

STATE OF MICHIGAN
COURT OF APPEALS

L & R HOMES, INC.,

Plaintiff-Appellant,

v

JACK CHRISTENSON ROCHESTER, INC.,

Defendant,

and

CHRISTENSON & CHRISTENSON, INC., d/b/a
JACK CHRISTENSON, INC., and JACK D.
CHRISTENSON,

Defendants-Appellees.

UNPUBLISHED

April 7, 2005

No. 250483

Oakland Circuit Court

LC No. 1999-017608-CZ

Before: Meter, P.J., and Bandstra and Borrello, JJ.

BANDSTRA, J. (*dissenting*).

I respectfully dissent. “It is a well-recognized principle that separate corporate entities will be respected.” *Seasword v Hilti, Inc (After Remand)*, 449 Mich 542, 547; 537 NW2d 221 (1995). The corporate veil may be pierced only where an otherwise separate corporate existence has been used to “subvert justice or cause a result that [is] contrary to some other clearly overriding public policy.” *Id.* at 548 (citations omitted). Thus, as recognized by the majority opinion, this Court has held that, in addition to finding that the corporate entity is merely an agent or instrumentality of its shareholders or another entity, the corporate veil cannot be pierced unless there is also a finding of some “fraud or wrong” and that the plaintiff suffered some “unjust loss or injury.” *SCD Chemical Distributors, Inc v Medley*, 203 Mich App 374, 381; 512 NW2d 86 (1994) (citations omitted).

In keeping with these precedents, the lower court here did not ignore this Court’s prior opinion, as the majority opinion here suggests, by requiring that plaintiff prove fraud. Instead, among various other reasons why the corporate veil should not be pierced, the trial court concluded that there was no wrong whatsoever done to plaintiff through the corporate structures employed by defendants, nor any other public policy justification to ignore those corporate structures. As noted by the trial court, Mr. Randazzo, plaintiff’s principal is:

himself . . . a sophisticated businessman who incorporated L & R Homes, Inc., in 1974, as he testified to ‘take advantage of the law.’ Moreover, Mr. Randazzo himself is a licensed real estate broker since 1985. His testimony establishes that he never questioned the very issues he raises in this lawsuit and was ‘happy’ to receive the rent checks for 6 and a half years.

Like the trial court, I fail to see how plaintiff, a sophisticated business entity which freely entered into a contractual relationship with Rochester, Inc., was wronged or suffered any unjust loss when another corporate entity discontinued making rent payments that it was never obligated to make to plaintiff on Rochester’s behalf. For this reason and others adduced by the trial court, I conclude that piercing the corporate veil of Rochester, Inc., here to hold third parties liable is not warranted.

I would affirm.

/s/ Richard A. Bandstra