

APPENDIX A

[File date August 17, 2021

THE SUPREME COURT OF OHIO

**2021-035 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.,***

**Decision, leave to proceed under R.C.
2323.52(F)(2) to file the motion for
reconsideration in this case is denied.]**

Filed August 17, 2021
Clerk of Court
Supreme Court of Ohio

The Supreme Court of Ohio

RRL Holding Company of Ohio, LLC et al., v. Merrilee Stewart	Case No. 2021-0385 RECONSIDERATION ENTRY Franklin County
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It is ordered by the court that the motion for leave to proceed under R. C. 2323.52(F)(2) to file the accompanying motion for reconsideration and the amended motion for reconsideration in this case are denied.

(Franklin County Court of Appeals; No. 19AP-674)

/s/ Maureen O'Connor
Maureen O'Connor
Chief Justice

The Official Case Announcement can be found at
<http://www.supremecourt.ohio.gov/ROD/docs/>

APPENDIX B

**[Excerpts of Appellant Stewart from Motion to
leave to proceed to file Motion for
Reconsideration]**

[File date June 21, 2021

THE SUPREME COURT OF OHIO

**2021-035 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.*, on appeal from
Tenth District Court of Appeals 20AP674, from
lower C.P.C. 15CV1842.**

**New documented Identity Theft, Mail Fraud,
Tax Evasion and pattern of corruption]**

“[...new and intervening substantial grounds ..
should warrant a review. [...intervening
circumstances of a substantial or controlling effect
were not previously presented... compounding
constitutional and federal law infringements.”

“[...new facts and circumstances should lead this
Court to believe that all constitutional and federal law
issues brought forth in the record and the
compounding injuries to Ms. Stewart caused by
officers of the court by committing Fraud Upon the
Court warrant this reconsideration of jurisdiction.
[..]declining jurisdiction as Ohio S.Ct.Prac.R.7.08(4).
The [...] rule does not apply to fraud upon the court.”

“[...documentation from the Internal Revenue
Service confirmed the Identity Theft, Mail Fraud and
Tax Evasion perpetrated upon Merrilee Stewart[..]”

“[...confirmation [...] continuation of the pattern of
years of systemic embezzlement (i.e., the
embezzlement of \$8 to \$10 million, documented, and
provable).”

APPENDIX C

**[Excerpts of Appellant Stewart from Motion
for reconsideration]**

[File date June 21, 2021]

THE SUPREME COURT OF OHIO

**2021-035, *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.*, on Appeal from
Tenth District Court of Appeals 20AP674, from
lower C.P.C. 15CV1842.**

**Noteworthy: Requested referral to the
Franklin County Ohio prosecutor (Emphasis).]**

“[.... Case .. has been stayed since November 10, 2015 and has yet to be afforded any due process rights as are guaranteed by the Constitution of the United States. This stayed docket contains a string of purported “Final Appealable Decisions” from multiple special proceedings, initiated by Appellees, in direct retaliation for Ms. Stewart fulfilling her duty to report White Collar criminal activity on-going at Appellee....]”

“.... referral to the Franklin County Ohio Prosecutor for criminal prosecution of all parties associated with the White-Collar Felonies.”

“[.Ms. Stewart received the Whistleblower verification from the [...] Internal Revenue Service in Washington, D.C. 20224. This letter [...] assigned whistleblower claim Report No. 2021-008763.”

“The FBI and the IRS have added these most recent incidents of Identity Theft, Mail Fraud and Tax Evasion perpetrated upon Appellant Merrilee Stewart....]”

APPENDIX D

[File date: June 8, 2021

THE SUPREME COURT OF OHIO

2021-035 *RRL Holding Company of OH LLC, et al v. Merrilee Stewart, et al.*

**Decision, Jurisdiction declined, which cited
Ohio S.Ct.Prac.R. 7.08(B)(4) as the reason
which is inapropos to fraud upon the court.
See Appendix B(2a)¶2]**

Filed June 8, 2021
Clerk of Court
Supreme Court of Ohio

The Supreme Court of Ohio

RRL Holding Company Case No. 2021-0385
of Ohio, LLC et al.,
v. ENTRY
Merrilee Stewart

Upon consideration of the jurisdictional memoranda
filed in this case, the court declines to accept
jurisdiction of the appeal pursuant to S.Ct.Prac.R.
7.08(B)(4).

(Franklin County Court of Appeals; No. 19AP-674)

/s/ Maureen O'Conner
Maureen O'Connor
Chief Justice

The Official Case Announcement can be found at
<http://www.supremecourt.ohio.gov/ROD/docs/>

APPENDIX E

**[Excerpts of Appellant Stewart from Motion to
Leave to Proceed to file Jurisdictional
Memorandum]**

[File date: March 26, 2021

THE SUPREME COURT OF OHIO

**2021-035, *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.*, on Appeal from
Tenth District, Court of Appeals 20-AP-674,
lower C.P.C. 15CV1842.**

**Noteworthy: Ohio law prohibits any
restrictions placed on counsel representing a
person determined to be a “vexatious litigator”
which was ignored by the Appeals court.]**

“The initial dismissal was simply failure to comply with the State Statute (the required leave to file) with Ms. Stewart’s filing of the optional responsive brief. Even though the brief filed December 23, 2019 postdated and notification of the Vexatious Judgment (postmarked December 24, 2019). How can one comply with a ruling they didn’t know about?”

“[...alternatively requested that an attorney be allowed to proceed on this fully briefed appeal. The attorney is not a vexatious litigator. This part of the motion was never ruled on or considered.”

“The second dismissal was February 9, 2021 (R.0A439, H80) on the basis of no grounds, of which, there was never a question on having grounds for the appeal. The law and facts clearly support grounds. Is not [...] a more appropriate decision *** allowing counsel to proceed to ensure equal access and due process rights as are guaranteed to all people?”

APPENDIX F

**[Excerpts of Appellant Stewart from
Jurisdictional Memorandum]**

[File Date: March 26, 2021

THE SUPREME COURT OF OHIO

**2021-035 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.*, on Appeal from
Tenth District Court of Appeals Case No.
20AP674 (C.P.C. 15CV1842).**

**Noteworthy: Ohio law prohibits any
restrictions placed on counsel representing a
person determined to be a “vexatious litigator”
which was ignored by the Appeals court.]**

**EXPLANATION OF WHY THE ISSUES AND
PROPOSITION OF LAW IN THIS CASE ARE
APROPOS TO JURISDICTION OF THE SUPREME
COURT OF OHIO**

“When officers of the court engage in Fraud upon the court, ignore the authority and orders of the higher court, do not properly succeed to jurisdiction and fail to enforce Federal Law this seriously affects the integrity of the normal process of adjudication.”

“[...courts are required to follow the decisions of higher courts in the same jurisdiction.”

“Does a citizen have a right to judiciary access, a right to have an attorney and the motion considered, and is the State Statute, as applied, unconstitutional?”

“[... includes the reporting of overt discrimination in the affordability and accessibility of Auto and Home Insurance in violation of Fair Housing Act,

Civil Rights Act, Sherman and Clayton Act. Resulting from the suppliers on behalf of Appellees (doing business in 24 states) being forced to abide by the "Affluent Middle-Class Rules", or their ability to sell is shut off completely"

"This case is not about the narrow issue of buying or selling of membership interest in RRL Holding Company of Ohio, LLC ("RRL") as RRL conducts no real business except voting for a board to manage IHT Insurance Agency Group, LLC ("IHT"). This case is about Appellant Merrilee Stewart's ("Ms. Stewart") attempts to internally correct White-Collar criminal activity witnessed first-hand while in her position as President of IHT in 2013-2014 (R.0C472, U40-V34 *Id* U75)."

"The resulting retaliation includes but is not limited to committing Identity theft with Ms. Stewart's private information and issuing a fraudulent 1099, being fired from IHT, failure to provide tax returns, failing to pay federal withholding taxes, halting commissions, cancellation of insurance carrier appointments, seizing all control of her RRL shares and the on-going industry blacklisting, harassment, intimidation and defamation. RRL purported a March 30, 2015 closing to purchase Ms. Stewart's membership interest, yet instead filed this lawsuit on March 2, 2015, containing the false allegation of being a thief. See RRL's purported closing for March 30, 2015 (*Id.* R.0E797, S52) See March 2, 2015 Appellees complaint (*Id.* R.0C354, P54) and See Appellees Arbitration filing of September 12, 2016 (R.0E797, T93) claiming theft of money by Ms. Stewart and requesting treble damages. The Final Arbitration Award to Ms. Stewart confirmed this to

be false. See Ms. Stewart's Arbitration Award of December 6, 2018 (R.0D941, R13) Quoted from page 9, ¶ 3: "The panel thus finds that Ms. Stewart did not "steal" this money and, therefore, is not obligated to return it."

"Ms. Stewart's internal reporting shifted to the local authorities which has now been elevated to the Federal Level. The local authorities included the Ohio Department of Insurance, the Ohio Civil Rights Commission, the Columbus Police and Hartford and Liberty Mutual Insurance for the embezzlement of the now documented and collaborated \$8 million to \$10 million from the accounts payable obligations facilitated by an IHT employee to the benefit of her husband, an RRL member."

"Appellees first attempted to punish Ms. Stewart for fulfilling her duty to report White Collar Crime activity ongoing at IHT was alleging the reports violated the Agreed Entry of May 28, 2015. The Tenth District Court of Appeals disagreed with the trial court on this. See 9AP202 1/23/2020 Decision, placed in the trial court docket on 2/4/2020 as R.0F028, J78, 38 pages):"

"Appellees again attempted to punish Ms. Stewart for her report of White-Collar Crime activity ongoing at IHT by alleging these same reports were "Vexatious" litigation in a separate case 18CV7212 placed in front of this same trial court Judge who subsequently ruled Ms. Stewart's reporting of criminal activity ongoing at IHT to authorities was vexatious litigation."

"The initial January 21, 2020 rational used in the dismissal decision (R.0A392, W72) contradicts the

rational used in the decision of February 9, 2021 (R.0A439, H80). In addition, the motion to allow an attorney to proceed on her behalf was ignored, bypassed and never ruled on."

"This 19AP674 appeal involves two Final Appealable orders from C.P.C. 15CV1842; 1) the September 4, 2019 entry and 2) the September 9, 2019. The September 4, 2019 Final appealable came from the Magistrate's August 15, 2019 decision from the July 9, 2019 show-cause hearing."

"The August 15, 2019 Magistrates Decision (R.0E802, I37-I51) was from the July 9, 2019 hearing (R.0F229, H02, 183 pages) of Ms. Stewart by Appellees motions for show-case of; 1) March 7, 2018 RRL Final Arbitration Award closing (R.0E047, P94), supplemented by Appellees on October 12, 2018 (R.0E365, 097), and 2) January 11, 2019 regarding Hartford Insurance Claim, weather Ms. Stewart's claim report violated the Agreed entry of May 28, 2015. See Motion to show cause (R.0E481, W63) and See also Agreed Entry of (R.0C519, J60)."

"More than three years after RRL seized control of Ms. Stewart's membership interest, the first set of closing documents were received on February 9, 2018, not dated, without any interest rate, with a 13-year payout (instead of 10), an additional two-year non-compete on top of the over two years already served, and conditioned the closing on non-party benefits (emphasis). See January 2018 first set of documents (R. 0E797, T7), closing conditions to benefit non-parties (R.0E797, T99) and preliminary agreed entry of May 28, 2015 with non-compete (R.0C519, J60)."

"RRL motioned for show-case why Ms. Stewart should not be held in contempt for failing to close on March 7, 2018 (R.OE047, P94) and later supplemented this on October 12, 2018 (R.OE365, 097). Ms. Stewart timely appealed the Arbitration Award on March 11, 2018 (within 90 days of the December 11, 2017 Award) pursuant to (RC. §2711.13.) ... She also filed a motion to stay pending appeal on March 11, 2018. (Id R. OE052, F52 -F53)"

"This was out of the trial court's jurisdiction from February 16, 2018 (18AP118) throughout the finality of the appeals process on March 6, 2019, with entry of March 14, 2019 (R.OE572, M65)."

"Despite lacking jurisdictional authority on Ms. Stewart's Award from February 16, 2018 to March 6, 2019 the trial court deemed the March 7, 2018 (supplemented October 12, 2018) motion to show cause(s) on the Award as well taken, ruled upon over a year late just one business day after the trial courts notification the appeal process was over (emphasis) and by-passing/not considering Ms. Stewart's motion requesting time to respond after conclusion of the appeals process. See October 26, 2018 Motion for extension of time to reply to Plaintiff's show cause motion of October 12, 2018. (R.OE384, H3), her October 26, 2018 motion to stay (R.OE384, K46) and her November 6, 2018 Memo contra to Plaintiffs. (R.OE395, M61). The March 15, 2019 trial court entry. (R.OE578, H98) is quoted in part below:"

"Stewart filed a Motion for Extension of Time to respond to Plaintiffs' Motion of October 12, 2018 until 14 Days after the Conclusion of Appeal to the Supreme Court of Ohio. As more than 14 days have passed since the Supreme Court denied Stewart's

appeal, Stewart's Motion for Extension is hereby DENIED as moot."

"Despite being a factual error that 14 days had not already passed (March 6, 2019 to the trial court entry of March 14, 2019) Ms. Stewart was denied the opportunity to respond."

"When Ms. Stewart's Award was certified, she made attempts to close. See April 8, 2019 (R.0E797, T89). Finally, after the August 2019 discovery that RRL was a dead entity, she still attempted to close. See September 5, 2019 offer to close under the terms of §9 (R.0E988, O34)."

Appellees second motion for show-cause regarding Hartford Insurance Claim

"Appellees filed a motion to show cause on January 11, 2019 regarding Hartford Insurance Claim and whether Ms. Stewart's claim report violated the Agreed entry of May 28, 2015. See Motion to show cause (R.0E481, W63) and See also Agreed Entry of (R.0C519, J60)."

"Ms. Stewart responded on January 27, 2019 (R.0E504, M51) with a memo contra and a motion for sanctions on James R Carnes, Esq. and then to Appellee's memo contra on February 6, 2019 (R.0E517, O12). On March 15, 2019 (R.0E578, H98) trial court granted the motion to show cause."

"However, the issue of whether filing a claim with Hartford Insurance was a violation of the Agreed Entry was already in the hands of Tenth District Court of Appeals on April 9, 2019 in 19AP202. Even still, the Magistrate held the hearing on this show cause motion on July 9, 2019."

"At the July 9, 2019 hearing the "possible" jurisdiction issue was brought up by the Magistrate regarding 19AP202 and Ms. Stewart submitted her jurisdictional brief on July 16, 2019 (R.0E756, C88). The Magistrate entered her decision on August 15, 2019 (R.0E802, I37) and Ms. Stewart objected on September 4, 2019 with a request to supplement (R.0E827, J18)."

"Judge Kim J Brown entered a final Judgment entry on September 4, 2019 (R.0E827, B60). Bypassing, not considering and never ruling on the question of jurisdiction or request to supplement."

"In addition, on September 5, 2019 Ms. Stewart filed a motion to Stay pending Arbitration (R.0E828, R5) and Judge Kim J Brown denied the motion on September 9, 2019. Judge Kim J Brown's 9/4/2019 Final Judgment Entry and her 9/9/2019 denial of Ms. Stewarts motion to stay pending arbitration both were timely appealed in this appeal (19AP674) on October 4, 2019."

"Shumaker crafted a knowingly false affidavit, signed by RRL member Fritz Griffioen that was uploaded to the trial court and sent to the Insurance Companies and the Police to halt investigations. This affidavit claimed the unknowns (i.e., the embezzlement of \$8 to \$10 million) were totally false, however, later in Arbitration RRL admitted to the unknowns. This proves the affidavit to be perjury, pure and simple. The support of submitting this false affidavit is subordination of perjury."

"See Testimony of Norman L Fountain on the perjury of Fritz Griffioen presented to the trial court to halt a police investigation and stop the insurance

company investigations. (R.0E827, J74) and see the quoted affidavits of discrimination *Id.* J88 & J89.”

