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## CITY COUNCIL AGENDA ITEM

Date: April 20, 2022

To: Honorable Mayor and City Council Members

From: Lori Grigg Bluhm, City Attorney  
Allan T. Motzny, Assistant City Attorney  
Julie Quinlan Dufrane, Assistant City Attorney  
Nicole F. MacMillan, Assistant City Attorney

Subject: 1st Quarter 2022 Litigation Report

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The following is the quarterly report of pending litigation and other matters of interest. **Developments during the FIRST quarter of 2022 are in bold.**

### **A. ANATOMY OF THE CASE**

Once a lawsuit has been filed against the City or City employees, the City Attorney's office prepares a memo regarding the allegations in the complaint. At that time, our office requests authority from Council to represent the City and/or the employees. Our office then engages in the discovery process, which generally lasts for several months, and involves interrogatories, requests for documents, and depositions. After discovery, almost all cases are required to go through case evaluation (also called mediation). In this process, three attorneys evaluate the potential damages, and render an award. This award can be accepted by both parties, and will conclude the case. However, if either party rejects a case evaluation award, there are potential sanctions if the trial result is not as favorable as the mediation award. In many cases, a motion for summary disposition will be filed at the conclusion of discovery. In all motions for summary disposition, the Plaintiff's version of the facts are accepted as true, and if the Plaintiff still has failed to set forth a viable claim against the City, then dismissal will be granted. It generally takes at least a year before a case will be presented to a jury. It also takes approximately two years before a case will be finalized in the Michigan Court of Appeals and/or the Michigan Supreme Court.

### **B. ZONING CASES**

These are cases where the property owner has sued for a use other than that for which the land is currently zoned and/or the City is suing a property owner to require compliance with the existing zoning provisions.

1. International Outdoor, Inc. v City of Troy - On February 3, 2017, International Outdoor, Inc. filed this lawsuit in the Federal District Court for the Eastern District of Michigan challenging the constitutionality of the City's sign ordinance. International argues, among other things, that since the City does not require permits for temporary signs or special event signs, the permit requirement to erect a billboard is a content-based restriction, allegedly in violation of the 2015 Reed v. Town of Gilbert U.S. Supreme Court case. According to International, the ordinance is unconstitutional and should not



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have been applied as a basis to deny the permits for its requested billboards. International states it is seeking injunctive and declaratory relief and money damages, but the complaint does not request any specific remedy. However, the case was filed under 42 U.S.C. Section 1983, which allows for the recovery of attorney fees if the plaintiff prevails on any aspect of the case. The lawsuit was assigned to Judge George Caram Steeh. The City filed a motion to dismiss. A hearing on the motion was scheduled for June 26, 2017. On June 30, 2017, the Court entered its order granting in part and denying in part the City's motion to dismiss. The Court granted the City's motion to dismiss Count II of the complaint, which alleged the Sign Ordinance contained content based restrictions imposed without a compelling government interest. However, the Court denied the City's motion as to Count I, which alleged the variance provisions of the Sign Ordinance constituted an unconstitutional prior restraint because it gives the Building Code Board of Appeals unbridled discretion in deciding a variance request. The City filed a motion for reconsideration, which is still pending with the Court. On December 20, 2017, the Court entered its order denying the motion for reconsideration, but clarifying that the Court had not made a final decision on the validity of Troy's Sign Ordinance. The City must now file an answer to Count I of the complaint. The City filed its answer, and the parties are now engaging in discovery. Discovery is continuing. Plaintiffs scheduled depositions of former and select current members of the Building Code Board of Appeals, and the City objected. Plaintiff then filed a motion to compel the depositions, to which the City responded. The Court issued an order stating that there would not be oral argument on the motion, so we are now waiting for the Court's decision concerning these depositions. The Court denied Plaintiff's motion to compel depositions. Plaintiff has now filed a motion for summary judgment, and the City's response is due October 11<sup>th</sup>. The City filed a response to the motion for summary judgment and a cross motion for summary judgment in favor of the City. A hearing on both the Plaintiff's motion and the City's motion was held on January 16, 2019. On January 18, 2019, the Court issued its opinion and order denying Plaintiff's motion for summary judgment and granting the City's motion for summary judgment. The Court entered a final judgment in the case in favor of the City. Plaintiff has now filed an appeal with United States Court of Appeals for the Sixth Circuit in Cincinnati, Ohio. Plaintiff also filed a motion in the District Court, claiming entitlement to attorney fees based on the Court's rulings, some of which were favorable to the Plaintiff, even though the case was dismissed in favor of the City. The City timely responded to this motion, which is still pending. As required by the Sixth Circuit Court of Appeals, the parties participated in an unfruitful mediation conference call on March 6, 2019. Afterwards, the Sixth Circuit established its appellate briefing schedule, requiring Plaintiff's brief to be filed on or before April 29, 2019, and the City's response is due May 28, 2019. On April 1, 2019, District Court Judge Steeh issued his opinion and order denying the Plaintiff's motion for attorney fees. Plaintiff has filed a second appealing to challenge the denial of attorney fees. On motion of the Plaintiff, the second appeal was consolidated with the initial appeal and the briefing schedule was amended. Plaintiff filed its appellate brief, and the City timely filed its response. The case has been scheduled for oral argument on October 16, 2019 before the U.S. Court of Appeals for the Sixth Circuit in Cincinnati. The Court heard oral arguments on October 16, 2019,



