mantese Honigman, PC has established a national reputation since 1994 as a leader in complex commercial and business matters, recovering hundreds of millions of dollars for our clients, and defending other clients against baseless suits. With offices in Michigan, Manhattan, and Missouri, MH wins high-stakes cases across the country.

MH handled the only two shareholder and member oppression cases ever decided by the Michigan Supreme Court, and the firm succeeded in establishing important rulings cited in hundreds of publications and other cases. *Madugula v Taub*, 496 Mich. 685 (2014), (oppression action is equitable, empowering the trial court with wide latitude in resolving

shareholder disputes); and Frank v Linkner, 894 N.W.2d 574 (2017) (MCL 450.4515 is a statute of limitations, not of repose; oppressed LLC members may be able to sue even before incurring financial harm; members may toll the statute of limitations if there is fraudulent concealment of relevant facts).



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