“See R.0D178, B96 *Id.* C17 Perjured Affidavit of Fritz Griffioen, crafted by Shumaker, and used to halt the insurance company investigations into the “unknowns” (systemic embezzlement scheme of \$8 to \$10 Million).”

“*Then See* the unknowns (systemic embezzlement of \$8 to \$10 million) documented in meeting minutes signed by Fritz Griffioen and cited in Ms. Stewart’s Arbitration Award of December 6, 2018 (R.0D941, R13).”

“Quoted from page 4: “The meeting among RRL members was eventually postponed until December 11, 2014. At this meeting, Ms. Stewart discussed the topic of “unknowns,” i.e. commissions that the Company has not paid because it has been unable to match the commission with the agent who was entitled to it. Ms. Stewart believed the unknown commission problem created significant potential liability for the companies (both IHT, and indirectly RRL) and asserted that the other members were trying to cover up the problem.”

“Quoted from page 9, ¶ 4: “all members of IHTs Board were concerned about the unknown commission issue, not just Ms. Stewart.”

“Quoted from page 10 ¶ 1: “the meeting minutes for April 9, 2013 show a discussion of the unknown commissions issue and how IHT planned to handle it.” “Additional discussion of the unknown commissions issue appeared in

Board minutes from April 8, 2014 and August 26, 2014.”

“At the July 9, 2019 hearing Shumaker questioned RRL Member Fritz Griffioen about Firefly being a name change. This misleading testimony presented to the courts by Shumaker, covered up the fact that Firefly had already seized the assets of RRL, under the guise of a name change, for the benefit of a new set of owners. Firefly was not simply a name change from RRL to Firefly. This cognizable event of December 31, 2018, that was withheld from the trial court, discovered after the July 9, 2019 hearing, was the making of RRL a dead entity and was facilitated by Shumaker. The killing of RRL by Shumaker required performance contracts already certified in Tenth District Court of Appeals Awarded to Ms. Stewart. These requirements were ignored.”

“In the direct defiance of the higher court, Shumaker created material alterations, a new set of documents and fraudulently present them by affidavit as authentic. Firefly is a Third-Party, Non-Party, Non-Affiliate, an alien to and not a beneficiary of the original RRL Buy/Sell Agreement. The affidavit from Shumaker is fraud upon the court. (R. OE993, 014). Conflicting documents presented by these officers of the court under oath and rule 11 makes one set clearly wrong. Which set of documents are fraudulent, those provided by RRL attorney Christopher Murphy on (5/4/2015 *Id* R. OC472 VS), those provided by Shumaker attorney Zach Madden (4/22/2019 *Id* R.0E797, T62) or those provided by Shumaker attorney Matthew Kemp with testimony under oath (1/8/2020 *Id* R.0E993 014)? (Emphasis)

The attorneys presented the court with altered, false, fabricated, and distorted documents. Documents that directly violate the specific contracts as were already are dictated and certified. Firefly and its six (6) new owners may not enforce, alter or become a beneficiary of the original RRL Buy/Sell.”

“1. The trial court’s refusal to abide by the Tenth District Court of Appeals 18AP118 certification of the Final Arbitration Award. The RRL Buy/Sell Agreement signed by RRL member on September 5, 2012 requires that Appellant either becomes an active member of Firefly or the total Award is paid in full if there is a merger and RRL does not survive. The fulfillment of these terms, liabilities and obligations embedded in the documents and required by the Final Award of December 8, 2017 are very clear. The Award required five specific documents and a required closing date of January 2018 under the terms of §7. Including: Promissory Note (R. 0C472, V15) § 5 (c) which creates an acceleration of Maturity if “there is a merger of Maker and another entity, domestic or foreign, and Maker is not the surviving entity.” Redeemed Units Pledge Agreement page 3 of 4 (R.0C472, V27) the uncured default of December 31, 2018 transforms Appellants membership into active rights. See Final Award (R.0D941, R13) and R.0F015, P31. However, the trial court decided to ignore the higher court’s certification of the Award which granted Ms. Stewart \$520,000, plus \$4,475. in cost to be closed in January 2018 under the terms of all five of the RRL documents. Also see the RRL Buy/Sell Agreement (R.0C472, U76 to V4) and the subsequent

closing documents Id. R.0C472, V5; 1) "A" Member Interest Redemption Agreement (R.0C472, V5), 2) "B" Promissory Note (R.0C472, V15), 3) "C" Non-Compete (R.0C472, V19), 4) "D" Certificate of Agreed Value, and 5) "E" Redeemed Unit Pledge Agreement (R.0C472, V27)."

"Instead, without authority, the trial court allowed the creation of an entirely new set of contracts that took away, eliminated and/or altered Ms. Stewart's contractual rights designed to protect the unredeemed members interest during the maximum ten year buy/out under §7."

See Tenth District Court of Appeals 18AP118 Appeals Court R.R0331, U5 confirmed the Final Arbitration Award, quoted in part here:

"Therefore, it is ORDERED, ADJUDGED AND DECREED as follows: This Court hereby confirms the December 11, 2017 Final Award in American Arbitration Association Case No. 01-16-0003-9163 in all respects, pursuant to Ohio Rev. Code § 2711.09. The terms of the Final Award (filed with the Motion as Exhibit C) are specifically incorporated by reference into this Judgment Entry. The terms of the Final Award shall be binding on the parties." EMPHASIS.

"Res judicata and Preclusion. Whereas, the required documents were already litigated in arbitration and became certified by the Tenth District Court of Appeals in 18AP118 (R.R0331, U5).

Whereas, the specific contracts of the RRL Buy/Sell Agreement were required to be provided by Appellees to Ms. Stewart in the Final Arbitration Award. Now therefore, the Appellees are barred by Res judicata and preclusion in their alterations of the specified contracts.”

“The finality of the 19AP202 decision was reached on January 23, 2020 and placed in the trial court docket on 2/4/2020 as R.0F028, J78, 38 pages. This decision remanded, ordered a hearing and ordered the trial court “shall vacate that finding and any award of sanctions or attorney fees pertaining thereto”. The trial court refuses to hold the hearing.”

“The outcome of the 19-AP-202 above referenced Appeal was that Judge Kim J Brown abused her discretion, “acted unreasonably, arbitrarily, or unconscionably” (See 19AP202 Decision of January 23, 2020, trial court record R.0F028, J78 and Judgment Entry R.0F029, T47), remanded for a hearing and vacated the finding and any award of sanctions and attorney fees associated with Appellants White Collar crime reports filed...].

See ¶15. “An abuse of discretion connotes more than an error of law or judgment; it implies the trial court's attitude is unreasonable, arbitrary, or unconscionable. *Blakemore v. Blakemore*, 5 Ohio St.3d 217, 219 (1983). Claims of error by the trial court must be based on the trial court's actions, rather than on the magistrate's findings. “Therefore, we may reverse the trial court's adoption of the

magistrate's decision only if the trial court acted unreasonably, arbitrarily, or unconscionably. *Id.*" (OA393 - E64)

"Ms. Stewart fulfilled her duty to report the White-collar crimes [...] and provided the documentation in her September 18, 2017 Notice, however Judge Kim J. Brown by-passed and never considered the information provided. This was confirmed by the Tenth District Court of Appeals:"

Quote from 19AP202 1/23/2020 Decision, placed in the trial court docket on 2/4/2020 as R.0F028, J78, 38 pages)

¶ 46 This is evidenced in the court's implicit rejection, without any reference thereto of the September 18, 2017 Notice and exhibits thereto and appellant's objections to the magistrates' decisions.

"See Ms. Stewart's September 18, 2017 Notice of Supplemental Information and Motion for Attorney Sanctions R.0D814, V50) and exhibits. (R.0D822, H80, I16. I61, W02, W36, W68, W81, X08, X31 & X45). See Discrimination, Redlining, violation of Fair Housing Act and 106 Counts of Mail Fraud (overbilling customers without authorization) R.0D822, I16 Id. I57 and Documentation of Redlining and violation of Fair Housing Act reported to OCRC part 1: (R.0D822, W02), part 2: (R.0D822, W36), and part 3: (R.0D822, W68), Ohio Inspector General Report (R.0D822, W02 Id. W15) and Demand letters on the unknowns owed to the contracted suppliers, of which Ms. Stewart was one. (R.0D822, W81),

(R.0D822, X08), and (R.0D822, X31). See also R.0D178, B96 Id. C21 The Hartford Insurance Claim CP16918233 and R.0D178, B96 Id. C52 The Liberty Mutual Insurance Claim 105599470 reporting of the systemic embezzlement scheme.”

“The Final Orders did not “dispose of all claims by and against all parties...].”

1. Ms. Stewart awaits the opportunity to resolve her federal employment law claims in Appellee’s failure to pay the required payroll taxes for social security, Medicaid, Medicare and Unemployment.

2. Ms. Stewart awaits the opportunity to resolve her the Identity Theft claim and refusal of IHT to supply tax returns required by law and documented in the trial court record and report to IRS as a victim of Identity Theft and the resulting tax evasion and mail fraud perpetrated by Appellees.

3. Ms. Stewart awaits the opportunity to resolve the state and federal Whistleblower claims that continue to be ignored, by-passed and not ruled upon, including: a) Federal Law Charge of Whistleblower retaliation, title VII of the Civil Rights Act (R.0D822 Exhibit L *Id.* at I90), Merrilee Stewart V. IHT Insurance Agency Group COL 71 (45019) 03012017; 22A-2017-01991C, March 1, 2017, and b) Federal Law Charge of Discrimination (R.0D822, Exhibit A *Id.* at H82) Merrilee Stewart V. IHT Insurance Agency Group Case COL 71 (41835) 06102015; 22A-2015-02568C, June 10, 2015. The charges are open and should be heard as ordered on January 23, 2020 19AP202 (R.0F029, T47).

4. Appellant TRG United Insurance Claims and Defenses have been stayed since November 10, 2015 which is applicable to Ms. Stewart as she was accused of starting TRG to compete with Appellees. Allegations related to her firing at IHT are employment law claims and not related to the buying or selling of membership interest in RRL. These claims or defenses have not been litigated.

5. The Preliminary Agreed Entry of May 28, 2015 affecting both Appellants remains unsettled. The indefinite continuation [...] including a non-compete binding both Appellants is by its very existence destructive to the Appellants businesses.

APPENDIX G

[File Date: February 9, 2021

Tenth District Court of Appeals

20AP674 *RRL Holding Company of OH LLC, et al v. Merrilee Stewart, et al.*

Decision, the Motion for reconsideration of February 3, 2020 is denied after sitting for over a year, 371 days! (Emphasis).]

**IN THE COURT OF APPEALS OF OHIO
TENTH APPELLATE DISTRICT**

RRL Holding Company	19 AP 674
of Ohio, LLC, et al.,	
Plaintiffs Appellees,	
v	(REGULAR
	CALENDAR)
Merrilee Stewart, et al.,	
Defendants Appellants.	

JOURNAL ENTRY

On January 21, 2020, this appeal was dismissed for failure to comply with the mandates of the vexatious litigator statute, R.C. 2323.52. On January 22, 2020, this court denied appellant's late filed motion for leave to proceed as a vexatious litigator. On February 3, 2020 appellant filed a motion for leave to file a motion for reconsideration of our dismissal of this appeal, along with a motion for reconsideration. Because appellant's motion for leave to proceed as a vexatious litigator fails to establish that there are reasonable grounds for allowing her to proceed with a motion for reconsideration, said motion is denied.

22a

Appellant's motion for reconsideration is sua sponte stricken from the file. The clerk shall note the docket.

/S/ JUDGE

cc: Clerk, Court of Appeals

02-09-2021

RRL HOLDING COMPANY OHIO LLC ET AL -VS-
MERRILEE STEWART ET AL

19AP000674

JOURNAL ENTRY

/s/ Judge William A. Klatt

Electronically signed on 2021-Feb-09

APPENDIX H

**[Excerpts of Appellant Stewart from Motion to
leave to file]**

[File Date: February 3, 2020

Tenth District Court of Appeals

**20AP674 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.*, on appeal from
C.P.C. Civil Division 15CV1842**

**Noteworthy: Ohio law prohibits any
restrictions placed on counsel representing a
person determined to be a "vexatious litigator"
which was ignored by the Appeals court.**

***See In Re Breen*, 124 Ohio St. 3d 1502, 1503, 925
N.E.2d 966 (2010) "The order declaring Prasad
Bikkani to be a vexatious litigator does not
apply to counsel representing Bikkani. Breen,
as a licensed attorney, may file a notice of
appeal on behalf of Bikkani"]**

Appellant Merrilee Stewart seeks leave to proceed
with the forgoing Application for reconsideration
pursuant to App. Rule 26 (1) (a).

Alternatively, as provided by R.C. § 2323.52 (A) (3)
Appellant moves this court to grant continuation by
her attorney, to file his appearance and proceed on
behalf of Appellant on this fully briefed appeal, as
'Vexatious litigator' does not include a person who is
authorized to practice law in the courts of this state
under the Ohio Supreme Court Rules for the
Government of the Bar of Ohio

APPENDIX I

**[Excerpts of Appellant Stewart from Motion
for Reconsideration]**

[File Date: February 3, 2020

Tenth District Court of Appeals

**20AP674 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.*, on appeal from
Franklin County OH C.P.C 15CV1842.**

**Noteworthy: Ohio law prohibits any
restrictions placed on counsel representing a
person determined to be a “vexatious litigator”
which was ignored by the Appeals court.]**

“The sole reason given for this dismissal was allegedly failing to comply with the vexatious litigator statute R.C. 2323.52(0)(3) order rendered on December 20, 2019 and delivered to Appellant via regular mail postmarked on December 24, 2019. (Exhibit C)”

“This appeal was docketed on October 4, 2019 (R. 0A380, F56). The Brief of Appellant was submitted on November 11, 2019 (R. 0A384, T99), brief of Appellee on December 2, 2019 (R. 0A387, F41) and the final and optional reply brief of Appellant on December 23, 2019 (R. 0A390, F16).”

“Accordingly, this appeal was already fully briefed prior to the mailing and receipt of the order. That very order was also under appeal and the lower court had a motion to stay pending the appeal.”

“Appellant had no knowledge and had not received the order at the time of the final December 23, 2019 submission of her reply brief. Furthermore, with the

subsequent motion to stay pending appeal and appeal of the order it is not clear if a leave is/was required."

"The reference final appealable order involved the granting of the motion for summary judgment ("order") and is currently under appeal. (See attached exhibit E) In addition, the lower court was motioned for stay pending appeal. (See attached B)"

"The attempts to call Appellant Merrilee Stewart as meritless or ("vexatious") for the protected activity of reporting the now known, collaborated and documented felonies to the Columbus Police Department, the Ohio Civil Rights Commission and the Hartford Insurance violates state and federal law, and the Constitution of the United States of America."

"The dismissal of this Appeal for allegedly failing to comply with a separate (emphasis) lower court order (requiring leave to file) fails for the following reasons, more fully explained in the foregoing paragraphs; 1) The order requiring leave to file postdates this appeal, 2) this appeal was fully briefed prior to the order requiring leave to file, 3) the order requiring leave to file postdates this court's order of November 13, 2019 granting of Appellants motion to file reply to Appellees Brief on December 23, 2019, and 4) the reply brief is optional; acceptance of the document would not warrant dismissal of the entire appeal (only rejection of that document) and one cannot comply with an order without knowledge of the order."

"The lower court case was filed by Appellees on March 2, 2015 (*Id* R.0C354, P54-P63) and has been in a stayed status [...] since November 10, 2015. (*Id* R.0C765, B20-B27)."

"This case of March 2, 2015 is about a documented and collaborated criminal enterprise, who in the trial court filed a perjured affidavit (R.0D178, Cl 7-C19), subordinated by attorney James R. Carnes, with intent to halt a police investigation and two insurance company investigations (R.0D178, B96-C53). The perjured affidavit, supported by a culpable attorney, was successful on both counts, stopping three investigations."