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and the parties are now waiting for the Court to issue its opinion. As of March 31, 2020, the Court had not yet issued an opinion. The parties are still waiting for the Court to issue an opinion. On September 4, 2020, the U.S. Court of Appeals issued an opinion affirming the dismissal of Count I of Plaintiff's complaint, but reversing the lower court's dismissal of Count II and remanding the case. Two judges joined the majority opinion, and the third judge issuing a dissenting opinion, indicating he would have affirmed the dismissal of Count II. The City has filed a motion for rehearing en banc, requesting rehearing before the entire panel of U.S. Sixth Circuit Court of Appeals judges, seeking an affirmation of the dismissal of Count II. On December 21<sup>st</sup>, the Sixth Circuit Court of Appeals entered an order denying the City's motion for rehearing en banc. The case was remanded to the District Court. Judge Steeh directed the parties to file supplemental briefs on remand. The City filed its supplementary brief and a reply to Plaintiff's supplementary brief. We are awaiting a decision from the Court. On April 6, 2021, the Court entered an Order Dismissing Count II of Plaintiff's Complaint and Denying Plaintiff's Motion for Attorney Fees and it entered a Judgment in favor of the City. On April 19, 2020, the Plaintiff filed a motion for reconsideration of the Court's April 6, 2021 decision. On May 5, 2021, the Court denied Plaintiff's motion for reconsideration. On June 1, 2021, Plaintiff filed an appeal in United States Court of Appeals for the Sixth Circuit. Plaintiff filed its appellate brief, and the City timely responded. The parties are now waiting for the Sixth Circuit U.S. Court of Appeals to either grant oral argument or take other action. **The Court has not scheduled oral argument or taken other action.**

2. Tollbrook, LLC v City of Troy - Tollbrook submitted an application for a rezoning of three parcels on McClure, from one family residential zoning to Big Beaver Form Based District zoning. This application was proposed as a straight rezoning request, and was denied by Troy City Council, consistent with the recommendation from the Planning Commission. Plaintiff filed this Complaint, alleging substantive due process violations. Plaintiff filed it in Oakland County Circuit Court, and the City removed it to federal court, since the parties previously litigated a very similar case before Judge Goldsmith. Plaintiff then filed a motion to request a transfer of the case back to the Oakland County Circuit Court. This motion was briefed by the parties, and is pending. The motion is still under advisement. On March 5, 2021, Judge Goldsmith entered an Order, remanding the case to the Oakland County Circuit Court. Plaintiff submitted a proposed confidential settlement offer that was considered and rejected by City Council. The City subsequently filed a Motion for Consolidation and Request for Transfer which was denied by the Circuit Court. This case is now in the discovery phase. The City of Troy filed a motion to dismiss with oral argument scheduled for March 9, 2022. **The Court adjourned oral argument on its own motion. The parties are waiting for the Court to either reschedule argument or issue an opinion and order.**
3. Tollbrook West LLC. v City of Troy - Tollbrook West submitted an application to rezone two parcels located at 3109 Alpine and an adjacent vacant parcel from R-1B to Big Beaver District zoning. This straight rezoning application was denied by the Troy City Council on July 22, 2019, consistent with the Planning Commission recommendation.



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Plaintiff filed this Complaint, alleging substantive due process violations. Plaintiff filed it in Oakland County Circuit Court, and the City removed it to federal court, since the parties previously litigated a very similar case before Judge Goldsmith. Plaintiff then filed a motion to request a transfer of the case back to the Oakland County Circuit Court. This motion was briefed by the parties, and is pending. The motion is still under advisement. On March 5, 2021, Judge Goldsmith entered an Order, remanding the case to the Oakland County Circuit Court. Plaintiff submitted a proposed confidential settlement offer that was considered and rejected by City Council. The City subsequently filed a Motion for Consolidation and Request for Transfer which was denied by the Circuit Court. This case is now in the discovery phase. The City of Troy filed a motion to dismiss with oral argument scheduled for March 9, 2022. **The Court adjourned oral argument on its own motion. The parties are waiting for the Court to either reschedule argument or issue an opinion and order.**

4. Safet Stafa v. City of Troy- Plaintiff's case against the City of Troy seeks equitable relief from the Oakland County Circuit Court. Specifically, Plaintiff asks for a writ of mandamus or alternatively superintending control, requiring the City to grant Plaintiff's preliminary site plan application for a townhome project located on the northwest corner of Crooks and Wattles Roads. The Troy Planning Commission denied the preliminary site plan application because it found that the site plan was not compatible with adjacent properties and that it did not provide adequate transition to adjacent properties. Plaintiff appealed the Planning Commission's denial to the Troy Zoning Board of Appeals (ZBA). In a split vote of 4-3, the ZBA affirmed the Planning Commission decision. The City initially filed a Motion to Dismiss, but instead of responding to that motion directly, Plaintiff was allowed to file an Amended Complaint, which the City will ask to dismiss. Five Troy citizens, including one current member of the Troy Planning Commission, filed a Motion to Intervene in the lawsuit. The Court has scheduled oral argument for the residents' motion to intervene and the motion to dismiss for October 27, 2021. The City of Troy filed its Motion to Dismiss Plaintiff's Amended Complaint, which was granted by the Court on November 17, 2021. Plaintiff subsequently filed a Claim of Appeal with the Court of Appeals, which is in the process of being perfected. **Plaintiff is continuing to complete the preliminary matters in the Court of Appeals.**

### C. EMINENT DOMAIN CASES

These are cases in which the City wishes to acquire property for a public improvement and the property owner wishes to contest either the necessity or the compensation offered. In cases where only the compensation is challenged, the City obtains possession of the property almost immediately, which allows for major projects to be completed.

**There are no pending eminent domain cases for this quarter.**



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### D. CIVIL RIGHTS CASES

These are cases that are generally filed in the federal courts, under 42 U.S.C. Section 1983. In these cases, the Plaintiffs argue that the City and/or police officers of the City of Troy somehow violated their civil rights.

