

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
20TH JUDICIAL DISTRICT, DAVIDSON COUNTY

KATHY HOLT WEEDMAN,)
JACK SANDERS HOLT, JANELLE)
HOLT, JUDY BAUMAN and)
DONNA ETHERIDGE,)

Plaintiffs,)

vs.)

No. 16-464-BC)

SANDERS MANUFACTURING)
COMPANY, OWEN SANDERS,)
JAMES J. SANDERS III, ERIC)
O. SANDERS, and LOREN G.)
KIRKPATRICK,)

Defendants.)

ORDER: (1) IDENTIFYING ISSUES TO BE TRIED
12/11/17 AND (2) RULING ON PENDING MOTIONS

1. Issues For 12/11/17 Bench Trial

Pursuant to the authority provided to this Court in Tennessee Civil Procedure Rule 16, it is ORDERED that, at the bench trial of this case beginning December 11, 2017 at 9:00 a.m., the issues to be tried, as narrowed by the summary judgment orders entered February 2, June 13 and October 30, 2017, are as follows: part of paragraph 1 and paragraphs 5, 6, 7, 8, 9, 10, and part of paragraph 12 as stated in the Prayer for Relief of the Derivative Action of the *First Amended Complaint* filed March 29, 2017, and paragraph 4 of the Prayer for Relief of the Dissolution Action (for the dissolution to proceed under court supervision pursuant to Tennessee Code Annotated sections 48-24-301(4) and 303) of the *First Amended Complaint*, filed March 29, 2017.

The part of paragraph 1 to be tried is “[t]hat this Court enter a preliminary injunction and ultimately permanent relief determining the Resolution ineffective as the result of a director’s conflicting interest transaction...” The part of paragraph 12 to be tried is limited to the overlap of Plaintiffs’ claims of improperly advanced attorneys fees and expenses of paragraphs 6, 7, 8 and 9 with the claims of paragraph 12 that such advancement of fees constitutes an improper winding down expense pursuant to Tennessee Code Annotated sections 48-24-101 through 109.

It is also ORDERED that to be tried are Defendants’ defenses to the foregoing issues, including but not limited to the Defendants’ claims to recover attorneys fees and expenses as provided in Tennessee Code Annotated section 48-17-401(d)(2) and 48-18-503.

The liability on the competing claims for recovery of attorneys fees and expenses will be decided at the December 11, 2017 bench trial. The amount of any fees awarded will be decided at the conclusion of the litigation when work product is no longer, an issue and entries on attorneys’ time sheets can be viewed for reasonableness and necessity.

The Court adopts as its reasoning the December 5, 2016 *Defendant Sanders Manufacturing Company’s Response In Opposition To Plaintiffs’ Supplemental Filing Of Oppressive Conduct*, and it is ORDERED that the claims of wrongful conduct listed in the December 1, 2017 filing by Plaintiff of *Oppressive Conduct Evidence* are excluded from the trial.

2. Pending Motions

It is ORDERED that the Plaintiffs' *Motion To Alter/Amend The November 13, 2017 Order Denying Motion To Amend And In The Alternative To Certify Issues For Interlocutory Appeal*, filed November 17, 2017, is denied. The reasoning and authorities stated in the November 17, 2017 ruling are maintained and furnish a good basis for denying an interlocutory appeal.

The October 19, 2017 *Defendant Sanders Manufacturing Company's Motion For Protective Order* is granted. The reason is that the Plaintiffs' *Fourth Set of Interrogatories To Sanders Manufacturing Company* is not calculated to lead to the discovery of admissible evidence based upon the summary judgment rulings which have identified the issues for trial and based upon the November 13, 2017 denial of the Plaintiffs' *Amended Motion To Amend*.

3. Trial Schedule

Due to the schedule of Plaintiffs' Counsel in hearings before the Board of Law Examiners, it is ORDERED that the bench trial of this case shall begin on December 11, 2017 at 9:00 a.m., and on that day and December 12, shall be conducted from 9:00 a.m. to noon. On December 13, 2017, the trial shall begin at 9:00 a.m. and shall be completed by 5:00 p.m.

4. Witness and Exhibit Lists

If the above rulings result in witness and/or exhibits no longer being relevant, revised witness and exhibit lists shall be filed by noon on Thursday, December 7, 2017.

5. Filing of Bylaws

It is ORDERED that the November 29, 2017 Order for the Defendant Corporation to file the Bylaws is vacated. The Plaintiffs lists the Bylaws as an exhibit to be admitted into the record at trial.

6. Plaintiffs' Motion In Limine

It is ORDERED that the Plaintiffs' *Motion In Limine* is granted with respect to its statement of the law. The Plaintiffs are correct that offers of settlement and compromise are inadmissible at trial. The Court will wait, however, to issue a ruling on such evidence to hear the context and whether Defendants oppose the characterization of evidence as inadmissible offers of compromise and settlement.

/s/ Ellen Hobbs Lyle
ELLEN HOBBS LYLE
CHANCELLOR
TENNESSEE BUSINESS COURT
PILOT PROJECT

cc by U.S. Mail, email, or efile as applicable to:

William B. Hawkins III
Eric G. Evans
Ronald H. Pursell
Edward Hadley
James P. Catalano