

Missouri Lawyers WEEKLY

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Defense accepts judgment for restaurant's back rent



Chris Weiss



Shelly Rosenfelder

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The former landlord for a defunct rib restaurant didn't succeed in its attempts to hold the owners personally responsible for corporate obligations in a breach of contract case, but a judge did award the landlord \$1.5 million.

Husch Blackwell attorney Chris Weiss, who represented defendant Bold Ribs Company, said the case dates back to

February 2008 when his clients sold their restaurants back to franchisor Rib Crib BBQ Inc., including a location in Rogers, Arkansas.

As part of the transaction, Rib Crib took over the operations of the Rogers' restaurant and the lease, but was soon forced to close the restaurant, Weiss said.

"The location, at the time, was not doing well. When the Great Recession hit at the end of 2008, Rib Crib was unable to turn that store around and had to exit the location and terminate the lease," he said.

Subsequently, the landlord, Premium Investments, filed suit against the Ribs Company and Rib Crib "because they abandoned the property" and were not paying rent. Rib Crib was later dropped from the suit.

Weiss said his clients, Rib Company's former owners

James Michael Treadwell and Brandon Robertson, didn't have any assets at that point to pay the rent. Before the suit was filed they offered to agree to a consent judgment for a breach of lease.

"The plaintiff would not accept the offer because he knew there was no way to collect on a company that had no assets," Weiss said.

Instead, Weiss said, the company spent five years attempting to "manufacture tort claims" and pierce the corporate veil to hold Treadwell and Robertson liable for the obligations of the company. Some of the claims included fraudulent transfer of assets and fraudulent/negligent misrepresentation or omission.

In a 55-page opinion, Green County Circuit Judge Michael Cordonnier shot down the claim for piercing the corporate veil. Cordonnier also

ruled in favor of defendants on the other claims, aside from breach of contract.

Cordonnier awarded Premium Investments \$1.5 million for that claim.

Still, Weiss said he thinks the agreement was "very well-reasoned" and stressed that his clients never denied the breach of contract claim.

"While he found that my clients ... had breached the lease ... the court found in favor of my clients on all remaining accounts ... and most importantly found that there was no evidence whatsoever for piercing the corporate veil," Weiss said.

Weiss said he also thinks it's "very telling" that the court only awarded \$25,000 in attorney fees, despite the plaintiff's claim for \$570,000.

Heather Rooney McBride, attorney for the plaintiff, did not return a call seeking comment for this article. **MO**

BREACH OF CONTRACT

■ **Venue:** Greene County Circuit Court

■ **Case number/date:** 0931-CV16191/Oct. 9, 2014

■ **Amount:** \$1.5 million judgement

■ **Judge:** Michael Cordonnier

■ **Defendants' expert:** Dee Robinson, Springfield (CPA)

■ **Caption:** Premium Investments LLC v. Rogers Bold Ribs LLC, Bold Ribs Company LLC, J. Michael Treadwell and Brandon Robertson

■ **Plaintiff's attorney:** Heather Rooney McBride, Rooney McBride & Smith, Springfield

■ **Defendants' attorneys:** Chris Weiss and Shelly Rosenfelder, Husch Blackwell, Springfield