"This perjury, the subordination of perjury, and the obstruction of justice at the hands of the criminal enterprise and their culpable attorney, is in violation of both State and Federal laws including but not limited to perjury as a felony pursuant to the Ohio Rev. Code § 2921.11, Misprision of felony 18 U.S.C. § 4 and the ensuing obstruction of official business Ohio Rev. Code § 2921.31 and federal statutes criminalizing obstruction of justice found in Title 18, United States Code, Chapter 73."

"Two and 1/2 years later, on December 8, 2017, the criminal enterprise admitted to the unknowns (the misappropriation of commission fees owed to unidentified owner agents / agencies but disbursed to partners as monthly distributions). These unknowns were documented in signed RRL meeting minutes. During Arbitration, RRL member Fritz Griffioen, supported by James R. Carnes, Esq., claimed to have a plan to fix them the Unknowns. Again, they claimed to "have a plan to fix the unknowns", a commission fees embezzlement problem that they earlier cited in the sworn affidavit "did not exist". This is perjury and subordination of perjury, clear and simple."

"Scorching, Abuse of Process and Defamation"

"Appellant Merrilee Stewart's ownership interest in RRL are property rights as per the Ohio Revised Code § 1705.17 and her property rights continue to be violated. Appellees also violated the RRL Operating Agreement with unequal distributions in violation of Ohio Revised Code § 1705.11, § 1705.13 and § 1705.12 relating to the rights of the withdrawing member."

"Appellee RRL seized control of Appellant Merrilee Stewart's membership interest in RRL in January 2015, shutting off the required distributions and benefits associated with her 25% membership interest."

"Appellee RRL alleged they would close and purchase Appellant Merrilee Stewart's interest by March 30, 2015 pursuant the terms of the RRL Buy/Sell. (Id. R.0E797, S52-S53)"

"Instead, Appellees placed the false statement of Appellant Merrilee Stewart being a thief before the public, within the business community and in the courts."

"Appellees filed this lower trial court case with Judge Kim J. Brown on March 2, 2015 accusing Ms. Stewart of being a thief. The Arbitration Award confirmed this to be false. Repeat, the Arbitration Award confirmed this to be false. (R.0D941, R43)"

"The Appellees, and their counsel, were fully aware that Appellant Ms. Stewart was entitled to equal member distributions in January and February 2015 and was granted full authority to process the equal distribution...]."

"Instead of closing on Appellant Merrilee Stewart's 25% membership interest in RRL on March 30, 2015,

RRL and IHT improperly used this separate civil action, filed a on March 2, 2015.”

“The Appellees clearly knew Appellant Merrilee Stewart was entitled to the funds identified in the suit. This fact was also confirmed by the Arbitration panel.”

“Quoted from the Arbitration Award:

Claimant also contends that Ms. Stewart stole \$19,009.44 from IHTs accounts between December 30, 2014 and March 30, 2015, the closing date for the sale of Ms. Stewart's RRL membership units. Claimants did not support this claim with evidence. Ms. Stewart believed that she was still a member of RRL until, at least, the closing date of March 30, 2015, and Claimant failed to cite to a contractual provision or produce evidence to the contrary. Until the closing occurred, no transfer of membership interests could be, or had been, effected. (emphasis) Further, all other departing members continued to receive their distributions following their [] withdrawals until the closing dates. Also, Claimant had not removed her as a signatory on the IHT bank account. The panel thus finds that Ms. Stewart did not "steal" this money and, therefore, is not obligated to return it. See page 9, of the Arbitration Award. (R.0D841, R23)”

“The resulting arbitration award of December 11, 2017 confirmed that Defendant Merrilee Stewart did not steal money, repeat did not steal any money, and was in fact entitled to the equal distributions until (at least) the required closing date of March 30, 2015 (90 days) pursuant to the Buy/Sell Agreement and the

executed withdrawals of two previous members. (R.0D941, R23) (Id. R.0E797, U52)."

The RRL Buy/Sell

"Appellant Merrilee Stewart's \$520,000 Arbitration Award dated December 8, 2017 was received by all parties on December 11, 2017. The award failed to define the terms required for closing. Again, no closing terms were defined."

"The trial court certified the Arbitration Award on February 5, 2018. More than three years after RRL seized control of Ms. Stewart's membership interest, the first ever set of closing documents were received on February 9, 2018."

"These closing documents were not dated, did not contain any interest rate and instead of the 10-year maximum payout, listed a 13-year payout."

"See Appellee RRL's First Set of Closing Documents from attorney James R. Carnes (3 years late) of February 9, 2018 undated and missing the terms (Id. R.0E797, T07-T30)

See The correspondence documentation between January 17, 2018 and February 15, 2018 of James R. Carnes and Appellant Merrilee Stewarts regarding closing. (Id. R.0E797, U03-U20)

See also Non-Party the Griffioen Agency LLC through attorney James R. Carnes as a condition to closing (emphasis) insisting on benefits for his non-party personal clients the Griffioen Agency. The Griffioen Agency is not a party to the RRL Buy/Sell Agreement and Appellant Merrilee Stewart is not required to grant any relief to a non-party as a

condition to be paid on the minority owner membership interest in RRL. (Id. R.0E797, T99-U2)”

“Appellant Merrilee Stewart provided executable (not blank) closing documents on April 8, 2019 and proposed a choice of six (6) closing dates.

See Appellant Merrilee Stewart's set of Executable Closing Documents sent April 8, 2019 with 3 suggested closing dates of April 23, 24 or 25, 2019 (Id. R.0E797, T31-T61)

See also Appellant Merrilee Stewart's correspondence which included a complete set of closing documents to attorney James R. Carnes on April 8, 2019 with closing dates at 2PM on: Tuesday April 23, 2019, Wednesday April 24, 2019 or Thursday, April 25, 2019. 2019 (Id. R.0E797, U21-U22)”

“Subsequently, on April 22, 2019 non-party Zach Madden emailed Appellant Merrilee Stewart closing documents that violate the terms of the RRL Buy/Sell Agreement. These closing documents contained the wrong dates, had the wrong interest rate, and instead of the 10-year maximum payout, identified a 14-year payout and contained a hold harmless for non-affiliates. Note: Contained a hold harmless for non-affiliates. *See* Appellee RRL's set of Closing Documents from attorney Zach Madden with representations & warranties for non-parties and non-affiliates, and missing the required terms (Id. R.0E797, T62-T86)”

“Then in August 2019 Appellant Merrilee Stewart located the documentation on the sale / merger of RRL, which occurred on December 31, 2018. *See*

Appellee RRL is a dead entity as of December 31, 2018 (Id. R.0E828, R20-R26)."

"The Appellees sole argument for the Motion to dismiss is allegedly failing to comply with the order (vexatious litigator statute, requiring leave to file) fails for the following reasons, more fully explained in the foregoing paragraphs."

"C. Argument 1): The order requiring leave to file postdates this appeal

This appeal Case No. 19-AP-000674 was filed on October 4, 2019, prior to (emphasis) the order of (Dec. 20) postmarked December 24, 2019

D. Argument 2): This appeal was fully briefed prior to the order requiring leave to file This Appeal was fully briefed prior to (emphasis) the order.

E. Argument 3): The order requiring leave to file postdates this court's order of November 13, 2019 granting of Appellant's motion to file reply to Appellees Brief on December 23, 2019 Appellant's Motion for extension of time for the reply to Appellees Brief of November 12, 2019 (R. 0A384, XI 7) was already granted on November 13, 2019 (R.0A385, B59), prior to (emphasis) the order requiring leave to file. Therefore, this court already ruled on and granted permission to file on Brief

F: Argument 4): The reply brief is optional; acceptance of the document would not warrant dismissal of the entire appeal (only rejection of that document) and one cannot comply with an order without knowledge of the order."

" The only possible document that might be considered after the order (requiring leave to file) is the Appellants Reply to the Appellees Brief."

"Whereas, this reply is optional and the acceptance of or rejection of does not affect the appeal overall, therefore, the appeal remains fully briefed and awaiting the Oral Arguments."

"Even if the reply brief is considered after the order, and the reply to the Appellees brief is ultimately not accepted by this court (without leave), the reply brief of Appellant is optional and not required (emphasis)."

"The reply brief of the Appellant was filed on December 23, 2019 (R. 0A390, F16). The order (requiring leave to file) was rendered on December 20, 2019 and delivered to Appellant via regular mail postmarked on December 24, 2019. (See attached hereto exhibit A)."

"It was not even possible for Appellant to comply with an order that was not known about."

"The lower court order of 12/20 is dated by the clerk as 12/23, however on the same document the postmark is 12/24 (Christmas Eve). (Again, see Exhibit A)"

"Also see below and quoted in part here: "if the clerk fails to serve the parties with notice of a judgment in the three-day period contemplated by Civ. R. 58(B), the time to serve a post-trial motion for judgment in favor of the movant does not begin to run until after the clerk does so"."

"RULE 5. Service and Filing of Pleadings and Other Papers Subsequent to the Original Complaint Rule 5(B)(2)(d) permits service of a document by delivering it to a commercial carrier service for delivery within three calendar days."

RULE 50. Motion for a Directed Verdict, for Judgment, or for Judgment Notwithstanding the Verdict or in Lieu of Verdict

(A) Motion for directed verdict. Staff Note (July 1, 2018 Amendment) Division (B): Post-trial motion for judgment or for judgment in lieu of verdict. The amendment provides that if the clerk fails to serve the parties with notice of a judgment in the three-day period contemplated by Civ. R. 58(B), the time to serve a post-trial motion for judgment in favor of the movant does not begin to run until after the clerk does so. The purpose of the amendment is to avoid the harsh result that otherwise can occur if a would-be movant does not receive notice of the judgment. See, e.g., *Wing v. Haaff*, 1st Dist. Hamilton No. C-160257, 2016-Ohio-8258. This amendment brings the timing of post-trial motions under Civ. R. 50 in line with the timing of a notice of appeal in civil cases under App. R. 4(A)(3)."

"[...Appellant prays and moves the honorable court to rule to proceed and set the docket for Oral Arguments."

"Alternatively, as provided by R.C. § 2323.52 (A) (3) Appellant moves this court to grant continuation by her attorney, to file his appearance and proceed on behalf of Appellant on this fully briefed appeal, as 'Vexatious litigator' does not include a person who is authorized to practice law in the courts of this state under the Ohio Supreme Court Rules for the Government of the Bar of Ohio."

APPENDIX J

[File Date: February 3, 2020

Tenth District Court of Appeals

20AP674 *RRL Holding Company of OH LLC, et al v. Merrilee Stewart, et al.*

Accompanying Exhibit A:

Decision, Vexatious Litigator Entry from separate case (emphasis) 18CV7212, not involving Defendant TRG United Insurance LLC, filed December 20, 2019 however, was delivered to Stewart via U.S. mail postmarked on December 24, 2019! (emphasis)]

U S Postage

\$000.38

Postmarked December 24, 2019

Clerk of the Common Pleas Court

Maryellen O'Shaughnessy

Clerk of the Court of Common Pleas

Hall of Justice, Civil Division

345 South High Street 1st Fl

Columbus OH, 43215-4576

18CV-08-7212

STEWA - FINAL APPEALABLE ORDER

MERRILEE STEWART PRO SE

SUITE 330

182 CORBINS MILL DRIVE

DUBLIN OH 43017-0000000000

FRANKLIN COUNTY

CLERK OF THE COURT OF COMMON PLEAS

35a

FRANKLIN COUNTY, OHIO CIVIL DIVISION

DECEMBER 23, 2019

PLAINTIFF: RRL HOLDING COMPANY OH

vs

DEFENDANT: MERRILEE STEWART

JUDGE: KIM J.BROWN

You are hereby notified that an entry which may be a final appealable order has been filed with the Clerk of Common Pleas Court on 12/20/19

APPENDIX K

**[Excerpts from Appellant Stewart's motion to
stay pending appeal]**

[File Date: February 3, 2020

Tenth District Court of Appeals

**20AP674 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.***

Accompanying Exhibit B

**January 15, 2020 Motion to stay pending
Appeal of the Vexatious Litigator Entry in case
18CV7212. (R.0F00I, K52)]**

"Merrilee Stewart, Pro Se Defendant moves this Court for an order staying the final appealable orders involving this case Terminated and granting Plaintiff's motion for summary judgment rendered on December 20, 2019 and delivered to Defendant via regular mail postmarked on December 24, 2019."

"The Stay is requested until these matters, pending on appeal, can be heard and resolved."

"[...on the grounds that it will promote judicial economy, avoid unnecessary hardship and expense to defendant Ms. Stewart, and will not prejudice Ms. Stewart. (Ohio R. Civ. P. 62(B); Ohio R. App. P. 7(A))"

"[... further requests that no supersedeas bond be required as this judgment involves no monetary considerations. (Ohio R. Civ. P. 62(e), *Irvine v. Akron Beacon J.*, 770 N.E.2d 1105, 1123 (Ohio Ct. App. 2002)).]"

APPENDIX L

[File date February 3, 2020

Tenth District Court of Appeals

20AP674 *RRL Holding Company of OH LLC, et al v. Merrilee Stewart, et al.*

Accompanying Exhibit C

**Decision, January 17, 2020 lower court
Granting leave to appeal the Vexatious
Litigator Entry, C.P.C. 18CV7212 Judge Kim J
Brown.**

**However, the Tenth District Court of Appeals
dismissed 19AP674 on January 20, 2020 in a
ruling on Appellees January 10, 2020 motion to
dismiss for failing to comply with the
Vexatious Litigator Statute and ignored the
request to allow counsel to proceed on behalf
of Appellant]**

**IN THE COURT OF COMMON PLEAS,
FRANKLIN COUNTY, OHIO CIVIL DIVISION**

**RRL Holding Company
of Ohio, LLC, et al.,
Plaintiffs,**

Case No. 18 CV 007212

v

Judge KIM J BROWN

**Merrilee Stewart,
Defendant.**

**ENTRY GRANTING DEFENDANT MERRILEE
STEWART'S REQUEST FOR LEAVE TO FILE
APPEAL OF FINAL ORDER ENTERED
DECEMBER 20, 2019**

38a

On December 20, 2019, this Court entered a final appealable order declaring Defendant Merilee Stewart a vexatious litigator. On January 15, 2020, Defendant filed a request for leave to appeal the December 20, 2019 order. Defendant's request for leave to file her appeal is GRANTED.
IT IS SO ORDERED.

01-17-2020

RRL HOLDING COMPANY OH ET AL -VS-
MERRILEE STEWART
18CV007212 ENTRY

It Is So Ordered.

/s/ Judge Kim Brown

Electronically signed on 2020-Jan-17

APPENDIX M

[File date January 21, 2020

Tenth District Court of Appeals

20AP674 *RRL Holding Company of OH LLC, et al v. Merrilee Stewart, et al.*

Decision, Dismissal for failure to comply with Vexatious Litigator Statute Ohio Rev. Code 2323.52 despite the fully-briefed appeal predated (Emphasis) the delivery of the “Vexatious Litigator” judgment and leave to appeal was granted on January 17, 2020.

“How is it possible to comply with a judgment that Petitioner was not informed of and had not yet been delivered to her?”

Further, how is it possible that a Judge could render this “Vexatious Litigator” judgment against Petitioner for fulfilling her duty to report White Collar crimes to the proper authorities? Crime reports are not litigation.

“Is this obstruction of justice and misprision?”

**IN THE COURT OF APPEALS OF OHIO
TENTH APPELLATE DISTRICT**

RRL Holding Company	No. 19AP-674
of Ohio, LLC, et al.,	
Plaintiffs Appellees,	(REGULAR
v	CALENDAR)

**Merrilee Stewart, et al.,
Defendants Appellants.**

JOURNAL ENTRY OF DISMISSAL

Appellees January 10, 2020 motion to dismiss this appeal for failure to comply with the requirements of R.C. 2323.52 is presently before this court. On December 20, 2019, the Franklin County Court of Common Pleas declared appellant a vexatious litigator pursuant to R.C. 2323.52. Having been declared a vexatious litigator, appellant was prohibited from continuing to prosecute this appeal without first seeking leave to proceed. R.C. 2323.52(D)(3) and (F)(2).