1. Adam Community Center v. City of Troy et. al. and U.S. v. City of Troy - Plaintiff filed this lawsuit against the City of Troy, the Troy City Council, the Troy Planning Commission, the Troy Zoning Board of Appeals, and each of the individual members of the Troy Zoning Board of Appeals, challenging the ZBA denial of significant variance requests for the property at 3565 Rochester Road. Plaintiff needed these variances to have a place of worship, plus a library, gym, and banquet center. Plaintiff's eleven count complaint argues that the City of Troy, the Troy City Council and the Troy Planning Commission, as the entities responsible for Troy's zoning ordinance, violated ADAM's Constitutional First and Fourteenth Amendment rights (Exercise of Religion, Freedom of Speech and Freedom of Assembly), ADAM's Fifth Amendment Rights, the Religious Land Use and Institutionalized Persons Act (RLUIPA), and also ADAM's Michigan Constitutional Rights. ADAM argues that there is no other Islamic house of worship in the City, and therefore the City and/or the Defendants violated their First Amendment Rights and RLUIPA. Plaintiff's lawsuit also alleges that the City and the individual ZBA members engaged in discrimination in denying ADAM's variance requests. Plaintiff also asserts that there were procedural irregularities at the June 19, 2018 public hearing which allegedly entitle ADAM to injunctive and declaratory relief, as well as compensatory and punitive damages. Specifically, ADAM is seeking a Court order overriding the ZBA's variance denials and the City's zoning regulations for churches, plus damages. The City filed a motion to dismiss as its first responsive pleading, seeking dismissal of the entire case, and/or dismissal of some of the claims and defendants. On March 12, 2019, the Court entertained oral argument on the motion, and the parties are now waiting for a written decision from U.S. District Court Judge Nancy Edmunds, who is the presiding judge for this case. On April 4, 2019, the Court granted in part and denied in part the City's Motion for Dismissal. Plaintiff's state law claims were dismissed by Court order. The case is now proceeding through discovery. On September 19, 2019, the United States of America filed a lawsuit against the City in the United States District Court for the Eastern District of Michigan alleging RLUIPA violations. In its complaint, the United States claims it is basing its claim on the City's treatment of Adam Community Center in its effort to establish a place of worship in the City. The U.S. is seeking injunctive and declaratory relief. The case was assigned to Federal District Court Judge Paul Borman, and then consolidated with the ADAM case, handled by Judge Nancy Edmunds. The Court scheduled a settlement conference for the two consolidated cases for December 17, 2019. On October 16, 2019 and October 21, 2019, two of the individual ZBA members were dismissed from the case with Plaintiff's consent. Motions to dismiss the remaining individual ZBA members were filed on November 25, 2019 and November 26, 2019, and the Court scheduled its hearing on the summary judgment motions for January 15, 2020. The Court cancelled the hearing date on the motion to dismiss the individual defendants and



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rescheduled the hearing for March 4, 2020. After the oral argument, the parties are waiting a decision from the Court. Discovery is continuing on the case filed by the United States. The parties are continuing with discovery, including the scheduling of depositions. On August 26, 2020, Judge Edmunds granted the motion for summary judgment filed on behalf of the individual ZBA member defendants and dismissed those defendants from the case, finding that they were entitled to dismissal based on qualified immunity. Adam has filed a motion for rehearing with regard to the dismissal of ZBA member Glenn Clark only. The Court has indicated it will decide the motion without oral argument but is allowing a response to the motion to be filed by October 13. On December 20<sup>th</sup>, the Court entered its Order Denying Adam's Motion for Reconsideration, so all individual defendants remain dismissed. The City filed a motion for summary judgment in both the Adam and USA case seeking a dismissal of all remaining claims against the City. Adam and the USA also filed motions for summary judgment. The City filed its responses to Adam's and USA's motions for summary judgment and has received Adam's and the USA's responses. The City then filed replies to the responses from Adam and USA. The Court issued an order declaring that all the motions for summary judgment will be decided without oral argument. The parties are now awaiting a decision by the Court. The parties continue to wait for a decision from the Court. **On March 18, 2022, the Court entered an Order Denying the City's Motion for Summary Judgment in the USA case and Granting the Motion for Summary Judgment in favor of the USA. The Court has not yet issued an opinion on the Motions for Summary Judgment filed in the Adam v. Troy case. The Court has ordered the Parties in the Adam case to appear for a settlement conference on April 18<sup>th</sup>.**

2. Carter v. Shearer et. al. and Louis Vuitton et.al. – On Friday, April 16, 2021, a lawsuit was filed against two Troy Police Officers (one identified, the other named as “John Doe”) as well as the Louis Vuitton store and a Louis Vuitton sales clerk (identified as “Jane Doe”). It was filed in the federal court (Eastern District of Michigan), and assigned to Judge Terrence Berg. The lawsuit alleges that the individual Troy police officers violated her constitutional rights (4<sup>th</sup> and 14<sup>th</sup> Amendment), and also a separate claim under state law of false arrest. As its first responsive pleading, the City filed a motion to dismiss, alleging that Plaintiff's Complaint has failed to state a valid claim. Plaintiff filed a motion to amend her complaint, and the City filed a response in opposition, arguing that even with the proposed amendments, the complaint still fails to state a claim. Louis Vuitton also filed a motion to dismiss, which made similar arguments that were made by the City. The Court issued an order eliminating oral argument on the briefs. The parties are now awaiting the Court's decision on the pending motions. **The Court granted Plaintiff's Motion to Amend and then granted the City's Motion for Summary Judgement, thereby dismissing the Troy defendants from the case, but denying the Motion for Summary Judgment filed on behalf of the Co-Defendants.**
3. Viau v. Troy- Ms. Viau filed this lawsuit in federal court (Judge Mark Goldsmith), alleging that her 10-year daughter was discriminated against in a summer soccer program when the



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participants were divided into groups to scrimmage. She alleges that the City and its employees are liable, based on a 14<sup>th</sup> Amendment Equal Protection Claim, and also a State law claim that her daughter was denied public accommodation because she felt compelled to withdraw from the soccer camp. Our office has submitted an agenda item for the July 12, 2021 City Council meeting, asking for the authority to represent the City. The City filed a motion for summary judgment. The Court has scheduled the case for a status conference on September 24, 2021. At the status conference, the Judge granted Plaintiff 14 days to file an amended complaint. If Plaintiff files an amended complaint, the City may then file another summary judgment motion. If Plaintiff does not file an amended complaint, Plaintiff must respond to the City's original motion. On September 30, 2021, the Court referred the case to a magistrate for a settlement conference. The Plaintiff then filed an amended complaint, adding the Troy School District as a defendant. The City filed a motion to dismiss the amended complaint and a motion for summary judgment. The Plaintiff filed a response to the motion and the City filed a reply. A hearing date has not been scheduled for the motion. The Court scheduled a settlement conference with Magistrate Judge David Grand for November 18, 2021. However, on the eve of the settlement conference, Ms. Viau filed a motion to have her attorneys withdraw from the case. In light of this development, Magistrate Judge Grand adjourned the settlement conference. **The Court scheduled a hearing on the City's motion to dismiss and for summary judgment and on Plaintiff's motion to terminate her attorney's representation in this case for April 21, 2022.**

