STATE OF MICHIGAN
SIXTEENTH JUDICIAL CIRCUIT COURT

STANDEX INTERNATIONAL CORPORATION,
a Delaware Corporation,

Plaintiff/Counter-Defendant,

vs. Case No. 2024-000740-CB

CST Studio, LLC,

Defendant/Counter-Plaintiff.
_____/

OPINION AND ORDER

This matter is before the Court on Plaintiff/Counter-Defendant Standex International Corporation's motion to partially vacate the Court's June 6, 2025 Opinion and Order (the "June Order") granting Defendant/Counter-Plaintiff CST Studio's motion for summary disposition.

I. Background

In the interests of judicial economy, the general background of this case from the June Order is incorporated here. Relevant to this motion, on June 6, 2025, the Court issued an opinion and order that granted CST's cross-motion for summary disposition on Standex's claims for breach of contract and tortious interference with a contract. The Court determined that under the unambiguous language of the parties' settlement agreement, the only parties bound by the prehiring process in the agreement were Standex International Corp. and CST Studio, LLC, and as such the prehiring process in the agreement only applied to employees of those two parties. Because the five employees at issue were not Standex employees but were instead alleged employees of Mold-Tech, a subsidiary of Standex, CST (through its alleged "alter-ego," Texqro) did not

breach the settlement agreement when it hired them.

Standex filed its motion to partially vacate the June Order on August 29, 2025, and CST filed its response on October 6, 2025. The Court held oral arguments on December 15, 2025, and took the matter under advisement.

## II. Standard of Review

Standex did not file a motion for reconsideration of the June Order with 21 days as required by MCR 2.119(F)(1). However, MCR 2.604(A) provides, in relevant part, "an order . . . adjudicating fewer than all the claims . . . does not terminate the action as to any of the claims or parties, and the order is subject to revision before entry of final judgment adjudicating all the claims and the rights and liabilities of all the parties." The Michigan Court of Appeals has approved of trial courts revising nonfinal orders outside of the requirements of MCR 2.119(F) explaining,

> As a general matter, courts are permitted to revisit issues they previously decided, even if presented with a motion for reconsideration that offers nothing new to the court. MCR 2.119(F)(3); *Smith v. Sinai Hosp. of Detroit*, 152 Mich. App. 716, 722-723; 394 N.W.2d 82 (1986). In any event, MCR 2.119(F)(1) explicitly refers to MCR 2.604(A) as "another rule" that "provides a different procedure for reconsideration of a decision ...." Under MCR 2.604(A), an order that does not dispose of all issues in a case does not terminate the action or entitle a party to appeal as of right and "is subject to revision before entry of final judgment adjudicating all the claims and the rights and liabilities of all the parties." The court rules therefore give the trial court explicit procedural authority to revisit an order while the proceedings are still pending and, on that reconsideration, to determine that the original order was mistaken, as the trial court did here. [*Hill v City of Warren*, 276 Mich App 299, 307; 740 NW2d 706 (2007).]

See also *Meagher v Wayne State Univ*, 222 Mich App 700, 718; 565 NW2d 401 (1997) (recognizing that "an order entered by a trial court may be modified before entry of the final judgment"). Because the June Order did not dispose of all the claims, the Court the Court will consider Standex's motion as a motion for reconsideration.

A party bringing a motion for reconsideration must establish (1) the trial court made a palpable error and (2) a different disposition would result from correction of the error. MCR 2.119(F)(3); *Luckow v Luckow*, 291 Mich App 417, 426; 805 NW2d 453 (2011). A motion for reconsideration that "merely presents the same issues ruled upon by the court, either expressly or by reasonable implication, will not be granted." MCR 2.119(F)(3). It is within the trial court's sound discretion to determine whether to grant a motion for reconsideration. *Cole v Ladbroke Racing Michigan*, 241 Mich App 1, 6-7; 614 NW2d 169 (2000). A court does not abuse its discretion in denying a motion for reconsideration "resting on a legal theory and facts which could have been pled or argued prior to the trial court's original order." *Chareneau v Wayne Co Gen Hospital*, 158 Mich App 730, 733; 405 NW2d 151 (1987).

