

**STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND
BUSINESS COURT**

VALUE INVESTORS, LLC,

Plaintiff,

v

**Case No. 21-188165-CB
Hon. Michael Warren**

**JEFFREY YATOOMA and CANNABIS
PROPERTY BROKERS, LLC,**

Defendants.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW FINDING
JEFFREY YATOOMA AND CANNABIS PROPERTY BROKERS, LLC
IN CRIMINAL CONTEMPT OF COURT
& NOT LIABLE FOR CIVIL CONTEMPT**

**At a session of said Court, held in the
County of Oakland, State of Michigan
May 16, 2025**

PRESENT: HON. MICHAEL WARREN

**I
OVERVIEW**

The matter before this Court involves a combined civil and criminal contempt proceeding initiated by Plaintiff/Counter-Defendant Value Investors LLC (“Value Investors”) against the Defendants/Counter-Plaintiffs Jeffrey Yatooma and Cannabis Property Brokers, LLC (“CPB”) (collectively, the “Defendants”).

At stake is whether parties who have engaged in a subterfuge to render impossible relief ordered by a court can be found guilty of criminal contempt of court? Because the answer is “yes,” and Value Investors has shown beyond a reasonable doubt that the Defendants engaged in such subterfuge, the Defendants are held in criminal contempt of court.

Also at stake is whether a party can be held in civil contempt for failing to comply with a court order when the moving party has failed to show that the order was actually violated? Because the answer is “no,” the Defendants cannot be held in civil contempt of court.

How these similarly contradictory outcomes can be true is explained thoroughly in these Findings of Fact and Conclusions of Law.

II **PROCEDURAL POSTURE**

This is just one of many cases involving the Brothers Yatooma, who at various times and groupings, were business partners over the course of many years. The Business Court dockets of several counties are littered with the fallout of the four brothers’ business disagreements. This particular case involves an ill-fated attempt to settle some of those misadventures between Jeffrey Yatooma and his company CPB and Norman Yatooma’s company Value Investors. The parties agree that on January 8, 2021, they executed a Settlement Agreement to resolve

then-pending actions in several forums. Jeffrey Yatooma agreed to pay Value Investors \$6,142,196.46 through the sale of thirteen of CPB's real properties identified in the Settlement Agreement. Under the terms of the Settlement Agreement, Jeffrey Yatooma agreed to pay Value Investors \$142,196.46 on or before May 8, 2021 and agreed to execute certain security documents. After execution of the Settlement Agreement, the parties failed to agree on the drafts of the security documents. As a result of the Defendants' failure to execute security documents required under the Settlement Agreement, Value Investors issued thirty-three notices of default. Value Investors then filed this cause of action.

Value Investors alleged that the Defendants breached the Settlement Agreement in the following ways:

115. Jeffrey has breached the Agreement by refusing to pay the \$142,196.46 to Value Investors on or before May 8, 2021.

116. Jeffrey's obligations to pay the \$142,196.46 to Value Investors is clearly and expressly stated in the Agreement.

117. As a result of Jeffrey's breach, Value Investors has been damaged in the amount of \$142,196.46.

118. Jeffrey's breach permits Value Investors to seek enforcement of the promissory note under Section 6 of the Agreement.

119. As Jeffrey has refused to execute the promissory note, Value Investors is entitled to a judgment for the full amount of the Agreement: \$5,699,696.46 plus interest.

120. Under Section 14(b) of the Agreement, Value Investors is entitled to recover its reasonable costs and expenses; including, but not limited to, reasonable professional fees.

* * *

122. Jeffrey has breached the Agreement by refusing to provide the executed Security Documents and the amended operating agreements for CPB, as required by the Agreement.

123. As a result, Value Investors has been deprived of essential and unique security for the Settlement Amount.

124. Jeffrey's obligations to provide the Security Documents is clearly and expressly stated in the Agreement.

125. As a result of Jeffrey's breach, Value Investors has been damaged.

126. Under Section 14(b) of the Agreement, Value Investors is entitled to recover its reasonable costs and expenses; including, but not limited to, reasonable professional fees.

[Complaint.]

Value Investors also sought a declaratory judgment regarding (a) the security documents, (b) Jeffrey Yatooma's failure to pay \$142,196.46 on or before May 8, 2021, and (c) the TC bonus and licensing bonus:

128. Under the Agreement, Value Investors is entitled to a secured interest in the Collateral Properties.

129. Under the Agreement, Value Investors is entitled to warranty deeds for the Collateral Properties.

130. Under the Agreement, Value Investors is entitled to a pledge of Jeffrey's ownership interest in the Battle Creek Entities.

131. Under the Agreement, Jeffrey is indebted to Value Investors in the amount of \$5,699,696.46.

132. Under Court Rule 2.605, this Court has authority to declare Value Investors' rights under the Agreement.

133. In addition, this Court can order that Jeffrey and CPB hold all of the rights and interests to which Value Investors is entitled in the Agreement in a constructive trust on behalf of Value Investors.

* * *

135. Under the Agreement, Jeffrey was to provide reimbursement of \$142,196.46 to Value Investors, which was paid pursuant to an interim agreement, upon the sale of the first CPB Property, as defined within the Agreement, or four months from the date this Agreement is executed, i.e., May 8, 2021, whichever is earlier.

136. Jeffrey failed to remit payment to Value Investors.

137. Jeffrey's failure to remit payment to Value Investors triggers the Default Provision.

* * *

139. Under the Agreement, Value Investors is entitled to the TC Bonus within seven (7) days of the Traverse City Property's sale or opening for business if the Traverse City Property receives any and all necessary municipal and/or state permits to operate an adult use facility.