4. Gillman v. Troy et. al- Steven Gillman filed this lawsuit on November 29, 2021, as the Personal Representative of the Estate of Megan Miller. Ms. Miller died after being detained in the City's lock up facility on an alleged parole violation and also because Troy police officers wanted to speak with her about the death of her infant child. The Complaint alleges that while Miller was in custody, the City and its employee knew or should have known that she was suffering from a serious medical need associated with recent drug use. The Complaint alleges that the City and its employee were deliberately indifferent to Miller's serious medical needs, and that the City maintained an unconstitutional custom, policy, practice or custom and/or inadequately trained its personnel which resulted in the wrongful death of Miller while she was in the City's custody. Plaintiff's 42 U.S.C. Section 1983 claims are asserted under the Eighth and Fourteenth Amendments of the United States Constitution. Plaintiff also asserts a state law claim against the individual employee for alleged gross negligence. The City timely filed its answer to the Complaint. **The Court held a scheduling conference and the parties are engaging in the discovery process.**

### **E. PERSONAL INJURY AND DAMAGE CASES**

These are cases in which the Plaintiff claims that the City or City employees were negligent in some manner that caused injuries and/or property damage. The City enjoys governmental immunity from ordinary negligence, unless the case falls within one of four exceptions to governmental immunity: a) defective highway exception, which includes sidewalks and road way claims; b) public building exception, which imposes liability only when injuries are caused by a defect in a public building; c) motor vehicle exception, which imposes liability when an employee is negligent when operating their vehicle; d) proprietary exception, where liability is imposed when an activity is



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conducted primarily to create a profit, and the activity somehow causes injury or damage to another;  
e) trespass nuisance exception, which imposes liability for the flooding cases.

1. Tschirhart v. Troy - Plaintiff filed this wrongful death lawsuit against the City, claiming that the City and individual City employees and contractors were responsible for the drowning death of Plaintiff's son, Shaun Tschirhart, at the Community Center pool on April 15, 2015. Shaun was swimming in the pool that day as part of a Friendship Club activity, and unfortunately suffered a seizure while swimming. Plaintiff's complaint alleges gross negligence, and an alleged failure to properly screen, train, and supervise City employees. The case is assigned to Oakland County Circuit Court Judge Daniel O'Brien. As its first responsive pleading, the City filed a motion for dismissal, arguing that Plaintiff had failed to assert a viable claim against the City. This motion is pending before the Court. The Court denied the City's motion, and the City immediately filed a claim of appeal with the Michigan Court of Appeals, challenging the denial of governmental immunity. A timely brief on appeal will be filed once the Court issues a briefing schedule. The City's brief on appeal is due February 7, 2019. A timely brief on appeal was filed by the City of Troy Defendants. Plaintiff's brief on appeal is expected to be filed by April 12, 2019. The briefs have been submitted, and the parties are waiting for the Court to schedule oral argument. Oral argument was held on December 6, 2019 in the Court of Appeals. On December 17, 2019, the Court issued an Opinion and Order reversing the trial court's decision, agreeing with the City that summary disposition should have been granted to the City of Troy and the individually named Troy defendants. The Court, however, remanded the case to the trial court, allowing Plaintiff an opportunity to seek leave to amend her Complaint. Plaintiff filed an application for leave to appeal with the Michigan Supreme Court. The parties anticipate that oral argument will be scheduled for March or April 2021. The Michigan Supreme Court did not schedule this matter for its March, April, or May docket, so the parties are hoping that oral argument on the application will happen in June 2021. The parties are still waiting for the Michigan Supreme Court to schedule oral argument in this matter. The Michigan Supreme Court scheduled oral arguments for November 9. The Supreme Court issued its opinion, remanding this case back to the Oakland County Circuit Court for a decision consistent with part of the Court of Appeals' decision. **Plaintiff filed a motion in Oakland County Circuit Court to lift the stay entered in this matter which was granted by the Court on March 23, 2022. Subsequently, Plaintiff filed a motion seeking leave to file an amended Complaint in this matter. The City filed a motion opposing this request. The Court will hear oral argument on this motion on April 20, 2022.**
2. Grier v. City of Troy, et al - On November 19, 2019, Ms. Grier was in a U.S. post office vehicle parked on Robart Street. She reports that she was making a delivery, and a City of Troy truck was plowing snow, and the wing plow on the City's truck accidentally sideswiped the postal truck, causing a large indentation spanning the length of the postal vehicle. Plaintiff filed a complaint against the City, the City employee who was operating the snow plow, her auto insurance company, and the Michigan assigned





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claims fund. The case is assigned to Oakland County Circuit Court Judge Phyllis McMillen. The City has filed a timely answer to the complaint, and the parties are now engaged in the discovery process. The discovery process is still ongoing. The parties met with the Court for a status conference, and the Court ordered the parties to participate in facilitation in lieu of the case evaluation process. Discovery is still on going. Court ordered facilitation has been scheduled for July 27, 2021. The City filed a motion for summary disposition, which was granted as it relates to the employee Defendant, but not the City. The parties participated in facilitation and were not able to resolve the matter. Trial is scheduled for April 2022. **The April trial date is likely to be adjourned based on the backlog of cases in Oakland County Circuit Court.**

3. Jeffrey Martin v. Troy - Mr. Martin was a pedestrian travelling on Coolidge Highway near Maple Road on September 14, 2020. He alleges that he stepped into a pothole on the roadway, injuring his right foot. The complaint asserts a state statutory claim of failing to maintain the roadway in reasonable repair; a public nuisance claim; and a negligence claim, where he argues that governmental immunity is not applicable. This case was filed in the Oakland County Circuit Court, and assigned to Judge Poles. The City filed a motion for summary disposition, and the court will hear argument on the issue on August 18, 2021. The Court took the motion for summary disposition under advisement, and the parties are waiting for the Court to issue her decision. The Court ruled in favor of the City of Troy and dismissed the Complaint, but allowed Plaintiff to submit an Amended Complaint. Plaintiff subsequently filed an Amended Complaint, and the parties are now doing discovery. **Discovery is now closed, and case evaluation is scheduled for April 15, 2022.**