III. Law and Analysis

Standex argues the Court erred in finding that under the unambiguous language of the settlement agreement, the only parties bound by the prehiring process were Standex International Corp. and CST Studio, LLC, and as such the prehiring process in the agreement only applied to employees of those two parties. Specifically, Standex argues that extrinsic evidence—namely, emails between CST to Standex during the negotiation of the settlement agreement and the parties' understanding of who Brian Kehoe's employer was—shows a latent ambiguity exists in the settlement agreement regarding who the parties to the agreement are, and as such, the Court erred in refusing to consider extrinsic evidence to determine whether the references to "Standex" in the agreement also included its subsidiaries, including Mold-Tech. This argument lacks merit for two reasons.

First, Standex did not raise it in the original proceedings. In the original proceedings, Standex addressed the interpretation of the settlement agreement in its response to CST's cross-motion for summary disposition. There, Standex never argued the settlement agreement was ambiguous (either patent or latent). On the contrary, it argued that it was unambiguous, specifically that the plain language of the settlement agreement demonstrates that it applies to Standex's subsidiaries and affiliates. Moreover, to the extent Standex relied on extrinsic evidence in its response, it did so to support its argument that the settlement agreement was unambiguous. It did not argue, as it does now, that extrinsic evidence demonstrates an ambiguity in the settlement agreement. Because Standex did not assert a latent ambiguity in the original proceedings, that is not a sufficient basis to warrant reconsideration. *Chareneau*, 158 Mich App at 733.

Second, even if Standex had raised its latent ambiguity argument in the original proceedings, the outcome would not have changed because the Court finds for the following reasons the argument lacks merit. Ambiguity in written contracts can be one of two types: patent or latent. *Shay v Aldrich*, 487 Mich 648, 667; 790 NW2d 629 (2010). A patent ambiguity is one that appears on the face of the contract. *Id.* Resort to extrinsic evidence is improper to detect a patent ambiguity. *Id.* In contrast, "[a] latent ambiguity exists when the language in a contract appears to be clear and intelligible and suggests a single meaning, but other facts create the necessity for interpretation or a choice among two or more possible meanings." *Id.* at 668. (internal quotations omitted). To determine if a latent ambiguity exists, "a court must examine the extrinsic evidence presented and determine if in fact that evidence supports an argument that the contract language at issue, under the circumstances of its formation, is susceptible to more than one

interpretation." *Id.* at 668. "[I]f a latent ambiguity is found to exist, a court must examine the extrinsic evidence again to ascertain the meaning of the contract language at issue." *Id.* However, the latent ambiguity exception does not allow a court to take a free-wheeling view of the extrinsic evidence to ferret out ambiguities in a contract. Our Supreme Court has cautioned,

> An omission or mistake is not an ambiguity. Parol evidence under the guise of a claimed latent ambiguity is not permissible to vary, add to, or contradict the plainly expressed terms of this writing, or to substitute a different contract for it, to show an intention or purpose not therein expressed. The principles of law applicable to the situation here are concisely summed up, with citation of abundant sustaining authority, in the following texts:
>
> 'The rule that where an ambiguity is created by parol it may be removed by parol was never intended to violate the rule that a writing shall not be contradicted or explained by inferior testimony.' [*Michigan Chandelier Co v Morse*, 297 Mich 41, 48; 297 NW 64 (1941) quoting 22 Corpus Juris p. 1194.]

In its response, CST argues that the integration clause in the settlement agreement precludes any consideration of the extrinsic evidence Standex relies on to show a latent ambiguity. Standex did not address this argument.