When appellant was declared a vexatious litigator, the present appeal was pending and all briefs, other than appellant's reply brief, had been filed. On December 23, 2019, appellant filed her reply brief without first seeking leave of court. R.C. 2323.52(!) provides, in relevant part, that 11 [w]henver ***a person found to be a vexatious litigator * * * has * * * continued [to prosecute] * * * the legal proceedings without obtaining leave to proceed from the appropriate court * * *, the court in which the legal proceedings are pending shall dismiss the proceedings* * *. Relying on this section, appellee argues that this court must dismiss this appeal. We agree. The mandate of R.C.2323.52(1) is very clear and the Supreme Court of Ohio has been equally clear in holding that the requirements of this statute must be construed strictly against vexatious litigators. See, State ex rel. Sapp v. Franklin Cty. Court of Appeals, 118 Ohio St.3d 368, 2008-Ohio-2637, State ex rel. Henderson v. Sweeney, 146, Ohio St.3d 252, 2016-Ohio-3413. Therefore, appellees1 motion to dismiss is granted and this appeal is dismissed. The clerk shall note the docket. Appellant shall pay any outstanding appellate court costs.

/S/ JUDGE cc: Clerk, Court of Appeals

APPENDIX N

**[Excerpts of Defendant Stewart from
Notice of Appeal]**

[File date October 4, 2019]

Tenth District Court of Appeals

***20AP674 RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al. on appeal from
C.P.C. 15CV1842.]***

“Notice is hereby given that Merrilee Stewart, defendant, hereby appeals to the Court of Appeals of Franklin County, Ohio, Tenth Appellate District from the final decision and entrees of September 4, 2019 and September 6, 2019 final appealable orders coming from Jennifer R. Cordle's hearing of July 9, 2019. The final decision and entrees deny of the Defendants motion to Stay Pending Arbitration, overrule the defendant's objections to the Magistrate's decision, adopting Magistrate's decision rendered on the day of August 15, 2019 and deny the Plaintiffs motion to Strike.”

APPENDIX O

[File date: January 23, 2020

Tenth District Court of Appeals

**19AP202 *RRL Holding Company of OH LLC, et
al v. Merrilee Stewart, et al.***

DECISION

**Order directing lower court Judge Kim J
Brown to hold a hearing on the Crime Reports.
(Emphasis)**

**The court clerks opened the case following this
ruling; however, Franklin County Ohio
Common Pleas Judge Kim J. Brown quickly
reacted and closed the case.**

**Therefore, staunchly refusing the higher court
order to hold a hearing on the CRIME
REPORTS (Emphasis).**

**This Franklin County Ohio Common Pleas
Judge Kim J. Brown refuses to open the case,
release the stay or allow a leave to amend even
with all of the additional felonies (Emphasis)
committed by Respondents that have been
documented in her very own court record.]**

**IN THE COURT OF APPEALS OF OHIO
TENTH APPELLATE DISTRICT**

RRL Holding Co of Oh, et	No. 19AP-202
al.,	(C.P.C. No. 15CV-
Plaintiffs Appellees,	1842)
v	
Merrilee Stewart,	
Defendant Appellant,	

TRG United Insurance LLC	REGULAR CALENDAR
Defendant Appellee.	

D E C I S I O N

Rendered on January 23, 2020

On brief: Shumaker, Loop & Kendrick, LLP, James R. Carnes, and Matthew T. Kemp, for appellees.

Argued: Matthew T. Kemp.

On brief: Merrilee Stewart, pro se.

Argued: Merrilee Stewart.

APPEAL from the Franklin County Court of
Common Pleas

DORRIAN, J.

{¶1} Defendant-appellant, Merrilee Stewart, has filed this appeal of the March 15, 2019 decision and entry of the Franklin County Court of Common Pleas overruling appellant's objections to the magistrate's decision of December 21, 2018 and denying appellant's motion for sanctions on Fritz W. Griffioen and Attorney James R. Carnes, Esq., and adopting the same magistrate's decision. The notice of appeal addresses as well the court's May 17, 2017 decision and entry overruling appellant's objections to the magistrate's decision of February 13, 2017 and adopting the same magistrate's decision. These decisions originate from the court's November 7, 2016 decision and entry. The November 7, 2016 decision and entry and the May 17, 2017 decision and entry are now final and appealable with the filing of the March 15, 2019 decision and entry. With these decisions, upon the August 10, 2016 motion to show cause filed by plaintiffs-appellees RRL Holding

Company of Ohio, LLC ("RRL") and IHT Insurance Agency Group, LLC ("IHT") (collectively "appellees"), the court found appellant to be in contempt of court and imposed sanctions and attorney fees for the same. For the following reasons, we reverse in part, render moot in part, and remand with instructions.

I. Facts and Procedural History

A. Context of Appeal

{¶2} The context of this appeal involves a dispute between the members of a limited liability company, RRL.¹ RRL wholly owned and was the sole member of IHT.² Appellant is listed as one of five members of RRL, each owning equal shares, named in amendments to the operating agreement of RRL ("Operating Agreement") and in a September 5, 2012 buy/sell agreement of RRL ("Buy/Sell Agreement"), along with William Griffioen, Fritz Griffioen, and Rodney Mayhill (collectively "remaining members") and Norman L. Fountain.³ Whether appellant remains a member and owner of RRL is a subject of the dispute. Until the dispute between the members of RRL arose, the members also served as officers and on the board of managers for IHT. In their complaint, appellees state that appellant served as an officer of IHT until October 2014 and on IHT's board of managers until December 20, 2014.

1 Appellees informed the court that, in December 2018, RRL merged with Firefly Insurance Agency ("Firefly") and that Firefly is the successor to RRL. For purposes of this appeal, however, we will refer to RRL, rather than Firefly, to reflect the name of the entity during the period of time relevant to this appeal.

2 Appellees informed the court that IHT is now known as Firefly. For purposes of this appeal, however, we will refer to IHT, rather than Firefly, to reflect the name of the entity during the period of time relevant to this appeal.

3 Fountain subsequently redeemed his membership interest and is no longer a member of RRL

{¶3} On March 2, 2015, appellees filed a complaint against appellant alleging she had formed a new company, TRG United Insurance, LLC ("TRG"), which operated in violation of a non-compete provision included in the Buy/Sell Agreement. The complaint further alleged that TRG was using as its headquarters the same address as IHT and the resources and staff of IHT to operate TRG. In October 2014, the remaining members voted to suspend appellant from her position with IHT and, in December 2014, the remaining members and appellant attempted to negotiate redemption of appellant's interest in RRL pursuant to the Buy/Sell Agreement. On December 30, 2014, notice was provided to appellant that she had been removed from RRL and her relationship with IHT had been terminated. The complaint alleged breach of fiduciary duties, negligence, conversion, defamation/libel/slander, replevin, and requested a preliminary injunction. Appellees also filed a separate motion for preliminary injunction.

{¶4} Appellant moved to dismiss the complaint. Appellees amended their complaint on May 4, 2015, supplementing the general allegations and deleting the claims of negligence and defamation/libel/slander. The trial court denied appellant's motion to dismiss on May 28, 2015 finding the amended complaint had

cured the deficiencies of the original complaint which appellant alleged in her motion.

{¶5} Appellant filed an answer and counterclaim to the amended complaint on May 18, 2015. In her counterclaim, appellant alleged the remaining members did not follow the requirements of the Operating Agreement and Buy/Sell Agreement to remove her as a member. She alleged several counts of breach of contract relating to the Operating Agreement, health insurance, commissions and life insurance, several counts of promissory estoppel relating to health insurance, commissions and life insurance, and one count of defamation. Appellant also filed a memorandum contra to the motion for preliminary injunction. Appellees filed a reply to the counterclaim on June 12, 2015.

{¶6} Relevant to this appeal, on May 28, 2015, the parties filed an agreed entry as to appellees' motion for preliminary injunction ("Agreed Entry"), and appellees withdrew their previously filed motion for preliminary injunction. The issues before this court today involve compliance with the Agreed Entry. The specific terms of the Agreed Entry will be discussed forthwith.

{¶7} On July 20, 2015, appellees moved to compel arbitration and stay litigation pursuant to the parties Buy/Sell Agreement. Appellant filed a memorandum contra on August 13, 2015. On November 10, 2015, the court ordered the parties submit their affirmative claims against each other and defenses to binding arbitration and stayed claims against TRG, including TRG's defenses pending resolution of the arbitration process.

B. Appellees' August 10, 2016 Motion to Show Cause

{¶8} On August 10, 2016, appellees filed one of numerous motions over the history of this case for an order to show cause as to why appellant should not be held in contempt of court for violating the terms of the Agreed Entry. The court's ruling on the August 10, 2016 motion to show cause is the narrow subject of this appeal.⁴ As relevant here, the Agreed Entry provides:

I. Defendants Stewart and TRG, agree to refrain from:

a. representing to any person, business, or entity that Defendants are employees, agents, authorized representatives, producers, officers, managers or doing business as, or in any way working with or for, Plaintiffs IHT or RRL;

b. making any representation that TRG is located at, or operating or doing business from IHT or RRL's offices at 6457 Reflections Drive, Dublin, OH 43017, or

d. representing to any person, business, or entity that Defendant Stewart has any authority to enter into any business arrangements, agreements, contracts, or transactions that in any way affects IHT or RRL.

(Agreed Entry at 2-3.)

{¶9} The Agreed Entry also provided for: (1) preservation of appellant's data and information from her IHT e-mail and telephone; (2) appellant refraining from accessing, transferring, moving, or changing any IHT financial account with any financial institution;

4 Although in responding to the August 10, 2016 motion before the trial court, as well as in her briefing before this court, appellant argued the merits of her counterclaim and appellees' amended complaint, we decline to address the merits of the counterclaim and amended complaint as that was the subject of arbitration. Furthermore, we do not address the trial court's rulings also included in the March 15, 2019 decision and entry: (1) granting motion of appellees to show cause filed March 7, 2018, (2) denying appellant's motion to show cause filed March 20, 2018, (3) denying as moot appellant's motions to stay filed March 11, and October 26, 2018, (4) granting motion of appellees to show cause filed January 11, 2019, and (5) denying appellant's motion for sanctions on Fritz and Carnes filed January 27, 2019. Furthermore, as explained later in our discussion regarding the seventh assignment of error, parts (A) and (B), we decline to address the court's decision denying appellant's motion for sanctions filed September 18, 2017. The court denied this motion on December 12, 2017.

(3) appellant not engaging in solicitation for purposes of establishing business relationships to sell or provide any insurance coverage unless appellant was the identified producer while working at IHT and not sharing or using IHT's trade secrets or confidential business information; and (4) appellees agreeing to forward to appellant her mail and e-mail that is not related to IHT or RRL customers or business operations.

{¶10} Appellees claimed appellant violated the Agreed Entry by claiming to be an owner and authorized agent of IHT and RRL to: (1) the Ohio Civil Rights Commission ("civil rights commission"); (2) the Columbus Police Department ("police"); (3) Hartford Insurance ("Hartford"); and (4) Liberty Mutual

Insurance ("Liberty") (collectively "insurance companies"). Appellant filed a memorandum contra claiming the Agreed Entry was moot "given the dismissal of this matter pending arbitration," and because "[t]his action is no longer pending with respect to the claims ordered to arbitration." (Emphasis added.) (Aug. 24, 2016 Memo. Contra at 3, 5.) In the alternative, appellant argued, assuming, arguendo, that the Agreed Entry is still in effect, she did not violate the spirit or intent of the Agreed Entry as it was intended to address business interests. Appellant argued her communications as alleged by appellees have nothing to do with the business associations and relationships between and among her and appellees. Specifically, appellant argued: (1) the claim of discrimination she filed with the civil rights commission is not in violation of the Agreed Entry and, if it were, that would preclude her from filing a counterclaim in the arbitration; (2) the report filed with police involved alleged embezzlement in the form of unpaid agent commissions which occurred between May 1, 2005 and May 1, 2015 before the Agreed Entry was entered and, therefore, explains that appellant was working with IHT at the time of the reported embezzlement; and (3) the claims filed with the insurance companies are not for the purposes of engaging in competition or engaging in a business transaction on behalf of appellees; rather, appellant is reporting her interest in appellee to support her allegations of embezzlement and fraudulent concealment in unpaid agent commissions. Appellees filed a reply memorandum.

C. Appellant's August 24, 2016 Motion to Show Cause and Request for Sanctions, and Appellees' Request for

Sanctions and Attorney Fees for Having to Respond to the Same

{¶11} In addition to her memorandum contra appellees' August 10, 2016 motion to show cause, on August 24, 2016, appellant filed a motion to compel appellees to file arbitration and a motion to show cause why they should not be held in contempt for willfully failing to comply with the court's November 10, 2015 entry ordering the parties to submit their affirmative claims and defenses to binding arbitration. Appellant noted appellees moved for arbitration in the first place, and as of August 24, 2016 had not yet filed any proceeding with the American Arbitration Association ("AAA"). On August 31, 2016, appellees filed a memorandum contra which provided a detailed outline of appellees' efforts to comply with the order and begin the arbitration process. Appellees argued that appellant, her frequent changes in representation, and the inaction of her various attorneys were to blame for the delay. Appellees requested appellant be sanctioned and be required to pay attorney fees which appellees incurred in responding to the motion to compel arbitration. Appellant filed a reply arguing appellees did not pursue arbitration with AAA but, rather, proceeded as if they were only required to have the arbitration conducted pursuant to AAA rules. According to appellant, on August 2, 2016, appellees agreed to AAA arbitration and to file within the next week, but had neglected to file anything with AAA as of September 6, 2016. Appellant requested attorney fees incurred by her in filing the motion to compel arbitration. Appellees filed a supplemental memorandum in support of their request for sanctions stating they had agreed to AAA arbitration "despite

there being no requirement to do so." (Footnote omitted.) (Oct. 21, 2016 Supp. Memo. in Support of Mot. for Sanctions at 2.) Appellees further stated they had submitted a demand for arbitration to AAA on September 8, 2016, that appellant's counsel indicated he would advise appellant to withdraw her motion to compel arbitration, and he would be in touch the following Monday. Appellees finally stated that appellant's counsel did not follow up and appellant did not withdraw her motion despite knowledge it was moot. Appellees again requested attorney fees.

{¶12} On October 27, 2016, appellant withdrew her motion to compel arbitration but did not withdraw her motion to show cause why appellees should not be held in contempt for failing to abide by the November 10, 2015 entry. Appellant also stated that appellees' initial demand for arbitration with AAA did not move forward because it was deficient and it was not until October 11, 2016 that appellant received a notice from AAA that the filing requirements had been met.

D. The Magistrate's and Court's Rulings on Appellees' August 10, 2016 Motion to Compel; Appellant's August 24, 2016 Motion to Compel and Request for Sanctions; and Appellees' August 31, 2016 Request for Sanctions and Attorney Fees in Responding to Appellant's August 24, 2016 Motion to Compel

1. Court's initial finding of violation

{¶13} On November 7, 2016, the trial court filed a decision and entry: (1) granting appellees' motion to show cause why appellant should not be held in contempt for violating the Agreed Entry; (2) denying appellant's motion to compel arbitration and motion to show cause why appellees should not be held in

contempt for violating the November 10, 2015 entry ordering arbitration;⁵ and (3) granting appellees' motion for sanctions and attorney fees incurred in having to respond to appellant's motion to compel arbitration and motion to show cause.⁶

5 Appellant does not address this ruling in her assignments of error and, therefore, we will not address the same.

6 Appellant does not address this ruling in her assignments of error and, therefore, we will not address the same.

{¶14} The court first determined the Agreed Entry was not moot. The court then determined appellees' motion for an order to show cause why appellant should not be held in contempt was well-taken. The court agreed that appellant had violated the terms of the Agreed Entry as follows:

The first alleged violation involves a claim and appeal which Stewart filed with the Ohio Civil Rights Commission. Exhibit A to Plaintiffs' motion is a Letter of Determination upon Reconsideration which sets forth Stewart's claim that she was treated unfairly by Plaintiffs as a result of her gender and religion. The Commission notes in its Letter: "Although her charge alleges that she was constructively discharged, she now denies this in her request for reconsideration, claiming that 'I am now and remain a member/ owner' of Respondent [IHT].'" For the second violation, Plaintiffs cite to a report Stewart filed with the Columbus Police Department. (Motion, Ex. B). On July 27, 2016, Stewart reported that she, as a representative of IHT, was the victim of a \$5-10

million embezzlement scheme orchestrated by IHT's human resources manager. Finally, as to the third and fourth violations, Plaintiffs submit a series of emails between Stewart and Plaintiffs' insurance carriers, in which Stewart seeks compensation for employee dishonesty through Plaintiffs insurance policies (Motion, Ex. C).