### F. MISCELLANEOUS CASES

1. Michigan Association of Home Builders; Associated Builders and Contractors of Michigan; and Michigan Plumbing and Mechanical Contractors Association v. City of Troy. - The Plaintiffs filed a complaint for Declaratory and Injunctive Relief in the Oakland County Circuit. On the date of filing the Plaintiffs also filed a Motion for Preliminary Injunction and Order to Show Cause. The Plaintiffs allege that the City of Troy has violated Section 22 of Michigan's Stille-DeRossett Hale Single State Construction Code Act by collecting fees for building department services that are not reasonably related to the cost of providing building department services. They are alleging that the City of Troy has illegally entered into a contract with Safe Built of Michigan, Inc. for building services that provides that 20% of each building permit fee be returned to the City to cover services that are not "reasonably related to the cost of building department services," as required by state statute. The Plaintiffs also assert a violation of the Headlee Amendment, arguing that the 20% returned to the City is a disguised tax that was not approved by voters. The Plaintiffs are asking for a declaratory judgment, as well as a return of any "surplus" building department service funds collected to date. Plaintiffs also request an order requiring the City to reduce its building department fees. The City of Troy was served with the Complaint and the Motion for Preliminary Injunction and Order for Show Cause on Wednesday, December



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15, 2010. The parties were required to appear at Court on Wednesday, December 22, 2010, but the Court did not take any action at that time. Instead, the Court adjourned the matter to January 19, 2011. In the interim, the parties may engage in preliminary discovery in an attempt to resolve this matter. The parties are conducting discovery. The parties have completed discovery. Trial in this matter is scheduled for January 30, 2012. After being presented with motions for summary disposition, the Court ordered the parties to engage in mediation with a neutral municipal audit professional. Financial documents concerning this case are now being reviewed by an independent CPA. It is expected that the April 19, 2012 trial date will be postponed until after this review is complete. Mediation was unsuccessful in resolving this case, and therefore the Court is expected to issue an order on the pending Summary Disposition Motions. The trial date has been adjourned. On November 13, 2012, Oakland County Circuit Court Judge Shalina Kumar issued her order in favor of the City, and dismissed this case. Plaintiffs filed an appeal, which is now pending in the Michigan Court of Appeals. Appellant's brief is expected to be filed soon. The parties timely filed their appellate briefs, and are now waiting for the Court of Appeals to schedule a date for oral argument. The Court of Appeals has not yet scheduled oral argument for this case. The parties are still waiting for a date for oral argument. Oral argument was held on March 4, 2014. On March 13, 2014, the Court of Appeals issued its opinion ruling in the City's favor and affirming the Circuit Court's decision dismissing the case. On April 23, 2014, Plaintiff Home Builders filed an Application for Leave to Appeal with the Michigan Supreme Court. Troy's response was filed on May 19, 2014. The Michigan Supreme Court considered the application for leave to appeal and ordered that the matter be scheduled for oral argument. The Court also permitted the parties to submit supplemental briefs, which are due October 29, 2014. The City timely filed its supplemental brief with the Michigan Supreme Court. The parties are now waiting for the Court to set a date for oral argument on the application. The Michigan Supreme Court entertained oral arguments on the application for leave to appeal on March 11, 2015. On June 4, 2015, the Michigan Supreme Court reversed the decisions of the Court of Appeals and the Circuit Court and ruled there was no requirement for Plaintiffs to exhaust their administrative remedies. The case was remanded to Circuit Court for further proceedings. A status conference was held on June 18, 2015 with Judge Kumar. During the status conference, Judge Kumar scheduled a hearing for September 2, 2015, allowing the parties to address the issues that were previously raised in the motion for summary disposition but were not decided since the case was initially dismissed for failure to exhaust administrative remedies. At the hearing on September 2, 2015, Judge Kumar allowed Plaintiffs to request additional discovery within 30 days. Thereafter, both parties are allowed to file supplemental briefs. Supplemental briefs have been filed and we are awaiting a decision. On February 5, 2015, Judge Kumar issued her opinion and order ruling in favor of the City and dismissing the case. Plaintiffs filed a Claim of Appeal with the Michigan Court of Appeals on February 23, 2016. The Plaintiffs and the City have both filed appellate briefs. Based on our request, the Michigan Municipal League Legal Defense Fund, Public Corporations Section of the State Bar of Michigan, Michigan Townships Association and also Safe Built have filed a motion asking for permission to file amicus briefs supporting the City's position. The Michigan Association



