

IN-HOUSE COUNSEL LITIGATION REPORT

SPENCER and SPENCER v. ACBL et. al.

Facts: After their original 2012 complaint filed in Rhode Island state court was dismissed for lack of personal jurisdiction, on December 13, 2013, Cynthia and Richard Spencer filed a similar complaint in Massachusetts Superior Court, also a state court, against the ACBL, Marriott International, the New England Bridge Conference and various other persons and entities. As they had alleged in the Rhode Island complaint, the Spencers claimed that Cynthia Spencer was injured in 2009 at a bridge tournament operated by the ACBL and/or the New England Bridge Conference. Ms. Spencer claims that she injured her arm and elbow when she tripped over another player's cane and fell as she was leaving her table at the bridge tournament, and she has undergone several surgeries as a result. Their cause of action against the ACBL is based on negligence, corporate liability and vicarious liability for the actions of unknown ACBL employees. The couple is seeking \$450,000 damages. The ACBL provided the proper notice to our insurer and insurance defense is being provided by Travelers.

Procedural Posture: Travelers appointed an attorney to represent us in Massachusetts (as they had previously done in Rhode Island). This is a multiple Defendant lawsuit so the defense is conducted jointly with the attorneys for the other Defendants as well as separately for the ACBL and the New England Bridge Conference. Our attorney filed an answer to the complaint on behalf of the ACBL. Discovery was conducted and completed in late 2014 to mid-2015. Counsel filed a Motion for Summary Judgment on behalf of the ACBL and the New England Bridge Conference in early 2016 which was granted on June 27, 2016. The case in chief continues against Marriott and its affiliates.

Status: The ACBL will have no further participation in this case until and unless the Spencers appeal the court's ultimate decision or there is a settlement reached. I will no longer report on this matter unless an appeal is filed or a settlement offer is presented to us.

BLAKELY v. ACBL et. al.

Facts: Bruce Blakely is an ACBL member currently not in good standing who is on probation through March 31, 2024. In June 2016, Mr. Blakely filed a civil lawsuit in the Contra Costa County California Superior Court, a state court, asking for, among other things, (1) \$350,000 plus general and punitive damages as well as his legal fees (for a total we estimate as well above \$2 million), (2) an injunction prohibiting the ACBL from taking any action barring him from playing bridge in any tournaments, (3) elimination of his probationary period and his restoration as a member in good standing, and (4) a declaration that the ACBL's Code of Disciplinary Regulations is unfair. He is alleging 11 causes of action against the ACBL, Peter Rank, former ACBL Counsel, ACBL CEO Robert Hartman, several Directors plus Does 1 to 25. His claims

include charges of breach of contract, fraud, defamation, public disclosure of private facts, interference with prospective economic advantage, and for the court to declare that the ACBL's CDR fails to provide a fair procedure.

Procedural Posture: We filed for a stay of the Superior Court action. We filed objections to Mr. Blakely's requests for admissions, for production of documents and interrogatories, we argued, because the state court does not have jurisdiction. Concurrently, we filed a motion to compel Mr. Blakeley to proceed with binding arbitration in Atlanta, GA as required by the ACBL's membership agreement and our Bylaws. The court tentatively granted our motion in part. Blakely contested that tentative ruling. In the October 14, 2016 hearing, Blakely through his attorney argued that he was unaware of the mandatory arbitration provision that was on the back of his 2014 membership renewal, that the ACBL's arbitration provision was too burdensome and that he should not be subject to it because of the settlement agreement between him and the ACBL superseded the ACBL's membership agreement. Blakely's argument that the settlement agreement replaced our membership agreement did not find support. However, the court ruled that the arbitration must take place in either in San Francisco or Contra Costa County rather than Atlanta. And, while the court was skeptical of Blakeley's argument that he had never seen the mandatory arbitration provision, the judge nevertheless required the ACBL to offer some proof that Mr. Blakely was aware of the ACBL's arbitration provision before he filed his lawsuit which proof we have provided to the court.

Status: We await the judge's ruling on our motion to compel arbitration which is expected on or about December 6, 2016.

SCHREIBER v. ACBL et. al.

Facts: In September 2013, Michael Schreiber filed suit in the Chancery Court of Tennessee, 13th Judicial District, against the ACBL, ACBL District 10, ACBL Unit 144, the M.A. Lightman Bridge Club ("Lightman") and several other individuals for claims that sounded in slander, loss of economic advantage, and infliction of emotional distress. Mr. Schreiber sought damages of \$1.1 million, expungement of the records of all allegations against him (and for such allegations to never be considered in any other disciplinary proceeding against him), as well as court costs and attorney's fees. The case was dismissed with prejudice in August 2015 because the parties entered into a settlement agreement in July. Among other things, the settlement agreement provided that Mr. Schreiber would no longer be a member of Lightman but he would be able to play there in games sanctioned by the Unit or a higher level entity. According to Schreiber, Lightman's rules were subsequently changed so that membership was a requirement to participate in most games, other games were invitation only and certain games were not scheduled in order to exclude him from playing at Lightman at all. On October 13, 2015, Mr.

Schreiber filed a second complaint in the same court, alleging slander, breach of contract and fraud for the actions occurring following execution of the settlement agreement.

Procedural Posture: In August 2016 counsel for the Defendants filed a motion to dismiss the complaint because Mr. Schreiber's claims were the same as those in the first complaint and, accordingly, they were barred because the first case had been dismissed with prejudice. Mr. Schreiber opposed that motion. Following oral arguments, the court ruled on Defendants' summary judgment motion on October 4, 2016, dismissing the claim for slander but denying Defendants' motion to dismiss the counts related to breach of contract and fraud. Defendants filed an Answer to the Complaint on October 20, 2016, denying the allegations in the Complaint.

Status: The next step is a scheduling conference which will set the timing for interrogatories and depositions. Meanwhile, I will be instructing our counsel to file a Motion for Summary Judgment on behalf of the ACBL.

Respectfully submitted,



Linda J. Dunn, Esq.

Dated: November 15, 2016