

## [ Verdicts & Settlements ]

### Basis of 50/50 oral partnership agreement argued

Witnesses: Alliance  
'carried on as co-owners  
of a business for profit'

#### \$1.85 million

The plaintiff claimed he had an oral 50-50 partnership agreement covering the formation, growth and sale of a business. Relying on the oral agreement, plaintiff allowed defendant to acquire 100 percent of the shares of stock in the corporation.

Plaintiff sued after the parties sold the company for a significant profit, but defendant failed to pay plaintiff half of the proceeds. No writing existed to memorialize the 50-50 partnership agreement.

However, plaintiffs' counsel took nearly two dozen depositions, submitted a dozen affidavits, and established that plaintiff and defendant co-managed the corporation, were equally responsible for the success of

**Type of action:** Breach of oral partnership agreement

**Type of injuries:** Half of the partnership profits

**Name of case:** Confidential

**Court/Case no./Date:** Confidential; confidential; confidential

**Highest offer:** \$1.25 million

**Settlement amount:** \$1.85 million

**Attorney for plaintiff:**  
Gerard V. Mantese, Brendan H. Frey

**Attorney for defendant:** Withheld

the company, and had "carried on as co-owners of a business for profit" pursuant to the Uniform Partnership Act standard for finding a partnership, as applied in *Byker v. Mannes*, 465 Mich 637 (2002).

Defendant moved for summary disposition, arguing, inter alia, that there were insufficient facts to estab-



MANTESE



FREY

**Key to winning:** Thorough discovery, obtaining affidavits from key witnesses, and exhaustive legal research

lish a partnership. The court denied the motion.

The case evaluation of \$1.25 million was rejected by the plaintiff and accepted by the defendant. In subsequent negotiations, plaintiff obtained a settlement for \$600,000 more than the case evaluation, bringing the settlement to \$1.85 million.



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