The integration clause in the settlement agreement states,

> 66. Entire Agreement. This Agreement constitutes the entire agreement of the Parties, and supersedes and forever terminates all prior and contemporaneous oral or written representations, promises, agreements, *understandings and negotiations of the Parties regarding this Agreement*, including any continuing obligations alleged to be owed by CST under the Confidential Settlement Agreement and Release between Standex, Robert Hamood, and Proper Group International, LLC et al. dated March 25, 2021. *No parol evidence of prior or contemporaneous agreements, understandings or negotiations shall govern or be used to construe or modify this Agreement.* [Mot. to Set Aside, Ex. E, ¶6] [emphasis added.]

Under long-standing precedent, an express integration clause nullifies any prior written or oral representations or agreements that are not contained in the written

contract. *UAW-GM Human Res Ctr v KSL Recreation Corp*, 228 Mich App 486, 494; 579 NW2d 411 (1998). Thus, a party cannot rely on statements or representations outside of the written contract (i.e., parol evidence) to vary the terms of contract. *Id.* The only recognized exceptions to the rule barring parol evidence in the face of an express integration clause are in cases of fraud and "the rare situation when the written document is obviously incomplete 'on its face' and, therefore, parol evidence is necessary 'for the filling in of gaps.' " *Id.* at 494-95, quoting 3 Corbin, Contracts, § 578, pp. 402–411. The final sentence in the integration clause here illustrates this recognized rule and demonstrates that the parties unambiguously intended that neither party could rely on "parol evidence of prior or contemporaneous agreements, understandings or negotiations" to construe the settlement agreement.

Though it does not appear that Michigan courts have addressed whether an express integration clause precludes consideration of extrinsic evidence to determine whether a latent ambiguity exists, the logical application of this rule also requires that an integration clause precludes reliance on parol evidence to show a latent ambiguity. Indeed, other states have reached this same conclusion. See e.g., *W Bend Mut Ins Co v Procaccio Painting & Drywall Co*, 794 F3d 666, 673 (CA 7 2015) (under Illinois law, "if the contract is integrated, parol evidence is not admissible for the purpose of showing that a facially unambiguous provision contains a latent ambiguity."); *Walton v Beverly Enterprises-Alabama, Inc*, 4 So 3d 537, 544 (Ala Civ App, 2008) ("permitting the documents created during negotiations pertaining to the release to supplant the language in the release would thoroughly eradicate the integration clause, and the latent ambiguity 'exception' would swallow the general rule that the terms of an unambiguous contract

may not be altered by parol evidence concerning its making."); *Michaels v Citigroup Inc*, No. B272102, at *6 (Cal Ct App, October 18, 2017) (finding extrinsic evidence, proffered to demonstrate latent ambiguity in an integrated settlement agreement, could not be used to contradict express language in the agreement).

While the latent ambiguity exception provides a narrow window through which a court may consider extrinsic evidence of an otherwise unambiguous contract, in this case the parties negotiated an express integration clause that completely closed that window. The parties are sophisticated businesses and were advised by experienced business attorneys in drafting and negotiating the settlement agreement. Allowing Standex to rely on extrinsic evidence to establish a latent ambiguity would undermine the parties' agreement by effectively nullify their unambiguously expressed intent that neither party could rely on parol evidence to construe the agreement. Accordingly, the Court finds the express integration clause bars Standex's reliance on extrinsic evidence to show a latent ambiguity in the settlement agreement about whether its references to "Standex" include its subsidiaries. The Court's failure to consider extrinsic evidence in the June Order was not a palpable error.

## IV. Conclusion

For the reasons set forth above, Standex's motion to partially vacate the June Order is DENIED. This opinion and order neither resolves the last claim nor closes the case. See MCR 2.602(A)(3).

IT IS SO ORDERED.

Date: 02/09/2026

COUNTY OF MACOMB STATE OF MICHIGAN

Kathryn A. Viviano

signed by KATHRYN VIVIANO

Hon. Kathryn A. Viviano, Circuit Court Judge