

# Verdicts & Settlements

## Motor Vehicle Crash

### Semi rear-ended man, causing significant injuries

\$750,000 settlement



MAXIM

The plaintiff sustained significant injuries after being rear-ended by a semi-truck while stopped at a red light. During the plaintiff's hospital stay, he underwent a cervical fusion to repair fractures in his spine. The plaintiff underwent significant medical treatment and sustained permanent lifestyle changes as a result of the crash. The plaintiffs were able to secure a policy limits settlement from the at-fault semi-truck.

Justin Maxim, counsel for the plaintiff, provided case information.

**Type of action:** Motor vehicle crash  
**Injuries alleged:** Fractured cervical spine  
**Name of case:** Confidential

**Court/Date:** Confidential; 08/16/2024

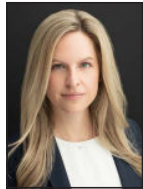
**Settlement amount:** \$750,000

**Attorney for plaintiff:** Justin Maxim, Grand Rapids

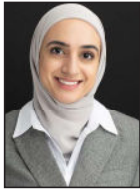
## Member Oppression, Fiduciary Breach, Fraud and Embezzlement

### Arbitrators reject \$4 million claim, award nominal damages

\$34,994 arbitration award



OSZUST



KHUJA

This case arose out of the embezzlement of \$3.5 million in capital contributions by one Tim Dankha, who abused the corporate form of Flowco Capital, LLC, in order to fund a larger, multistate Ponzi scheme. On the surface, Dankha organized Flowco Capital as a merchant cash advance operation to engage in transactions to fund merchants in need of working capital, and he enticed his childhood friend, Corbin Yaldeo and his other friend, Steve Burke, into the enterprise, while concealing his true intention to use the company to solicit investment, and then steal it.

On May 11, 2022, before he even signed the operating agreement, claimant CSC Realty's owner caused to be wired \$3 million into the Flowco bank account in exchange for a 51% ownership interest in Flowco. Within days, and before the signed copy of the operating agreement was even returned, Dankha transferred the money to accounts that he solely controlled. Dankha convinced Steven Burke to wire another \$500,000, which he did on Jan. 4, 2023, and which Dankha promptly pocketed.

Since the operating agreement required alternative dispute resolution and, in particular, arbitration, claimant CSC Realty commenced its claims in arbitration with the American Arbitration Association, alleging over \$4 million in damages. In addition to bringing claims against the embezzling party, CSC Realty further alleged that Yaldeo and Burke were complicit in the misappropriation. After extensive discovery and un rebutted expert analysis provided by Dan Agauas of B. Riley established that Yaldeo and Burke had absolutely nothing to do with the misappropriation, Burke changed his theory mid-hearing to be that Yaldeo breached his managerial fiduciary duty by not catching Dankha stealing the \$3.5 million. On that theory, the panel awarded \$34,994, less than 1% of the damages that the claimant was seeking against Yaldeo and Burke jointly and severally.

Burke was held to have no liability whatsoever in the matter and Dankha was removed as a member from Flowco.

In the face of the \$4,000,000 claim advanced against them, the dismissal of Burke and the nominal award of \$34,994 represents a complete victory for the respondents, Yaldeo and Burke.

Mark C. Rossman, counsel for the respondents, provided case information.

**Type of action:** Member oppression, fiduciary breach, fraud and embezzlement  
**Injuries alleged:** Loss of capital investment through fraud and embezzlement  
**Name of case:** CSC Realty Group, LLC v. Yaldeo, et al.

**Court/Case no./Date:** American Arbitration Association; 01-23-0002-8096; 08/15/2024

**Tried before:** Arbitration

**Name of judge:** Hon. Kwame Rowe (on confirmation proceedings; Oakland County Circuit Court number 2024-209272-CZ)

**Name of mediator:** Thomas Cranmer

**Name of arbitrators:** Jerome F. Rock, Edward H. Pappas and Lee Silver

**Demand:** \$4,000,000

**Highest offer:** \$2,000,000

**Arbitration award:** \$34,994

**Most helpful expert:** Daniel Agauas

**Attorneys for defendant:** Linda R. Oszust, Isra K. Khuja and Mark C. Rossman, Troy

## Motorcycle Accident; Wrongful Death

### Motorcyclist killed by driver who disregarded stop sign

Amount/No cause



GIROUX



PAPPAS

This wrongful death action involves the tragic death of a 45-year-old man who was riding a motorcycle around 11:00 a.m. The defendant was operating a company vehicle when he disregarded a stop sign and pulled out into the plaintiff's right of way, causing the crash that caused serious injuries that ultimately led to the plaintiff's death at the scene. The defendant was ticketed for a DUI. The defense argued that the plaintiff was more than 50% at fault because he was traveling at a high rate of speed, his rear tire was bald, and he had drugs in his system.

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Case information was provided by Evan Pappas, counsel for the plaintiff.

**Type of action:** Motorcycle accident; wrongful death

**Injuries alleged:** Numerous blunt force injuries causing death, including lacerations to the head and face, fractured ribs and sternum, lacerations of the chest that impacted the heart and lungs, and fracture of the tibia and fibula

**Name of case:** Confidential

**Court/Date:** Circuit Court for the County of Isabella; 06/20/2024

**Name of judge:** Hon. Eric R. Janes

**Name of mediator:** Thomas R. Behm

**Settlement amount:** \$1,250,000

**Attorneys for plaintiff:** Robert M. Giroux and Evan Pappas, Southfield

## Sales Commission Dispute

### Automotive supplier fails to pay sales commissions

\$875,000 settlement



GILLARY



ALBUS

The plaintiff was an independent manufacturer's sales representative with a commission agreement with the defendant automotive supplier. The plaintiff procured new business from a new customer. The defendant unilaterally reduced the commission rate on all of the plaintiff's business and appropriated his largest customer as a house account and stopped all sales commissions. The plaintiff filed suit and the parties settled the case after depositions and motions to strike experts, both of which were denied.

Randall Gillary, counsel for the plaintiff, provided case information.

**Type of action:** Sales commission dispute

**Injuries alleged:** Unpaid sales commissions

**Name of case:** Confidential

**Court/Date:** Kent County Circuit Court; 07/17/2024

**Tried before:** Mediation

**Name of judge:** Hon. Curt A. Benson

**Name of mediator:** Lee Silver

**Mediation settlement:** \$875,000

**Attorneys for plaintiff:** Randall J. Gillary and Kevin P. Albus, Troy

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2024 - \$5.75M

settlement for hi-lo versus pedestrian crash causing amputation of leg below the knee

2023 - \$1.35 M

settlement on a trip and fall on a 1/2 inch sidewalk elevation causing a spinal cord contusion

2022 - \$1.9 M

settlement on a trip and fall on a defective carpet in an apartment complex causing partial paralysis

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