



20 Million Dollar Judgment Overturned

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In an opinion released by the U.S. Sixth Circuit Court of Appeals on Friday, August 12, a federal judgment involving financing disputes over the construction of an apartment complex was vacated, reversed and remanded with instruction to enter summary judgment in favor of a Foster Swift client. As part of the original loan agreement with the lender, the client had guaranteed repayment of cost overruns associated with constructing the complex.

A receiver was eventually appointed to take control of and complete the project, resulting in significantly increased costs above and beyond the original budget. The lender foreclosed its mortgage on the property and recouped the cost overruns through the sheriff's sale and a state-court judgment but still sued to enforce the client's guaranty. Attorney Brandon Schumacher was one of the litigators that was instrumental in overturning the \$20 million judgment on appeal because the lawsuit amounted to impermissible double recovery.

ATTORNEYS

Brandon M. H. Schumacher

PRACTICE AREAS

General & Commercial Litigation