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of Realtors has sought permission to file an amicus brief supporting Plaintiffs' position. The Plaintiffs filed a reply brief. We are waiting for the Court of Appeals to rule on the motions for amicus briefs and to schedule a date for oral argument. Oral argument has not yet been scheduled. The parties presented oral arguments on September 7, 2017. On September 28, 2017, the Court of Appeals entered a two to one decision affirming the Circuit Court's grant of summary disposition in favor of the City. The Plaintiffs have filed an application for leave to appeal to the Michigan Supreme Court. The City timely filed an answer to the application. Additionally, the Michigan Municipal League's Legal Defense Fund, the Government Law Section of the State Bar of Michigan, and the Michigan Townships Association filed a motion to file an amicus curiae brief with the Supreme Court, supporting the City's position and asking for a denial of the application for leave to appeal. The Court granted the request for MML's amicus brief on January 5, 2018, and the brief was accepted for filing. The Michigan Realtor's Association filed a motion to file an amicus brief on behalf of Plaintiff Home Builders on February 23, 2018. On June 20, 2018, the Michigan Supreme Court entered an order granting the Michigan Realtor's Association's motion to file a brief amicus curiae. The Court also ordered that oral arguments be scheduled on Plaintiff's application for leave to appeal, and established a schedule for submitting supplemental written briefs. The Court accepted an amicus brief from the Michigan Health and Hospital Association and the Michigan Society of Association Executives, which was drafted by the attorney representing the Home Builders. The parties are now waiting for the Supreme Court to schedule oral argument. On December 19, 2018, the Michigan Manufacturers Association filed a motion to file a brief amicus curiae, and attached its proposed brief to the motion. On December 21, 2018, the Supreme Court granted the motion and accepted the brief that was submitted on December 19, 2018 for filing. The Michigan Supreme Court presided over the oral argument on March 7, 2019. After oral argument, the Court granted a motion to file a late amicus curiae brief. The City filed a response seeking to address the arguments raised in that brief and attached a proposed response. On April 5, 2019, the Court granted the City's motion to file a response to the amicus curiae brief and accepted the City's response for filing. The parties are now waiting for the Supreme Court to issue its opinion. On July 11, 2019, the Michigan Supreme Court entered its decision holding that the use of the revenue generated by the City's building inspection fees to pay the Building Department's budgetary shortfalls in previous year's violates the State Construction Code Act. The Court reversed the decisions of the Court of Appeals and the Circuit Court and remanded the case back to the Circuit Court for further proceedings. On remand the City can still present evidence to justify the retention of a portion of the fees. The Court permitted additional discovery, as requested by Plaintiff, and the City has responded to the numerous discovery requests. The Plaintiffs sought additional discovery, which the City objected to. The Plaintiffs then filed a motion to compel additional discovery and the City filed a response to the motion. The parties resolved the motion without a hearing with a stipulated order in which the City agreed to provide some additional information, which has now been provided. The Plaintiffs have now indicated they would like to take some depositions. Because of the Emergency Declaration, and the difficulty in conducting depositions, Plaintiff filed a motion to extend the discovery deadline, and the City has not objected to



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this Motion. The Court has scheduled a new trial date. Plaintiffs filed a motion for summary disposition. The Court issued a scheduling order, requiring the City to respond on or before November 18, 2020, and scheduling the hearing for December 2. Oral argument was held on the summary disposition motion on December 2<sup>nd</sup>. We are awaiting a decision from the Court. The Court granted Plaintiffs' motion to file supplemental information. Plaintiffs then filed a supplementary brief, and the City filed its response. We are awaiting a decision by the Court on the summary disposition motion. On May 26, 2021, the Court entered its opinion and order denying both requests for summary disposition. The Court ruled that the Michigan Association of Home Builders had standing to pursue a claim under the Headlee Amendment but it dismissed the Headlee Amendment claims of Associated Builders and Contractors of Michigan and Michigan Plumbing and Mechanical Contractors Association on the basis those Plaintiffs did not establish standing. The case will now proceed to trial unless otherwise resolved through facilitation. The Court has scheduled a status conference for June 30<sup>th</sup>. The Court ordered facilitation, which was unsuccessfully accomplished on September 15, 2021. The Court also allowed the Plaintiff to take a late deposition of the City's Chief Financial Officer Rob Maleszyk, who was not employed during by the City prior to the discovery cut-off date. The case will now proceed to trial, and the Court has scheduled a status conference for October 19, 2021. The Court adjourned the status conference to November 2, 2021 and subsequently adjourned it to January 14, 2022. **The case was re-assigned to visiting Judge Sosnick since Judge Kumar was appointed to serve as a Judge in Federal Court. The status conference was then adjourned to March 1, 2022. However, the case was then re-assigned to the newly appointed Judge Cohen and the status conference was rescheduled for April 5, 2022.**

2. Roumayah Consulting, LLC and Kevin Roumayah v City of Troy - Plaintiff Roumayah LLC is the master tenant for property at 33611 Dequindre Road in Troy that it subleases for use by caregivers registered under the Michigan Medical Marihuana Act (MMMA) to cultivate medical marihuana. Plaintiff Kevin Roumayah is a registered caregiver under MMMA and uses one of the suites at 33611 for a medical marihuana grow operation. The Plaintiffs filed a lawsuit in Oakland County Circuit Court challenging the validity of the City of Troy Medical Marihuana Grow Operation License Ordinance, Chapter 104 that went into effect May 3, 2018. Plaintiffs claim they are entitled to injunctive relief because: 1) the ordinance is a zoning ordinance that was not adopted in accordance with the Michigan Zoning Enabling Act (MZEA); 2) the Plaintiffs have a valid nonconforming use under the MZEA; 3) the ordinance results in a taking of Plaintiffs property without just compensation and due process; 5) the ordinance deprives Plaintiffs of equal protection under the law; and 6) the ordinance is invalid because it is preempted by the MMMA. The Plaintiffs are seeking a declaratory judgment that the ordinance is invalid and an injunction to preclude enforcement of the ordinance. The case was assigned to Oakland County Circuit Court Judge Leo Bowman. Plaintiffs' request for a temporary restraining order and/or preliminary injunction was denied by the Court on June 13, 2018. The case is now in the discovery phase. During the pendency of this case, the Michigan Court of Appeals issued an opinion in a separate



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case the directly addressed the issue of whether a municipal ordinance is preempted by the MMMA. That case was appealed to the Michigan Supreme Court. The Supreme Court's decision on that appeal will have a direct impact on the outcome of this case. Thus, the Plaintiff and the City stipulated to a stay of proceedings pending the outcome of the appeal to the Michigan Supreme Court. On December 12, 2018, Judge Bowman issued an order to stay the proceedings. On January 23, 2019, the Michigan Supreme Court granted the township's application for leave to appeal in the other case, as mentioned above, so the Supreme Court will likely determine whether a municipal ordinance is preempted by the MMMA. The parties are still waiting for the Michigan Supreme Court to issue its decision in the Byron Township case. The oral argument in the Byron Township case was scheduled for October 3, 2019. The Supreme Court has not yet issued its opinion in this case. As of March 31, 2020, the Supreme Court has not issued its opinion in the Byron Township case. The Supreme Court issued its opinion in *DeRuiter v. Byron Township* on April 27, 2020, which was favorable to the municipal defendant. Roumayah's attorney has not yet responded to the City's inquiry about Plaintiff's plans and/or potential reinstatement of the case after the *DeRuiter* decision.