The Court agrees that each of these actions violated the terms of the parties' May 28, 2015 Agreed Entry.

(Nov. 7, 2016 Decision & Entry at 4-5.)

{¶15} Next, the trial court considered the timeline presented by appellees regarding their efforts to begin the arbitration process and noted appellant did not dispute the same. The court concluded: (1) appellees had been attempting for many months to pursue arbitration and that appellant was in fact the dilatory party, and (2) the parties Buy/Sell Agreement did not require the parties to request arbitration through AAA. The trial court accordingly denied appellant's August 24, 2016 motion to compel and request for sanctions. It also found to be well-taken appellees' request for sanctions against appellant and her counsel and for attorney fees incurred in having to respond to appellant's motion to compel and motion to show cause. The court noted appellees agreed to AAA arbitration despite no contractual obligation to do so and that appellant and her counsel never withdrew the motion to compel even though counsel indicated he would advise appellant to withdraw the motion.

{¶16} Finally, the court referred appellees' motion to show cause to a magistrate and ordered appellant to appear and show cause why she should not be held in contempt of court for violating the Agreed Entry as

appellees alleged in their August 10, 2016 motion. The court indicated that at the show cause hearing it would consider the appropriate sanctions against appellant for the filing of the motion to compel arbitration and motion to show cause.

2. Magistrate's February 8, 2017 hearing, February 13, 2017 decision, and trial court's May 17, 2017 overruling of objections and adopting the magistrate's decision

{¶17} On February 8, 2017, the magistrate held a show cause hearing. On February 13, 2017, the magistrate filed a decision recommending appellant be held in contempt of court and that sanctions be imposed. The magistrate found as follows: (1) the civil rights commission dismissed appellant's claim based on appellant's statement that "I am now and remain a member/ owner of IHT," appellant denied she made that statement, and the magistrate found the denial to be unavailing as appellant had been sent a copy of the civil rights commission's dismissal letter based on the same statement and she did nothing to object to the civil rights commission's assertion (Feb. 13, 2017 Mag. Decision at 1.); (2) the police report listed IHT and IHT's address as the victim of alleged embezzlement, appellant claimed the officer taking the report erroneously entered IHT as the victim and that she had not seen the report, and the magistrate found appellant's explanation as not worthy of belief as appellant did nothing to clear up the error, gave the police report number to a Columbus Dispatch reporter, and a person claiming to be a victim of \$5-10 million dollars would have followed-up with police to see how the claim was progressing;

(3) appellant claimed she filed claims with the insurance companies on the advice of counsel, however, the attorney upon whose advice appellant claimed to have relied did not appear at the hearing, and the magistrate found that reliance on the erroneous advice of counsel is not an excuse for violating the Agreed Entry; and (4) appellant has not demonstrated sufficient factual or legal reasons why she should not be held in contempt of court for her actions. The magistrate recommended that appellant should be allowed to purge her contempt by compensating appellees for the legal fees incurred in prosecuting the contempt action.⁷

⁷ The magistrate did not address at this time the sanction or amount of attorney fees appellant should pay to appellees for their time in having to respond to appellant's August 24, 2016 motion to compel and show cause.

{¶18} Appellant filed the following objections to the magistrate's decision on February 27, 2017: (1) the Agreed Entry does not prohibit appellant from representing herself as a "member" or "owner" and whether she is a "member" or "owner" is the subject of adjudication in the arbitration; (2) appellant did not violate the spirit of the Agreed Entry which is to prohibit appellant from holding herself out to third parties as having authority to transact the business of RRL or IHT; (3) the court was required to hold a hearing pursuant to R.C. 2705.02(A); (4) prior to adjudicating appellant to be in contempt of court in its November 7, 2016 entry, the court erred in not permitting appellant to present evidence or argument or to rebut the court's preliminary adjudication of contempt; (5) the magistrate's determination that

appellant's claim before the civil rights commission violated the Agreed Entry was in error because: (a) the civil rights commission's letter of determination upon reconsideration was the only evidence presented and it was impermissible hearsay per Evid.R. 801 and 802; (b) no other evidence was presented that appellant made the representation she was a member or owner of RRL; (c) discrimination was the issue before the civil rights commission, not appellant's "membership" or "ownership" interest and, therefore, there was no reason to object to the civil rights commission's statement; and (d) appellant had exhausted her administrative remedy and thus could not object to the civil rights commission's statement other than to appeal; (6) the magistrate's determination that appellant listing IHT as the victim of embezzlement in the police report violated the Agreed Entry was in error because: (a) the only evidence was the unsigned police report; (b) appellant testified she verbally made the report and would not have provided IHT's address as her own; (c) appellant testified she was not given a copy of the police report and even if she had, the address seemed trivial as to whether an amended report was necessary; (d) the magistrate speculated as to whether a victim of embezzlement would follow-up to see how the case was progressing; and (e) appellant herself is the victim of embezzlement and she filed the report on her own behalf and not on behalf of IHT or RRL; and (7) the magistrate's determination that appellant's filing of two insurance claims alleging that she is an owner or member of RRL violated the Agreed Entry was in error because: (a) appellant testified she filed the insurance claims on her own behalf and not on behalf of IHT or RRL; (b) she filed the claims on the advice

of counsel; and (c) appellant specifically informed Hartford in the July 20, 2016 e-mail that she is an "estranged member and owner of IHT/RRL." (Aug. 10, 2016 Appellees' Mot. to Show Cause, Ex. C, Apx. 2.)

{¶19} Appellees filed a response to the objections on March 9, 2017, a supplemental response to the objections, a motion for sanctions, and another motion to show cause on May 15, 2017.

{¶20} On May 17, 2017, the trial court overruled the objections and adopted the magistrate's decision. The court found that at the February 8, 2017 hearing before the magistrate, appellant, rather than show cause why she should not be held in contempt of court, sought to relitigate the terms of the parties Agreed Entry and the court's ruling that she had violated its terms. The court found that in its November 7, 2016 decision and entry it had determined appellees had met their initial burden to demonstrate by clear and convincing evidence that appellant had violated the Agreed Entry but then provided appellant an opportunity to rebut appellees' initial showing. The court disagreed that appellant rebutted appellees' showing and found that "[appellant's] testimony was wholly implausible and belied by the documents presented at the hearing." (Nov. 7, 2016 Decision at 4.) As to the civil rights commission claim, the court found appellant's objection based on hearsay was not well-taken as it was not made at the time the civil rights commission's report was admitted, the report was a public record, and appellant's statement is the admission of a party-opponent. The court further agreed with the magistrate that appellant's position was unavailing. As to the filing of the police report, the court noted the report lists IHT as the victim and

the victim type as a business, and further identifies appellant's employer as IHT and lists IHT's address as her employer's address. The court found to be, at best, wanting, appellant's explanations that she had not seen the report. As to the insurance company claims, the court noted appellant was an insurance professional and would have understood the insurance policies were for losses suffered by IHT and not for herself personally. The court found appellant's position that she did not realize she was holding herself out as a representative of IHT to not be credible. The court adopted the magistrate's decision recommending imposition of sanctions.⁸ The court referred to the magistrate the determination of: (1) the appropriate sanctions for appellant's four separate violations of the Agreed Entry, including, but not limited to, legal fees expended by appellees in the prosecution of their motion to show cause dated August 10, 2016, as well as (2) the appropriate sanctions for appellant's failure to withdraw her frivolous motion to show cause dated August 24, 2016.⁹

8 In the same entry, the court considered appellees' new motions to show cause and for sanctions filed on March 9, and May 15, 2017. In the new motions, appellees alleged appellant lied under oath during the February 8, 2017 hearing before the magistrate regarding the August 10, 2016 motion to show cause. The court found the motions to be well-taken and referred to the magistrate the determination of whether appellant should be held in contempt for her false testimony at the February 8, 2017 hearing and, if so, the appropriate sanction. In the December 21, 2018 decision, the magistrate found that appellant failed to show cause why she should not be held

in contempt for her false testimony and that as a direct and proximate result of this contempt, appellees had incurred reasonable and necessary attorney fees in the amount of \$3,996. Without any specific discussions regarding the same, the trial court adopted the magistrate's decision in full on March 15, 2019. We do not address the court's findings regarding the March 9 and May 15, 2017 motions to show cause and for sanctions at this time as appellant did not address this in her brief before the court. We note, however, that appellant's September 18, 2017 notice may provide additional context to appellant's statements made at the February 8, 2017 hearing.

9 Appellant does not address this ruling in her assignments of error and, therefore, we will not address the same.

{¶21} Appellant appealed the court's May 17, 2017 decision overruling her objections and adopting the magistrate's decision. On June 30, 2017, this court dismissed the appeal as sanctions had yet to be fully determined and we lacked jurisdiction to hear the appeal. See RRL Holding Co. of Ohio, LLC v. Stewart, 10th Dist. No. 17AP-410 (June 28, 2017), Journal Entry of Dismissal.

E. Arbitration

{¶22} On December 11, 2017, a three-member arbitration panel issued a final award granting appellees' claim for declaratory relief, ordering appellant to execute certain documents in furtherance of the finding that she was properly removed as a member of RRL; denying the balance of appellees' claims; and denying appellant's counterclaims in their entirety. Appellees filed a motion to confirm the arbitration award on December 18, 2017. Appellant objected and moved to modify, vacate, or correct in part the final award on January

1, 2018.¹⁰ The trial court confirmed the award in all respects on February 5, 2018.¹¹ On February 15, 2018, appellant filed a notice of appeal of the February 5, 2018 order confirming the arbitration award. On September 28, 2018, this court affirmed the trial court's February 5, 2018 order. This court noted that appellant did not file a transcript and has not demonstrated a valid reason to vacate the arbitration award. See *RRL Holding Co. of Ohio, LLC v. Stewart*, 10th Dist. No. 18AP-118, 2018-Ohio-3956. Appellant appealed to the Supreme Court of Ohio. On December 26, 2018, the Supreme Court declined to accept jurisdiction of the appeal. (S.Ct. No. 2018-1618, see 2018-Ohio- 5209.) On March 14, 2019, the Supreme Court denied appellant's motion for reconsideration of the same. (S.Ct. No. 2018-1618, see 2019-Ohio-769.)

10 On January 8, 2018, appellant also filed a notice of appeal from the trial court's November 10, 2015 entry granting in part appellees' motion to stay proceedings pending arbitration. Appellant argued the November 10, 2015 entry was now subject to appeal as the final arbitration award was issued December 11, 2017. On February 1, 2018, this court dismissed appellant's appeal as an order granting or denying a stay of trial pending arbitration is a final order subject to immediate appeal and therefore appellant's appeal of the same was untimely and must be dismissed for lack of jurisdiction. *RRL Holding Co. of Ohio, LLC v. Stewart*, 10th Dist. No. 18AP-27 (Feb. 1, 2018) (Journal Entry of Dismissal).

11 On March 7, 2018, appellees filed a motion to show cause as to why appellant should not be held in contempt for failing and refusing to comply with the court's February 5, 2018 order confirming the final arbitration award by failing to execute documents within 30 days by January 10, 2018 as ordered by the court. As noted previously, in

the March 15, 2019 decision and entry, the trial court found the March 7, 2017 motion to be well-taken and ordered that a hearing will be set for appellant to oppose and show cause why she should not be held in contempt.

F. September 18, 2017 Notice of Supplemental Information

{¶23} On September 18, 2017, a magistrate conducted a show cause hearing as directed by the trial court in its May 17, 2017 decision. Early in the morning on the same day as the hearing, appellant filed a notice of supplemental information and exhibits thereto for an evidentiary hearing of September 18, 2017 ("September 18, 2017 Notice") and motion for attorney sanctions ("sanctions motion"). Appellant stated therein that she was providing "newly acquired information" including, among other items: (1) the original 32- page complaint she filed with the civil rights commission; (2) a summary of a narrative appellant states she submitted to police; (3) documentation showing advice of counsel to update her insurance claims; (4) copies of e-mails of appellant's then-counsel indicating counsel's opinion that the injunction was no longer in effect; and (5) copies of e-mails between appellant and the insurance companies. In her conclusion, appellant moved the court "to consider this supplemental information." (Sanctions motion at 22.)

G. Magistrate's and Court's Ruling on Appellees' August 10, 2016 Motion for Show Cause, Attorney Fees, and Sanctions

{¶24} In her December 21, 2018 decision, the magistrate noted that the court's order of reference was to make the following determinations:

- a) The appropriate sanction(s) for [appellant's] four separate violations of the Agreed Entry, including but not limited to attorney fees expended by Plaintiffs in the prosecution of their August 10, 2016 show-cause motion;
- b) The appropriate sanction(s) for [appellant's] failure to withdraw her frivolous show-cause motion filed on August 24, 2016; and
- c) Whether [appellant] should be held in contempt for her false testimony at the hearing before [a Magistrate] on February 8, 2017, and if so, the appropriate sanction(s) for her contempt.

(Dec. 21, 2018 Magistrate's Decision at 5, ¶19.) The magistrate noted appellant appeared and testified at the hearing on September 18, 2017, and that she was not credible. The magistrate further noted appellees appeared and presented testimony of their attorney, Carnes, and the magistrate found Carnes to be very credible. The magistrate also found appellant attempted to relitigate at the hearing the court's prior determination that she had. 11 On March 7, 2018, appellees filed a motion to show cause as to why appellant should not be held in contempt for failing and refusing to comply with the court's February 5, 2018 order confirming the final arbitration award by failing to execute documents within 30 days by January 10, 2018 as ordered by the court. As noted previously, in the March 15, 2019 decision and entry, the trial court found the March 7, 2017 motion to be well-taken and ordered that a hearing will be set for appellant to oppose and show cause why she should not be held in contempt.

violated the Agreed Entry on four separate occasions and she had provided false testimony on February 8, 2017. The magistrate found appellees presented credible evidence and argument to support an award of sanctions for

appellant violating the Agreed Entry and for failure to withdraw her frivolous motion to compel arbitration and show cause, and that appellant presented no credible evidence or argument to challenge an award of sanctions or show cause why she should not be held in contempt. The magistrate found that as a direct and proximate result of four separate violations of the Agreed Entry and her failure to withdraw her motion to compel and motion to show cause, appellees incurred reasonable and necessary attorney fees in the amount of \$18,068.08. The magistrate further found appellees incurred reasonable and necessary attorney fees in the amount of \$2,130.00 and \$2,840.00 as a direct and proximate result of appellant's eleventh-hour filing of her appeal on June 6, 2017, which resulted in cancellation of the previously scheduled June 7, 2017 magistrate hearing and having to prepare and participate in the hearing before the magistrate on September 18, 2017 respectively.

{¶25} The magistrate recommended that, pursuant to R.C. 2705.05, the court should impose the following fines upon appellant: \$250, \$500, \$1,000 and \$1,000 for appellant's first, second, third, and fourth violations of the Agreed Entry respectively. The magistrate further recommended that appellees are entitled to recover attorney fees in the total amount of \$27,034.08¹² from appellant.

