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From the January 24, 2005 Michigan Lawyers Weekly.

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Verdicts & Settlements

Contract Class Action Settles For \$3.1M

Defendant Failed To Pay Interest As Promised

The plaintiff asserted claims on behalf of members of defendant Tournament Players Club for breach of promissory notes issued to members of the golf club, from approximately 1988-92. Specifically, the plaintiff alleged the defendant failed to pay interest to holders of the promissory notes in the form of a credit against their dues.

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Additionally, the plaintiff sought to stop the defendant from issuing federal 1099 tax forms, when interest had allegedly not been paid.

Pursuant to the settlement in this case, the defendant agreed to convert the promissory notes to refundable, non-interest bearing initiation fees, thereby eliminating the tax burden to club members, which would result in an estimated tax savings — discounted to

present value — worth \$3.1 million.

Finally, the defendant agreed to provide other substantial benefits to present and former members, such as discounted green fees.

Type of action: Contract class action

Type of injuries: Financial

Name of case: Redmer v. Tournament Players Club of Michigan

Court/case no./date: Wayne County Circuit Court; #02-224481-CK; Sept. 17, 2004

Name of judge: Wendy Baxter

Settlement amount: \$3.1 million

Attorneys for the plaintiff: E. Powell Miller and Marc L. Newman

Attorney for the defendant: Withheld

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