3. Thomas Darling v. City of Troy - Plaintiff Thomas Darling filed this Whistleblower lawsuit against the City of Troy on October 10, 2019. It is assigned to Oakland County Circuit Court Judge Daniel P. O'Brien. Darling was the City's former finance director, and was terminated on July 15, 2019. He argues that his termination resulted from his participation in the 2016 Craig Lange investigation of Brian Kischnick and his assistance with the Plante & Moran forensic engagement. This case will be primarily handled by outside labor counsel/ insurance counsel. The City timely filed its answer to the complaint. The parties are conducting discovery. The parties are continuing with the exchange of discovery and scheduling depositions. After filing motions for summary disposition, one of Plaintiff's counts is dismissed, and the other remains pending. The City filed a motion for reconsideration as to the remaining count. The trial date is re-scheduled for January 2021. Due to COVID restrictions, the Court adjourned the trial date from January to May 2021. Because of COVID, all jury trials were temporarily postponed at the Oakland County Circuit Court. The jury trial has now been adjourned until October 25, 2021. The Court adjourned the trial date to March 31, 2022. **The Court again adjourned the trial to a new date of June 27, 2022.**
4. Jack Wolfe v City of Troy – Plaintiff Jack Wolfe filed this lawsuit against the City. It was initially assigned to visiting Oakland County Judge Edward Sosnick. Plaintiff challenges the City's Medical Marihuana Grow Operation License Ordinance (Chapter 104 of Troy City Code), alleging it was enacted in violation of the Michigan Zoning Enabling Act, and also argues that the ordinance is preempted by the Michigan Medical Marihuana Act. He is seeking \$250,000 in damages, plus injunctive and declaratory relief. The City was alerted to an alleged caregiver operating without a license at 979 Badder Street, and the City issued a notice to quit to the property owner. Plaintiff then applied for a license, but was placed on the wait list, since the City already had over its cap of 36 caregivers. As of July 7, 2021, there was no unlicensed marihuana caregiver operation at the property. In addition to the complaint, Plaintiff filed a motion seeking preliminary injunctive relief. The City filed a response, and the



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hearing on the motion was scheduled for August 18, 2021, but adjourned at Plaintiff's request. In the meantime, the City filed an answer to the complaint and a motion for summary disposition seeking a dismissal of the case in its entirety. The case has now been assigned to newly appointed Oakland County Circuit Court Judge Kwamé L. Rowe, who scheduled the motion for summary disposition for December 8, 2021. The hearing on the motion for summary disposition was rescheduled to January 5, 2022. **After oral argument, the Court took the matter under advisement and indicated a written opinion and order would be issued. On February 23, 2022, the Court issued its Opinion and Order granting summary judgment in favor of the City and dismissing the case. On March 17, 2022, the Plaintiff filed a motion for reconsideration, which is still pending.**

5. Johnson v. Troy Police Department – Plaintiff filed this civil suit against the Troy Police Department, alleging a violation of MCL 752.11 (a criminal statute). This lawsuit stems from Mr. Johnson's disagreement with Troy School District's enforcement of the mask policy mandated by the Oakland County Health Department. Mr. Johnson's son is a third grader at one of the elementary schools, and he was not permitted to attend class in-person without a mask. Mr. Johnson alleges that the Troy Police Department failed to uphold the law, since it did not take action to stop the Troy School District from enforcing the mask mandate. The case was filed in 52-4 District Court, and was assigned to Judge Maureen McGinnis. The City filed a motion for summary disposition as its first responsive pleading. The Court scheduled oral argument for March 2, 2022. **Judge McGinnis granted the Police Department's motion for summary disposition, and this case is now concluded.**
  
6. 3385 Rochester Road LLC v. Oakland County and the City of Troy- Plaintiff filed this suit in the Eastern District of Michigan, and it was assigned to the Honorable Judith Levy. The Complaint stems from the foreclosure of the property in 2018, which Plaintiff unsuccessfully tried to quash in the Oakland County Circuit Court. Subsequently, the City purchased the property from the County and demolished the building, which had been unoccupied for nearly 20 years. After the building was demolished, the City used the competitive bid process to sell the property to a sole bidder for the appraised value. Aside from the staffing and out of pocket costs spent by the City to acquire and demolish the property, the remaining proceeds were remitted to Oakland County, pursuant to state law. Plaintiff's Complaint essentially alleges four separate violations under various different theories First, Plaintiff alleges an illegal taking under the 5<sup>th</sup> and 14<sup>th</sup> Amendment, as well as under the Michigan Constitution and state law. Second, Plaintiff alleges excessive fines under the 8<sup>th</sup> and 14<sup>th</sup> Amendment, as well as under the Michigan Constitution. Third, Plaintiff alleges a procedural due process violation under the 14<sup>th</sup> Amendment. Lastly, Plaintiff asserts an unjust enrichment claim. **Based on a request from Plaintiff, who wanted to preserve the right to file this case, but also recognized that there was a pending Michigan Supreme Court case that would likely provide clarity as to the law, the parties stipulated to a dismissal of the case without prejudice. Plaintiff will be able to bring this case at a later time, should the Michigan Supreme Court decision be favorable.**



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7. **Tompkins v City of Troy** - Plaintiff filed this claim and delivery action seeking a return of a handgun that was seized by the police when Plaintiff was arrested for domestic assault, operating while intoxicated, carrying a concealed pistol while under the influence of alcoholic liquor, and open intoxicants in a motor vehicle. The City filed an answer to the complaint and the motion for possession. The case was assigned to Judge McGinnis. At a hearing on February 9, 2022 the Court denied Plaintiff's motion for possession and scheduled the case for a pretrial on March 30, 2022. On March 7, 2022, a consent order was entered allowing the firearm to be returned to a third party. This case is now concluded.
8. **Hoggarth v City of Troy** - Plaintiff filed this claim and delivery action seeking a return of a shotgun that was seized by the police when Plaintiff was arrested for possession of a firearm while under the influence of alcoholic liquor. The City filed an answer to the complaint and the motion for possession. The case was assigned to Judge McGinnis. At the hearing on March 23, 2022 the Court denied the motion for possession. The case is now scheduled for a pretrial on May 4, 2022.
9. **Williams v City of Troy** - Plaintiff filed this claim and delivery action seeking a return of a handgun that he turned over to the police as a condition of bond when he was charged with careless discharge of a firearm. The City filed an answer to the complaint and the motion for possession. The case was assigned to Judge Hartig and is scheduled for a hearing on April 20, 2022 on the motion for possession.