12 The magistrate also found appellant failed to show cause why she should not be held in contempt for her false testimony at the February 8, 2017 hearing and as a direct and proximate result of the same, appellees had incurred reasonable and necessary attorney fees in the amount of \$3,996.00. Adding the \$3,996.00 to the amounts noted above, the magistrate determined appellees had incurred reasonable and necessary attorney fees in the total amount of \$27,034.08. See fn. 9.

{¶26} On January 4, 2019, appellant filed objections to the magistrate's decision along with a motion for sanctions on Fritz and Carnes. In the objections, appellant provided her summary of background on appellant, appellees, arbitration, a federal case and other investigations involving the parties. Appellant complained the magistrate did not consider the supplemental information evidence appellant filed on September 18, 2017. The objections did not, however, address the magistrate's December 21, 2018 decision regarding the imposition of sanctions and attorney fees and the recommended sanction and attorney fee amounts. Rather, appellant's objections addressed the court's November 7, 2016 decision granting the motion to show cause and finding that appellant had violated the Agreed Entry and the magistrate's decision of February 13, 2017 and the trial court's adoption thereof on May 17, 2017. Appellant reiterated the objections and arguments which she made in her February 27, 2017 objections to the magistrate's February 13, 2017 decision. The objections also addressed the reasons for appellant's failing to execute the terms of the arbitration agreement-which is the subject of a different motion to show cause filed by appellees on March 7, 2018-not the subject of the magistrate's decision of December 21, 2018 or this appeal. Finally, appellant asked the trial court to impose sanctions on Fritz and Carnes. Appellant did not file a transcript with her objections. Appellees filed a response.

{¶27} On March 15, 2019, the trial court overruled appellant's objections and adopted the magistrate's December 21, 2018 decision. The court noted appellant's objections again sought to relitigate the court's prior rulings and were not an objection to the appropriateness of the sanctions or to the amount. The court summarily concluded that appellant's

objections were without merit and adopted the magistrate's December 21, 2018 decision.

{¶28} On April 8, 2019, appellant filed a notice of appeal. Consistent with her repeated efforts to address the findings in the court's November 7, 2016 decision and entry, the magistrate's decision of February 13, 2017 and the court's adoption of the same on May 17, 2017, appellant noted in her notice of appeal that "[t]his appeal is derived from the original decision and entry of May 17, 2017, however because the issue of sanctions had yet to be fully determined, the May 17, 2017 decision and entry did not constitute a final appealable order." Accordingly, appellant's assignments of error address the findings in the November 7, 2016 decision and entry, the February 13, 2017 magistrate's decision, May 17, 2017 decision and entry, the December 21, 2018 magistrate's decision, and the March 15, 2019 decision and entry to the extent they address the findings of four violations of the Agreed Entry and the imposition of sanctions and attorney fees for the same, as well as her repeated rejected efforts to move the court to reconsider the same. We limit our analysis accordingly.

II. Assignments of Error

{¶29} Appellant appealed and assigns the following seven assignments of error for our review:

[I.] The courts enforcement of an agreed upon Preliminary Injunction compels Appellate to lie to the investigative authorities and conceal criminal activity which violates the constitution rights of the Appellate and promotes the obstruction of justice.

[II.] The courts levy of sanctions for the protected activity of reporting a crime is adverse action which violates state and federal laws designed to protect the whistleblower, Appellant Merrilee Stewart.

[III.] The courts judgment erred in the facts, without hearing or consideration of the reliable, substantial evidence contained in the supplemental documentation and thus made judgment on hearsay documents of others and a perjured affidavit which violates the due process rights of the Appellate and Ohio Rule of Evidence 803.

[IV.] The courts erred in the enforcement of a four-year-old agreed upon preliminary injunction with no emergent status because all claims were sent to the jurisdiction of Arbitration and cases should not be split, wherefore relief sought, including equitable and/ or preserving the status quo belong in Arbitration pursuant to the FAA, the Supreme Court and case law.

[V.] The court erred judgment of the attorney fees to the RRL attorney because as an unredeemed owner in RRL Defendant Appellate Merrilee Stewart is already paying a proportionate amount of the attorney fees from the profits of RRL, which violates the principles of promissory and judicial estoppel.

[VI.] The actions of Defendant-Appellate were on the advice of counsel and therefore she acted in good faith with no wrongful intent. Any sanctions rendered are prejudicial, unjustified and misdirected.

[VII.] The trial court erred in not granting the Appellant's request for a hearing on supplement information and attorney misconduct relating directly to the same set off acts and circumstances, in violation

of the due process clause of the Fifth and Fourteenth Amendments to the United States Constitution.

(Sic passim.) (Emphasis sic.)

III. Standard of Review

{¶30} An appellate court will not reverse a trial court's finding of contempt, including the imposition of penalties, absent an abuse of discretion. *Byron v. Byron*, 10th Dist. No. 03AP-819, 2004-Ohio-2143, i-115.

{¶31} Contempt of court is defined as disobedience of an order of a court. *Windham Bank v. Tomaszczyk*, 27 Ohio St.2d 55 (1971), paragraph one of the syllabus. It is "conduct which brings the administration of justice into disrespect, or which tends to embarrass, impede or obstruct a court in the performance of its functions." *Id.* "The purpose of contempt proceedings is to secure the dignity of the courts and the uninterrupted and unimpeded administration of justice." *Id.* at paragraph two of the syllabus. A court has both inherent and statutory authority to punish contempt. *Howell v. Howell*, 10th Dist. No. 04AP-436, 2005-Ohio-2798, ¶ 19, citing *In re Contempt of Morris*, no Ohio App.3d 475,479 (8th Dist.1996).

{¶32} Courts classify contempt as either direct or indirect, and as either criminal or civil. See *Cincinnati v. Cincinnati Dist. Council 51*, 35 Ohio St.2d 197, 202-03 (1973). Contempt is classified as direct or indirect depending on where the contempt occurs. Direct contempt occurs in the presence of the court in its judicial function. *Byron* at ¶ 12. Indirect contempt involves behavior outside the presence of the court that demonstrates lack of respect for the court or for the court's orders. *Id.*

{¶33} "While both types of contempt contain an element of punishment, courts distinguish criminal and civil contempt not on the basis of punishment, but rather, by the character and purpose of the punishment." *Brown v. Executive 200, Inc.*, 64 Ohio St.2d 250, 253 (1980). " 'Civil as distinguished from criminal contempt is a sanction to enforce compliance with an order of the court or to compensate for losses or damages sustained by reason of noncompliance.'" *Pugh v. Pugh*, 15 Ohio St.3d 136,140 (1984), quoting *McComb v. Jacksonville Paper Co.*, 336 U.S. 187, 191 (1949). Criminal contempt sanctions are not coercive in nature but act as "punishment for the completed act of disobedience, and to vindicate the authority of the law and the court." *Brown* at 254.

{¶34} Although, "[i]n cases of criminal, indirect contempt, it must be shown that the alleged contemnor intended to defy the court," in cases of "civil contempt" it is "irrelevant that the transgressing party does not intend to violate the court order. If the dictates of the judicial decree are not followed, a contempt citation will result." *Midland Steel Prods. Co. v. UA.W. Local 486*, 61 Ohio St.3d 121 (1991), paragraph two of the syllabus; *Pedone v. Pedone*, 11 Ohio App.3d 164, 165 (8th Dist.1983). See also *Windham Bank* at paragraph three of the syllabus. For civil contempt, the burden of proof is clear and convincing evidence; for criminal contempt, the burden of proof is proof beyond a reasonable doubt. *Lopez v. Lopez*, 10th Dist. No. 04AP-508, 2005-Ohio-1155, ¶56; *Brown* at syllabus. It is well-settled that to find a litigant in contempt, the court must find the existence of a valid court order, that the offending party had knowledge of such order, and that such order was, in fact, violated. *McCall v. Kranz*, 10th

Dist. No. 15AP-436, 2016- Ohio-214, ¶9, citing Arthur Young & Co. v. Kelly, 68 Ohio App.3d 287, 295 (10th Dist.1990). Once the complainant has satisfied his or her initial burden of demonstrating the other party violated a court order, the burden shifts to the other party to either rebut the showing of contempt or demonstrate an affirmative defense by a preponderance of the evidence. Ryan v. Ryan, 10th Dist. No. 14AP-28, 2014-Ohio-3049, ¶12.

{¶35} The August 10, 2016 motion to show cause and the trial court's granting thereof finding contempt and imposition of sanctions and attorney fees at issue in this appeal concern indirect, civil contempt.

{¶36} The November 7, 2016 decision and entry, February 13, 2017 magistrate's decision, May 17, 2017 decision and entry, and December 21, 2018 magistrate's decision were interlocutory decisions addressing the court's determinations to: (1) grant the motion to show cause; (2) hold appellant in contempt of court; and (3) impose sanctions and attorney fees to enforce compliance and compensate for loss as a result of contempt. Integral to these decisions is the court's initial finding on November 7, 2016 that appellant violated the Agreed Entry by filing a claim with the civil rights commission, a report with police, and claims with two insurance companies, Hartford and Liberty. Appellant's objections to the magistrate's February 13, 2017 decision, appellant's September 18, 2017 Notice, and appellant's objections to the magistrate's December 21, 2018 decision were, in essence, attempts by appellant to rebut appellees' showing of contempt and move the court to reconsider the determinations to initially find appellant had violated the Agreed Entry, grant the motion to show

cause, hold appellant in contempt of court, and impose sanctions for the same. In particular, the September 18, 2017 Notice moved the court to consider the supplemental information. We construe the court's refusal to relitigate the same as not only overruling of objections to and adoption of the magistrates' decisions but, also, denials of appellant's efforts to move the court to reconsider the same.

{¶37} In accordance with Civ.R. 53, the trial court reviews a magistrate's decision de nova. *Black v. Columbus Sports Network, LLC*, 10th Dist. No. 13AP-1025, 2014-Ohio- 3607, ¶14, citing *Mayle v. Ohio Dept. of Rehab. & Corr.*, 10th Dist. No. 09AP-541, 2010- Ohio-2774, ¶15. In reviewing objections to a magistrate's decision, the trial court must make an independent review of the matters objected to in order "to ascertain [whether] the magistrate has properly determined the factual issues and appropriately applied the law." Civ.R. 53(D)(4)(d). An appellate court, by contrast, applies an abuse of discretion standard when reviewing a trial court's adoption of a magistrate's decision. *Id.* at ,r 15. An abuse of discretion connotes more than an error of law or judgment; it implies the trial court's attitude is unreasonable, arbitrary, or unconscionable. *Blakemore v. Blakemore*, 5 Ohio St.3d 217, 219 (1983). Claims of error by the trial court must be based on the trial court's actions, rather than on the magistrate's findings. *Mayle* at ,r 15. Therefore, we may reverse the trial court's adoption of the magistrate's decision only if the trial court acted unreasonably, arbitrarily, or unconscionably. *Id.*

{¶38} The same standard of review applies to a trial court's ruling on a motion for reconsideration. " 'A

trial court has plenary power in ruling on a motion for reconsideration, and we will not reverse such rulings absent an abuse of discretion." Black at ,r 19, quoting *Mindlin v. Zell*, 10th Dist. No. nAP-983, 2012-Ohio-3543, ,r 23. With these standards of review in mind, we will now consider appellant's assignments of error.

IV. Analysis of the Fourth Assignment of Error

{¶39} In her fourth assignment of error, appellant specifically argues the Agreed Entry was not in force once the court ordered the parties to participate in the arbitration process and stayed the case pending completion of the same. In support of this argument, appellant points to the trial court's decision of November 10, 2015 which ordered the parties claims, counterclaims, and defenses be submitted to binding arbitration and ordered "[p]laintiffs' claims against TRG, including TRG's defenses, are hereby STAYED pending the resolution of the arbitration process." (Emphasis sic.) (Nov. 10, 2015 Decision at 6.)

{¶40} The trial court stayed appellees' claims against TRG and TRG's defenses in response to appellees' July 20, 2015 motion requesting the same pursuant to R.C. 2711.02(B).¹³ R.C. 2711.02(B) states that "[i]f any action is brought upon any issue referable to arbitration under an agreement in writing for arbitration, the court in which the action is pending, upon being satisfied that the issue involved in the action is referable to arbitration under an agreement in writing for arbitration, shall on application of one of the parties stay the trial of the action until the arbitration of the issue has been had in accordance with the agreement, provided the applicant for the stay is not in default in proceeding with arbitration." (Emphasis added). Courts of this state have

recognized that the purpose of a preliminary injunction pending arbitration is to preserve the status quo of the parties pending a decision on the merits. See *E. Cleveland Firefighters, IAFF Local 500, AFL-CIO v. E. Cleveland*, 8th Dist. No. 88273, 2007-Ohio-1447, ¶ 5, citing *State ex rel. CNG Financial Corp. v. Nadel*, 111 Ohio St.3d 149, 2006-Ohio-5344; *Dunkelman v. Cincinnati Bengals, Inc.*, 158 Ohio App.3d 604, 2004-Ohio-6425 (1st Dist.); *Proctor & Gamble Co. v. Stoneham*, 140 Ohio App.3d 260 (1st Dist.2000); see also *Nationwide Mutual Ins. Co. v. Universal Fidelity Corp.*, S.D. Ohio No. C2-01-1271 (July 15, 2002) (recognizing that injunctions pending arbitration should ordinarily be limited to preserving the status quo so that the arbitration is not a "hollow proceeding"); *Parsley v. Terminix Internatl. Co. L.P.*, S.D. Ohio No. C-3-97-394 (Sept. 15, 1998) (recognizing preliminary injunction is only warranted when necessary to preserve the meaningfulness of the arbitration process). Similar reasoning applies here where the Agreed Entry was stipulated to and entered "as to" appellees' motion for preliminary injunction. The trial court did not err when it determined the Agreed Entry was still in effect during the pendency of arbitration.

13 The exact wording of this order refers to a stay of claims and defenses involving TRG, a non-party to this case. However, the parties and the court all seem to understand it to also refer to a stay of the claims and defenses between the parties while the arbitration was pending. Such understanding is consistent with R.C. 2711.02(B).

{¶41} Accordingly, the fourth assignment of error is overruled.

V. Analysis of the First, Third, and Part (C) of the Seventh Assignments of Error

A. First Assignment of Error

{¶42} In her first, third, and part (C) of her seventh assignments of error, appellant argues the trial court erred in enforcing the Agreed Entry, finding appellant violated the Agreed Entry, failing to hold a hearing on the violations, and failing to reconsider its finding of violations. In support of her first assignment of error, appellant argues the trial court erred in its interpretation of the Agreed Entry, first, by misconstruing the "spirit" of the Agreed Entry; and second, by interpreting the Agreed Entry to prohibit her from representing herself as an owner or member of RRL; and third, by interpreting the Agreed Entry to prohibit her from reporting or forcing her to conceal a crime.¹⁴

¹⁴ In light of the court's determination sustaining in part the first, third, and part (C) of the seventh assignments of error, it is not necessary for this court to consider whether the Agreed Entry prohibits appellant from reporting or forcing her to conceal a crime.

{¶43} First, appellant argues that the "spirit" of the Agreed Entry is that she refrain from representing that she has authority to transact business on behalf of RRL or IHT. We agree that Section IV of the Agreed Entry, regarding non-solicitation and trade secrets, expresses the same. However, there are four additional sections of the Agreed Entry. Section I, regarding non-affiliation, is what is at issue here.

Therefore, we find the trial court did not misconstrue the spirit of the Agreed Entry as appellant argues.

{¶44} Second, Section I, paragraph a, stipulates that appellant and TRG would refrain from: "representing to any person, business, or entity that Defendants are employees, agents, authorized representatives, producers, officers, managers or doing business as, or in any way working with or for, plaintiffs IHT or RRL." (Emphasis added.) It is true, as appellant points out, that the Agreed Entry does not specifically use the words "member" or "owner," and that whether appellant remains a member or owner of RRL is at the heart of this dispute. Nevertheless, whether, in identifying herself as a member or owner, appellant was representing herself as an authorized representative or in any way working with or for IHT or RRL, depends on the context of her representation and all the surrounding facts. Accordingly, it is important to carefully examine the same for each alleged violation. We do this as we consider the third assignment of error and part (C) of the seventh assignment of error.