### G. CRIMINAL APPEALS/ DISTRICT COURT APPEALS

These are cases involving an appeal from a decision of the 52-4 District Court in an ordinance prosecution case.

1. **City of Troy v. Tierra Posey** - In 2016, Defendant pled guilty to possession of marijuana. Defendant failed to appear for her sentence date later in 2016, and remained in bench warrant status until July 2020. In the interim, the Michigan Regulation and Taxation of Marihuana Act was passed in 2018 (recreational marihuana). Defendant argued in District Court that although she was guilty of a crime in 2016, she could not be punished since marihuana is now legal. Judge McGinnis denied the Defendant's motion to dismiss the charge. Defendant filed an appeal with the Oakland County Circuit Court. The case has been assigned to Judge Rae Lee Chabot. The City filed a timely response to the appeal. The parties are waiting for the Court to issue an opinion on the appeal. The Court granted Defendant's application for leave to appeal. It issued a scheduling order, which has oral argument scheduled in October 2021. The briefing is now complete, and the parties are awaiting oral argument, which is scheduled for October 20, 2021. The Court waived oral argument, and the parties are now awaiting a written opinion. **The Court issued a written opinion that held that Defendant may not be punished for possession of marijuana under the City's ordinance, based on the MRTMA, even though she pled guilty to the offense before MRTMA passed. Therefore, the criminal case against Defendant was dismissed.**



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2. City of Troy v Aubrey and Kagan - These two intoxicated driving cases were consolidated. Defendants challenged the admission of breath alcohol test results from the City's DataMaster instrument, based on the alleged fraud committed by the Michigan State Police contractor who conducted the mandatory 120- day inspections of the instrument in February, June, and September of 2019. That contractor faced a criminal investigation for alleged fraud on 120- day Data Master inspection certifications in other jurisdictions in Michigan. Troy's DataMaster instrument was not implicated as one of the instruments involved in the alleged fraudulent conduct. After a lengthy evidentiary hearing over three separate days, on December 23, 2020, 52-4 District Court Judge Kirsten Nielsen Hartig issued an opinion and order suppressing the breath test results. Judge Hartig opined that the City could not show its DataMaster instrument was reliable at the time the breath tests were administered to the defendants. The City filed an application for leave to appeal the decision of Judge Hartig with the Oakland County Circuit Court, and the appeals were assigned to Judge Phyllis C. McMillen. The Defendants filed a response to Troy's application for leave to appeal. On February 9, 2021, Judge McMillen granted the City's application for leave to appeal in both cases. As a result, the District Court files will need to be provided to the Circuit Court, and then the parties will file appellate briefs. All parties have filed appellate briefs. The cases have been consolidated with another criminal appeal filed by Defendant Kyla Marcial appealing a decision of Judge McGinnis denying a motion to suppress breath test results involving the same arguments made in the Aubrey and Kagan cases. Oral argument on the consolidated appeals has been scheduled for August 25, 2021. Prior to the date scheduled for oral argument, the Defendants each filed a motion to stay the proceedings pending the outcome of a case now before the Michigan Supreme Court – *People v Fontenot*. The basis for the motion to stay is that the *Fontenot* case may have some bearing on the outcome of these cases. At the hearing on August 25, 2021, the Circuit Court adjourned the matter to allow Defendants an opportunity to file delayed applications for leave to appeal, based on the *Fontenot* case. The Defendants subsequently filed delayed applications for leave to file a cross appeal, which the Court granted. Defendants also filed motions to enlarge the record to include testimony from other cases related to the challenges to breath test results that took place in other courts. The Defendants filed briefs in support of their cross-appeal and the City filed a response for each Defendant. The parties are awaiting a hearing date on the City's appeal and the Defendants cross- appeal or an order on the motion for a stay. **On January 7, 2022, the Court issued its Opinion and Order in favor of the City and denied the Defendant's motions to stay the proceedings and to enlarge the record, and reversed the District Court decision suppressing the breath test results.**
3. City of Troy v Kyla Marcial- This case contains similar legal issues as presented in the above matters, Kagan and Aubrey. Defendant Marcial was charged with operating a vehicle while intoxicated, and she challenged the admission of breath alcohol test results from the City's DataMaster instrument, based on the alleged fraud committed by the Michigan State Police contractor who conducted the mandatory 120- day inspections of the instrument in February, June, and September of 2019. That





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contractor faced a criminal investigation for alleged fraud on 120- day Data Master inspection certifications in other jurisdictions in Michigan. Troy's Data Master instrument was not implicated as one of the instruments involved in the alleged fraudulent conduct. The case involving Defendant Marcial was litigated in front of Judge McGinnis, and after a lengthy evidentiary hearing, Judge McGinnis issued an opinion and order allowing the breath test results to be admitted. Defendant Marcial filed an application for leave to appeal the decision with the Oakland County Circuit Court. For judicial economy purposes, this case was later consolidated with the Kagan and Aubrey matters (above) and re-assigned to Judge Phyllis C. McMillen. All parties have filed briefs on appeal, and oral argument has been scheduled for August 25, 2021. This case has been consolidated with the Aubrey case. The parties are awaiting a hearing date for the appeal. **On January 7, 2022, the Court issued its Opinion and Order in favor of the City, denying the Defendant's motions to stay the proceedings and to enlarge the record. The Court also affirmed the District Court's decision concerning admission of the Data Master test results.**

### **H. ADMINISTRATIVE PROCEEDINGS**

**There are no pending administrative proceedings at this time.**

If you have any questions concerning these cases, please let us know.