B. Third and Part (C) of the Seventh Assignments of Error

{¶45} In her third assignment of error and part (C) of her seventh assignment of error, appellant argues the court erred in not holding a hearing on the finding of violations, in not providing appellant an opportunity to rebut the finding of violations or, in the alternative, in essence, in not reconsidering the initial finding of violations of the Agreed Entry. Appellant argues the court made its initial finding of violations based on documents drafted by other persons-the civil rights commission's redetermination letter and the police

intake form-and she was updating the insurance claim she filed prior to the Agreed Entry. Appellant further argues the court did not take into consideration the supplemental evidence she submitted with the September 18, 2017 Notice and exhibits thereto.

{¶46} We agree the trial court did not give appellant an opportunity to rebut its initial finding of violations of the Agreed Entry with regard to the civil rights commission's claim and the police report and abused its discretion in not reconsidering its interlocutory finding of November 7, 2016 and May 17, 2017, and in entering the final decision of March 15, 2019 with regard to the insurance claims. This is evidenced in the court's implicit rejection, without any reference thereto of the September 18, 2017 Notice and exhibits thereto and appellant's objections to the magistrates' decisions. It is also evidenced by the court's express words in its decisions.

{¶47} In the court's November 7, 2016 decision, the court initially found appellant violated the Agreed Entry and referred the matter to the magistrate to set a hearing for the narrow purpose of having appellant "show cause for why she should not be held in contempt for her [violations]." (Nov. 7, 2016 Decision at 5.) At the February 8, 2017 hearing, the magistrate began by noting that the hearing was limited to two issues, the "second [issue] is - - we have to do whether Merrilee Stewart's conduct in - - violates the agreement or the spirit of the agreement that was entered into on or about May 26th, 2015, agreed entry as to the plaintiff RRL Holding Company of Ohio, LLC and IHT Insurance Agency Group, LLC motion for a preliminary injunction that was agreed to." (Tr. at 2.)

Appellees' counsel then attempted to narrow the scope of the hearing to a determination of whether appellant should be held in contempt for her violations and the magistrate agreed. However, the magistrate did permit appellant's counsel to make an opening statement which addressed each of the four violations the court had previously determined.

Furthermore, notwithstanding the magistrate informing appellant of the limited scope of the hearing, appellant testified, on direct, cross-, and redirect-examination, in detail that she did not violate the Agreed Entry when she filed the claim with the civil rights commission, the report with police, and the claims with the insurance companies. In the February 13, 2017 decision as discussed above, the magistrate did discuss appellant's testimony and found it to be not credible.

{¶48} In the May 17, 2017 decision adopting the magistrate's decision, the court likewise addressed appellant's testimony, but observed that at the magistrate's hearing, appellant "sought to relitigate * * the Court's ruling that she had violated [the Agreed Entry]." (May 17, 2017 Decision at 3.) Furthermore, despite its narrow instruction on the scope of the magistrate's hearing in the November 7, 2016 decision, the court noted that the November 7, 2016 decision "referred the issue of contempt to [the magistrate] for a hearing at which [appellant] was provided an opportunity to rebut [appellees'] initial showing" that appellant had violated the Agreed Entry. (May 17, 2017 Decision at 4.)

{¶49} Nevertheless, four months later, immediately prior to the next hearing, appellant filed her September 18, 2017 Notice. For the reasons we

discuss in detail below, we find the September 18, 2017 Notice and the exhibits thereto warranted careful consideration by the trial court. However, the court never addressed or even mentioned the September 18, 2017 Notice and exhibits thereto.

{¶50} In the December 21, 2018 decision, the magistrate noted that, pursuant to the court's July 5, 2017 order of reference, the magistrate heard evidence and arguments in order to determine "appropriate sanction(s) for [appellant's] four separate violations of the Agreed Entry, including but not limited to attorney fees." (Dec. 21, 2018 Mag. Decision at 5.) The magistrate observed that appellant presented no credible evidence or argument to challenge an award of sanctions; rather, appellant "sought (yet again) to relitigate the Court's ruling that [she] violated the Agreed Entry."¹⁵ (Dec. 21, 2018 Mag. Decision at 6.) The magistrate concluded "th[e] Court has previously determined that [appellant] acted in indirect contempt of this Court by her four separate violations of the Agreed Entry." (Dec. 21, 2018 Mag. Decision at 8.)

¹⁵ The record does not contain a transcript of the September 18, 2017 hearing.

{¶51} In her January 4, 2019 objections to the December 21, 2018 magistrate's decision, appellant specifically objected that the magistrate failed to review the evidence presented in the September 18, 2017 Notice and exhibits thereto. Appellant argued "[p]erhaps the most egregious error in the magistrate's decision of December 21, 2018 is the failure to review the supplemental documentation

provided to the court on September 18, 2017." (Appellant's Obj. at 18.)

{¶52} The magistrate's December 21, 2018 decision did not stray from the court's narrow order of reference to the magistrate, and in its March 15, 2019 decision, the court did not address appellant's specific objection. Nevertheless, construing the September 18, 2017 Notice as a motion for an opportunity to rebut or a motion to reconsider the court's initial finding of violations, the court erred in not even mentioning the September 18, 2017 Notice. Rather, the court noted "[u]nsurprisingly, [appellant's] objection to [the magistrate's] Decision is nothing more than another attempt to relitigate the Court's prior rulings, [and] [r]ather, as stated by [appellees], 'she again argues that she never should have been held in contempt in the first instance.' " (Mar. 15, 2019 Decision at 7.) Despite the court's prior rulings being interlocutory in nature, the court rejected appellant's effort to convince the court to provide her an opportunity to rebut and to reconsider its initial finding that she violated the Agreed Entry.

{¶53} A court may reconsider and reverse an interlocutory decision at any time before the entry of final judgment, either sua sponte or upon motion. *Alternatives Unlimited-Special, Inc. v. Ohio Dept. of Edn.*, 10th Dist. No. 12AP-647, 2013-Ohio-3890, ¶27. "[R]econsideration of interlocutory decisions is a matter within the judge's sound discretion." *Id.* at ¶68. As noted above, an appellate court will not disturb a trial court's denial of reconsideration absent an abuse of discretion.

{¶54} A detailed discussion of the court's initial finding of violations, the August 10, 2016 motion and

exhibits, evidence from the February 8, 2017 hearing, the September 18, 2017 Notice and exhibits thereto, and appellant's objections to the magistrates' decisions is now warranted to explain our conclusion that the trial court erred in not giving appellant an opportunity to rebut its initial finding of violations regarding the civil rights commission's claims, the police report, and in not reconsidering its initial finding of violations regarding the insurance claims.

1. Civil rights commission claim

{¶55} The court's initial finding that appellant violated the Agreed Entry by filing a claim with the civil rights commission was based on exhibit A to the August 10, 2016 motion to show cause.

{¶56} The August 10, 2016 exhibit A is a copy of the civil rights commission letter of determination upon reconsideration. In denying appellant's request to reconsider its prior finding of no probable cause and declination to sue appellees for unlawful discrimination, the civil rights commission made, inter alia, the following finding of fact: "Although her charge alleges that she was constructively discharged, she now denies this in her request for reconsideration, claiming that 'I am now and remain a member/owner' of [appellees]." (Nov. 7, 2016 Decision at 4, quoting Civil Rights Commission Letter at 2.) At the hearing before the magistrate on February 8, 2017, appellant attempted to convince the magistrate to reconsider the court's initial finding. Appellant testified she included herself in submitting a list of all the members of RRL but was representing herself as the claimant/victim; her understanding of the Agreed Entry was that it prohibited her from holding herself out as

representing IHT or RRL; and she never intended to violate the Agreed Entry with her filing of the civil rights commission claim. As noted previously, the magistrate was not persuaded and found her explanations to be unavailing as appellant did nothing to object to the civil rights commission's statement and did not convince the magistrate that the civil rights commission was mistaken when it stated she held herself out as a member or owner. The trial court agreed appellant's explanations were wholly implausible and unavailing. The court further found appellant's testimony was belied by the document presented at the hearing and rejected appellant's arguments that the civil rights commission's letter was impermissible hearsay as appellant did not raise the same objection at the time the letter was admitted, the letter was a public record, and appellant's statement was the admission of party-opponent. The trial court adopted the magistrate's decision as to the civil rights commission's claim.

{¶57} Appellant again attempted to convince the trial court to reconsider its initial finding with the September 18, 2017 Notice and exhibits thereto. In the notice, appellant argued the confusion before the civil rights commission stemmed from appellant's complaint related to charges affecting her personally and other charges stemming from her firsthand knowledge from her management and board roles at IHT from the years 2007 to 2014, as well as from references to IHT and RRL as IHT/RRL rather than as two separate entities. Appellant also made several arguments regarding the interpretation of the IHT Operating Agreement and the Buy/Sell Agreements. Further, she claimed it is clear from her claim before the civil rights commission that she is a victim and a

whistleblower and that appellees' alleged discriminatory treatment of her was retaliation.

{¶58} The notice referred to numerous exhibits. Most of the exhibits were filed several days later, on September 22, 2017, with a statement that the "attached exhibits [were] referenced to the Judge in the evidentiary hearing on Monday, September 18, 2017 and in [the September 18, 2017 Notice]." The exhibits are voluminous, approximately 300 pages, and are not presented in an organized manner thereby making it difficult for the trial court and this court to review.

{¶59} Notwithstanding, specific to the civil rights commission's claim the exhibits contain copies of several documents purportedly submitted to the civil rights commission, including a copy of the original claim. In these documents, appellant makes several statements to the civil rights commission which provide context to the representations appellant made to the civil rights commission and warranted a hearing to provide appellant an opportunity to rebut the court's initial finding of violations. Following is a brief summary of some of appellant's statements to the civil rights commission as shown in the exhibits:

- In a document titled "event date clarification," appellant explained to the civil rights commission that she had also filed a report with HUD about appellees alleged violations of fair housing laws. She indicated therein that her knowledge of this was "by virtue of holding a management position at IHT in the years 2007-2014." (Sept. 22, 2017 Event Date Clarification, at 1.); and

• In a document titled "original Ohio Civil Rights complaint" and a "narrative" thereto, appellant stated: (a) that the events about which she was complaining took place from "2007 through 2015, the most recent act in May 2015" (Narrative at 3.); (b) that she was one of four members holding 16.7 percent membership in RRL/IHT; (c) that she can only provide financial info up to August 2014 because after that point "she has been denied access to all data" (Narrative at 6.) and that she has "never been an employee, and has always been a member" (Narrative at 7.); (d) that the male members tried to remove her as a member on December 30, 2014; and (e) that the male members had cut off her health and vision insurance, stopped her distributions, discriminated against her and retaliated against her.

{¶60} If, in fact, these statements provided the specific context of her statement to the civil rights commission that she is "now and remains a member/owner" of appellees, we could not uphold a finding that by clear and convincing evidence appellant violated the Agreed Entry. We recognize, however, that these documents are copies and summaries. Accordingly, we remand the decision, as to the civil rights commission's claim, to the trial court to hold a hearing on the September 18, 2017 Notice and exhibits thereto and provide appellant an opportunity to rebut the court's initial finding of violations to determine whether reconsideration is warranted.

2. Police report

{¶61} The court's initial finding that appellant violated the Agreed Entry by filing a report with police was based on exhibit B to the August 10, 2016 motion to show cause.

{¶62} The August 10, 2016 exhibit Bis a copy of the preliminary investigation report of the Columbus Division of Police regarding the claim made by appellant that IHT was the victim of embezzlement. The report indicates: the reporting officer and the officer who entered the report into the system were the same; it was entered the same day it was reported, July 7, 2016; the "call source" was a "walk-in"; the victim is listed as IHT Insurance; no other victims are listed; appellant is listed as a "witness" and her work address is listed as 6457 Reflections Drive, Dublin, Ohio 43017; and her "employer" is listed as IHT Insurance and the "employer address" is listed as 6457 Reflections Drive, Dublin, Ohio 43017. At the hearing before the magistrate on February 8, 2017, appellant attempted to convince the magistrate to reconsider the court's initial finding. Appellant testified she went to the police station and gave some information to an officer who scribbled down notes on a scratch pad, she gave the officer her driver's license to show him her name and address, and she filed the report "[a]s an individual and a victim." (Tr. at 31.) She further testified she never saw the report until the motion for contempt was filed. As noted above, the magistrate was not persuaded by appellant's testimony and found her explanation that the officer filed the report using erroneous information and her statement that she did not have a prior opportunity to see or correct the report to be not worthy of belief. The magistrate reasoned that a person who claims she is a victim to the tune of \$5-10 million dollars would follow up to see how the claim was progressing. The trial court agreed and found appellant's explanation regarding the police report was, at best,

wanting. The trial court adopted the magistrate's decision as to the police report.

{¶63} Appellant again attempted to convince the trial court to reconsider its initial finding with the September 18, 2017 Notice and exhibits thereto. In the September 18, 2017 Notice, appellant argued the finding that she had held herself out as representing IHT in filing the police report was based on an intake form, not the claim report that she had submitted "as a victim and an informant." (Sept. 18, 2017 Notice at 13.) She claimed she had submitted to police a series of actual court documents "to show what each parties claim" [sic], and details of her claims as a victim. She included in the notice a narrative which stated:

- "I see my authority to report this criminal activity from my position as an 'Insider - Whistle Blower' and also as a victim of the systematic embezzlement," and
- "I was active in the management of IHT Insurance Agency Group * * * during the years of 2007 to 2014." (Sept. 18, 2017 Notice at 13.)

{¶64} Appellant also attached three "demand letters," which she stated reveal the specifics of what she told police. In the demand letters, appellant is identified as having "succeeded to the rights of Norman L. Fountain, Norman L. Fountain Ins. & Assoc., LLC, and Speedy Auto Insurance Agency, LLC, including the trade names of Your Insurance Agency and Client Choice Insurance (collectively, the 'Fountain Entities')." (Sept. 23, 2016 "Demand Letter.") The letter states it includes demand for commissions owed to her by IHT as well as amounts due and owing to Fountain Entities. Also included are several copies of letters from Norman L. Fountain to whom it may

concern, indicating appellant is an "additional Agency Owner and Principle in my agency." (Dec. 5, 2015 Letter.)

{¶65} If, in fact, these statements and exhibits provided the specific context of her filing the report with police, we could not uphold by clear and convincing evidence appellant violated the Agreed Entry. We recognize, however, that these statements and exhibits are copies and summaries. Accordingly, we remand the decision, as to the police report, to the trial court to hold a hearing on the September 18, 2017 Notice and exhibits thereto and provide appellant an opportunity to rebut the court's initial finding of violations to determine if reconsideration is warranted.

3. Insurance claims

{¶66} The court's initial finding that appellant violated the Agreed Entry by filing claims with Hartford and Liberty was based on exhibit C and appendices thereto attached to the August 10, 2016 motion to show cause.

{¶67} Exhibit C and appendices one through five are copies of e-mails sent by appellant to Hartford in an effort to report alleged embezzlement at IHT and a claims summary filed with Liberty regarding the same. At the hearing before the magistrate on February 8, 2017, appellant attempted to convince the magistrate to reconsider the court's initial finding. Appellant testified she was one of the victims on whose behalf she filed the insurance claims and that other victims included IHT, agents, and customers. She conceded that although the Liberty claims summary did not contain her name, she did in

fact file the claim. She also explained that the e-mails to Hartford were follow-up communications to a claim she had initiated before signing the Agreed Entry and that she filed the claims and updates on the advice of counsel. As noted previously, the magistrate was not persuaded and reasoned that such advice did not relieve her of her responsibility to abide by the Agreed Entry and that it could not excuse such conduct. The trial court noted appellant's explanation that she had filed the insurance claims in her personal capacity but found that, as an insurance professional, appellant would have understood that the policies were for losses suffered by IHT. The court found to be not credible appellant's position that she did not realize she was holding herself out as a representative of IHT when filing the claims. The trial court adopted the magistrate's decision as to the insurance claims.

{¶68} Upon careful review of exhibit C and attached appendices, it appears that when filing the insurance claim with Hartford, appellant clarified the uncertainty of her status as a member/owner. In her July 19, 2016 e-mail, while she did represent herself as a member/owner, she also listed the names of the other owners and their percentages. She also explained that at a meeting in September 2014, the partnership relationship was severed and that in October 2014, she was informed by Bill Griffioen there was no longer any future for her at the company. She stated that three members had made an attempt to oust her from the company. In her July 20, 2016 e-mail, she listed herself as an "Estranged member and owner IHT/RRL." (Exhibit C, Appendix 2, to the Aug. 10, 2016 Mot. to Show Cause.) In her July 28, 2016 e-mail, appellant again listed herself as an "Estranged member/owner." Furthermore, consistent with her

testimony at the February 8, 2017 hearing as the person/entity who suffered loss due to the alleged embezzlement, appellant listed IHT/RRL, agents, employees, managers, independent producers, owners, taxing authorities, and customers. The Liberty claims summary does not list appellant's name and also does not indicate who is the claimant or the position of the claimant. Finally, we note appellees presented no evidence regarding who had authority pursuant to the contracts with Hartford and Liberty to file claims and who or what entity was the insured. On this initial evidence alone, we cannot uphold a finding that by clear and convincing evidence appellant violated the Agreed Entry. The September 18, 2017 Notice and exhibits thereto pertaining to the insurance claims, although not necessary to our conclusion, reinforce our conclusion that the trial court erred in not reconsidering its initial finding that appellant violated the Agreed Entry by filing the insurance claims.

{¶69} Appellant again attempted to convince the trial court to reconsider its initial finding with the September 18, 2017 Notice and exhibits thereto. In the Notice, appellant again stated she filed the insurance claims prior to the filing of the Agreed Entry and that she subsequently updated the insurance companies upon the advice of counsel. Exhibits filed on September 22 contain copies of additional e-mails between appellant and Hartford in which appellant appears to be inquiring whether she is an insured member of the limited liability company. The Hartford representative, Julie Dengler, responds in an April 29, 2015 e-mail that "[m]embers of a limited liability company are insureds only with respect to the conduct of your business." In a

February 20, 2017 e-mail from appellant to Hartford, appellant states that she believes she is insured under the Hartford - IHT policy as her membership interest in RRL is unredeemed. She goes on to say "[m]y active involvement in the management of IHT Insurance Agency Group was 2007 to 2014."

{¶70} Even without these e-mails providing context to the filing of the claims with the insurance companies, we cannot uphold a finding that by clear and convincing evidence, based solely on exhibit C and appendices to the August 10, 2016 motion, appellant violated the Agreed Entry. Therefore, we sustain the first, third, and part (C) of the seventh assignments of error to the extent they assign error in not reconsidering its finding of violations regarding the filing of the insurance claims.

{¶71} Accordingly, we sustain appellant's first, third, and part (C) of the seventh assignments of error to the extent they allege the trial court erred in not holding a hearing and in not providing an opportunity to rebut its initial finding that appellant violated the Agreed Entry when she filed a claim with the civil rights commission and a report with police. On remand, the court shall hold a hearing on the September 18, 2017 Notice and exhibits thereto to provide appellant an opportunity to rebut the initial finding of violations regarding the civil rights commission claim and police report to determine if reconsideration is warranted. Furthermore, we sustain the same assignments of error to the extent they allege the trial court erred in not reconsidering its initial finding that appellant violated the Agreed Entry when she filed the insurance claims. On remand, the trial court shall vacate that finding and any award of sanctions or

attorney fees pertaining thereto. Finally, to the extent appellant's first, third, and seventh assignments of error allege additional errors or abuse, they are rendered moot.

VI. Analysis of the Second, Fifth, and Sixth Assignments of Error

{¶72} In her second, fifth, and sixth assignments of error, appellant argues the trial court erred by imposing sanctions on appellant and awarding appellees attorney fees. Pursuant to our resolution of the fourth, first, third, and part (C) of the seventh assignments of error, we find the second, fifth, and sixth assignments of error are rendered moot.

VII. Analysis of the Seventh Assignment of Error Parts (A) and (B)

{¶73} In parts (A) and (B) of her seventh assignment of error, appellant alleges the trial court erred in not granting her September 18, 2017 motion for sanctions. The trial court denied this motion on December 12, 2017. Appellant argues the court erred in not imposing sanctions: (1) on Fritz Griffioen for tendering a false affidavit and interfering with a police investigation, a court proceeding, and insurance investigation, and (2) on appellees' Attorney James R. Carnes for attorney misconduct, perjury, fraud, witness tampering, abuse of process, and other claims. Appellant further alleges the trial court erred in not holding a hearing on the same. We decline to address appellant's seventh assignment of error, parts (A) and (B), as the court's ruling denying sanctions was not addressed in any of the court's decisions addressed in the notice of appeal.

Accordingly, parts (A) and (B) of appellant's seventh assignment of error are dismissed.

VIII. Conclusion

{¶74} Appellant's fourth assignment of error is overruled. To the extent appellant alleges the trial court erred in not granting a hearing and not providing an opportunity to rebut its initial finding that appellant violated the Agreed Entry by filing a claim with the civil rights commission and a report with police; and to the extent appellant alleges the trial court erred in not reconsidering its initial finding that appellant violated the Agreed Entry by filing claims with the insurance companies, appellant's first, third, and part (C) of her seventh assignments of error are sustained and the March 15, 2019 decision and entry of the Franklin County Court of Common Pleas is reversed in part. The remainder of the first, third, and seventh assignments of error, as well as the second, fifth, and sixth assignments of error are rendered moot. Finally, parts (A) and (B) of the seventh assignment of error are dismissed as the court's December 12, 2017 entry was not raised in the notice of appeal. This case is remanded to the trial court in accordance with law and the instructions within this decision.

Judgment reversed in part; cause remanded with instructions.

NELSON, J., concurs.

SADLER, P.J., concurs in part and dissents in part.

APPENDIX P

[File Date: November 10, 2015

**Franklin County Ohio Common Pleas Court,
15CV1842 *RRL Holding Company of OH LLC,*
*et al v. Merrilee Stewart, et al.***

Decision: Stay Order, pending arbitration.

**This solely involved the narrow issue of
ownership shares pursuant to RRL's Buy/Sell
Agreement, not Respondent TRG United
Insurance and not Petitioner's employment
law claims with Respondent IHT Insurance.**

**Arbitration concluded on December 8, 2017
and the C.P.C. Judge refused to lift the stay for
all parties to finalizes claims and/or defenses.]**

**IN THE COURT OF COMMON PLEAS,
FRANKLIN COUNTY, OHIO CIVIL DIVISION**

**RRL Holding Company
of Ohio, LLC, et al.,
Plaintiffs,**

**Case No.
15-CV-001842**

**v
Merrilee Stewart, et al.,
Defendants.**

JUDGE K. BROWN

**DECISION AND ENTRY DENYING PLAINTIFFS'
MOTION TO SHOW CAUSE AND GRANTING IN
PART PLAINTIFFS' MOTION TO
STAY PROCEEDINGS PENDING ARBITRATION**

Rendered this 10th day of November, 2015

**This matter is before the Court upon the Motion to
Compel Arbitration and Stay Litigation, filed by
Plaintiffs RRL Holding Company of Ohio, LLC and
IHT Insurance Agency Group, LLC (hereinafter**

collectively "Plaintiffs") on July 20, 2015. On August 13, 2015, Defendants Merrilee Stewart and TRG United Insurance, LLC (hereinafter collectively "Defendants") filed a Memorandum Contra. Plaintiffs filed their Reply on August 28, 2015.

This matter is also before the Court upon Plaintiffs' Motion to Show Cause, filed September 18, 2015. On October 2, 2015, Defendant Merrilee Stewart (hereinafter "Stewart") filed a Memorandum Contra. Plaintiffs filed a Reply on October 12, 2015.

The motions are fully briefed and ripe for consideration by the Court.

BACKGROUND

Plaintiff RRL Holding Company of Ohio, LLC (hereinafter "RRL") is the sole member and owner of Plaintiff IHT Insurance Agency Group, LLC (hereinafter "IHT"). IHT's primary business operation is the sale and service of insurance-related products to consumers and businesses through its network of independent producers. RRL and IHT are each governed by operating agreements. (Am. Comp. Exs. A, C). RRL is also regulated by a buy/sell agreement executed in 2012. (Am. Comp. Ex. G).

Until at least December 2014, Stewart was a member of RRL and the president of IHT. Accordingly to Plaintiffs, in early 2014, Stewart began missing work and neglecting her duties as president. In October 2014, RRL's members confronted Stewart after discovering that she had created a competing entity, TRG United Insurance, LLC (hereinafter "TRG"). Plaintiffs told Stewart that her creation of TRG violated the terms of a non-compete provision contained in the buy/sell agreement. Stewart and RRL engaged in a series of unsuccessful negotiations relating to the redemption of her membership interest

in RRL. Ultimately, on December 30, 2014, Plaintiffs notified Stewart's legal counsel that she had been involuntarily removed from RRL and that her relationship with IHT had been terminated.

On March 2, 2015, Plaintiffs initiated the instant action, alleging that Stewart has improperly retained client data and a cell phone paid for by Plaintiffs. Plaintiffs further allege that, without authority to do so, Stewart caused \$19,009.44 to be removed from IHT's operating account. Plaintiffs assert that Stewart and TRG have breached their fiduciary duty to Plaintiffs and have improperly converted Plaintiffs' property. Plaintiffs request monetary damages, replevin, and injunctive relief.

Stewart and TRG filed a combined Answer and Stewart asserted eight counterclaims. Stewart submits that she remains an active member of RRL, as her interest has not been properly redeemed under either RRL's operating agreement or buy/sell agreement. Stewart alleges that Plaintiffs have breached various agreements since her alleged termination, by failing to make guaranteed payments and disbursements, failing to provide her with health and life insurance, and failing to pay her commission payments. Stewart further asserts that Plaintiffs have made various defamatory statements relating to her association with RRL and IHT.

On May 28, 2015, the parties met with Visiting Judge John Bender to discuss a resolution to Plaintiffs' request for a preliminary injunction. The parties executed an Agreed Order, consenting that during the pendency of this action: 1) Defendants will not hold themselves out as being affiliated with Plaintiffs; 2) Defendants will refrain from destroying any data; 3) Defendants will refrain from accessing

IHT's financial accounts; 4) Defendants will not solicit business from IHT's employees, agents, or producers, or use any of IHT's trade secrets; and 5) Plaintiffs will timely forward all mail and email addressed to Stewart.

Plaintiffs now move the Court to stay this action and compel Defendants to submit their defenses and counterclaims to binding arbitration. Plaintiffs further move the Court for an order to show cause, alleging that Stewart violated the May 28, 2015 Agreed Order by sending an email holding herself out as a current member of IHT.

LAW AND ANALYSIS

Motion to Show Cause

On September 18, 2015, Plaintiffs moved this Court for an Order to Show Cause as to why Stewart should not be held in contempt for violating the terms of the May 28, 2015 Agreed Entry. Plaintiffs allege that Stewart contacted IHT's human resources manager, LizAnn Mayhill, on August 27, 2015, stating that her health insurance had been improperly cancelled, demanding that IHT place her back on IHT's group plan, and requesting that IHT reimburse her for premium payments that she had made out of pocket. Plaintiffs attached Stewart's email to Ms. Mayhill in support of their motion.

Plaintiffs submit that Stewart's email violated Section I of the Agreed Entry, which states, in pertinent part:

I. Defendants Stewart and TRG, agree to refrain from:

a. representing to any person, business, or entity that Defendants are employees, agents, authorized representatives, producers, officers, managers or

doing business as, or in any way working with or for, Plaintiffs IHT or RRL; ...

d. representing to any person, business, or entity that Defendant Stewart has any authority to enter into any business arrangements, agreements, contracts, or transactions that in any way affects IHT or RRL.

Stewart denies violating the Agreed Entry, submitting that she merely sent an email to IHT, requesting the same reimbursement for health insurance premiums that other past members have received from RRL.

The Court finds insufficient evidence to warrant an order to show cause at this time. Even if Stewart's intention was indeed to hold herself out as a current member of IHT to Ms. Mayhill, as Ms. Mayhill is an employee of IHT, the Court cannot find that Stewart violated the spirit or purpose of the parties' agreement. The Court finds Plaintiffs' motion not well taken.

Motion to Compel Arbitration

On July 20, 2015, Plaintiffs moved the Court to stay this action and compel Defendants to submit their joint defenses and Stewart's counterclaims to binding arbitration. Plaintiffs submit that Defendants' defenses and Stewart's counterclaims relate to the buy/sell agreement which contains an agreement to arbitrate disputes. The buy/sell agreement states, in pertinent part:

§ 21. Arbitration. Except for a dispute as to a Member's or former Member's Disability or Permanent Disability which dispute is resolved in accordance with § 5(b) hereof, any and all disagreements, disputes, or controversies arising with respect to this Agreement or its application to circumstances not clearly set forth in this Agreement,

or otherwise with respect to the subject matter of this Agreement and which are not to be determined or determinable under this Agreement by the parties, shall be decided by binding arbitration ...

Defendants offer two arguments in opposition to Plaintiffs' motion. First, Defendants submit that neither IHT nor TRG is a signatory or beneficiary to the buy/sell agreement. Although the buy/sell agreement was executed between the "Members" and the "Company," the "Company" is defined to include "Affiliates of the Company." See Buy/Sell Agreement, p. 3. "Affiliate of the Company" is defined as any entity in which RRL owns more than 50% of the voting interest. Id. p. 2. This definition includes IHT, a wholly owned subsidiary of RRL. Accordingly, while IHT may not be a signatory to the buy/sell agreement, IHT is an affiliate of the company and is bound by its arbitration clause. Defendants are correct, however, in regards to TRG. TRG is neither a signatory nor a beneficiary to the buy/sell agreement, and is therefore not contractually obligated to participate in arbitration.

Next, Defendants submit that the issues Plaintiffs seek to refer to arbitration are outside the scope of the buy/sell agreement. Stewart submits that her claims and her defenses to Plaintiffs' claims are not related to the buy/sell agreement, and therefore, she should not be compelled to submit them to arbitration. The Court disagrees. Stewart's claims and her defenses to Plaintiffs' claims are premised on her position that her membership interest in RRL was not properly redeemed pursuant to the buy/sell agreement or RRL's operating agreement. This position requires an interpretation of the buy/sell agreement, a matter which must be submitted to arbitration.

Although Plaintiffs only requested that Defendants' defenses be submitted to arbitration, Plaintiffs' affirmative claims must be arbitrated as well. Plaintiffs asserted their claims assuming that Stewart was properly separated from RRL pursuant to the buy/ sell agreement. However, as Stewart has now challenged this element of Plaintiffs' claims, Plaintiffs must now demonstrate that they properly terminated her interest pursuant to the buy/sell agreement. As this also necessitates an interpretation of the buy/sell agreement, Plaintiffs' claims must also be arbitrated.

CONCLUSION

Accordingly, Plaintiffs' Motion to Show Cause, filed September 18, 2015, is hereby DENIED. Plaintiffs' Motion to Compel Arbitration and Stay Litigation is hereby GRANTED IN PART.

The Court hereby ORDERS that Plaintiffs RRL and IHT and Defendant Stewart submit their affirmative claims against each other and defenses to such claims to binding arbitration. Plaintiffs' claims against TRG, including TRG's defenses, are hereby STAYED pending the resolution of the arbitration process.

IT IS SO ORDERED.

Franklin County Court of Common Pleas 11-10-2015
RRL HOLDING COMPANY OHIO LLC ET AL -VS-
MERRILEE STEWART ET AL 15CV001842 ORDER
TO STAY

It Is So Ordered.

/s/ Judge Kim Brown