140. Under the Agreement, Value Investors is entitled to the Licensing Bonus within seven (7) days of the Licensing Properties' respective sale(s) or business opening(s) in the event the Licensing Properties receive the necessary municipal and/or state permits to operate an adult use facility.

141. Under Michigan Court Rule 2.605, this Court has authority to declare Value Investors' rights under the Agreement.

[Complaint.]

Finally, Value Investors sought a money judgment against the Defendants:

143. Jeffrey agreed to execute a consent judgment in the amount of \$5,699,696.46 in favor of Value Investors.

144. Jeffrey has refused to execute the consent judgment.

145. Jeffrey failed to remit payment to Value Investors.

146. Jeffrey's failure to remit payment to Value Investors triggers the Default Provision.

147. Value Investors is entitled to a judgment entered in the amount of \$5,699,696.46 plus attorneys' fees and costs under the terms of the Agreement.

[Complaint.]

Pursuant to a 36-page Opinion and Order regarding Plaintiff/Counterclaim Defendant and Third-Party Defendant's Motion for Summary Disposition on Plaintiff's Complaint, Jeffrey Yatooma's and Cannabis Property Brokers, LLC's Motion for Summary Disposition of Plaintiff Value Investors, LLC's Complaint pursuant to MCR 2.116(C)(8) and (C)(10), and Norman Yatooma's and Value Investors, LLC's Amended Motion for Summary Disposition of Defendants' Counter-Complaint and Third-Party Complaint Pursuant to MCR 2.116(C)(10), and (sic),¹ the Court issued the following "Order" (the "June 21, 2022 Order"):

Based on the foregoing Opinion, Plaintiff/Counterclaim Defendant and Third-Party Defendant's Motion For Summary Disposition on Plaintiff Complaint is GRANTED, IN PART; Jeffrey Yatooma's and Cannabis Property Brokers, LLC's Motion for Summary Disposition of Plaintiff Value Investors, LLC's Complaint is GRANTED, IN PART and Norman Yatooma's and Value Investors, LLC's Amended Motion for Summary Disposition of Defendants' Counter-

¹ 36 pages and one extra comma and word in the title!

Complaint and Third-Party Complaint Pursuant to MCR 2.116(C)(10) is GRANTED, IN PART, ALL AS FOLLOWS:

(1) Summary Disposition in favor of the Defendants is GRANTED as to Value Investors' claims for Breach of Contract (Count I), Declaratory Judgment (Count IV), and Declaratory Judgment (Count V), and those claims are hereby DISMISSED.

(2) Summary Disposition is GRANTED in favor of Value Investors (1) in connection with Value Investor's claim for Breach of Contract solely in connection with Jeffrey Yatooma's failure to execute the Affirmation contemporaneously with the Settlement Agreement (Count II) and (2) Money Judgment (Count VI). Summary Disposition is denied as to the remainder of Count II. With regard to Declaratory Judgment (Count III), Summary Disposition in favor of Value Investors is GRANTED solely as follows: (a) Value Investors is entitled to a mortgage for each of the remaining Collateral Properties, in the amounts set forth in the Settlement Agreement; (b) Value Investors is entitled to valid and enforceable deeds to each of the remaining Collateral Properties; (c) Value Investors is entitled to valid and enforceable pledges to Jeffrey Yatooma's membership interests in the Battle Creek entities, which as a result of Jeffrey Yatooma's default, should be foreclosed - entitling Value Investors to Jeffrey Yatooma's 50% membership interests in the Battle Creek Entities; however, whether the Defendants have violated the Settlement Agreement by failing to execute these security documents is a matter for trial; and Summary Disposition is DENIED as to attorney fees and costs.

(3) Summary Disposition in favor of Value Investors is GRANTED as to Defendants' Counterclaims and Third-Party claims for Breach of Contract (Count I), Declaratory Judgment (Count III), and Action to Compel Arbitration (Count IV), and such counts are hereby DISMISSED. Summary Disposition is denied in connection with Defendants' Counterclaim for Slander of Title (Count II).

The case proceeded to a jury trial on the remaining issues. Critical to these Findings of Fact and Conclusions of Law in connection with civil contempt, Value Investors failed to try "whether the Defendants have violated the Settlement

Agreement by failing to execute these security documents” (the “Paperwork Issues”). While some evidence of the Paperwork Issues was admitted at trial, it was ignored as a separate claim in the Opening Statements and Closing Arguments and the verdict form did not address the Paperwork Issues.

Pursuant to an ex-parte (sic) motion for contempt of court and order to show cause pursuant to MCR 3.606(A), the Court issued an order to show cause why the Defendants should not be held in criminal and/or civil contempt of court for the Defendants’ continuous violations of the Court’s June 21, 2022 Opinion and Order (the “Initial Order to Show Cause”). The Court found that “Unfortunately, paralleling the language of MCR 3.606(A), the request for the” Initial Order to Show Cause did not “specify if the Plaintiff seeks criminal contempt (i.e., to punish past wrongdoing), civil contempt (i.e., to compel future conduct), or both.” [Initial Order to Show Cause.] As such, the Court provided the Plaintiff the opportunity to “withdraw the request for criminal contempt . . .” and the Plaintiff declined that opportunity in its November 14, 2024 Statement in Response to this Court’s Request for Clarification in its October 24, 2024 Order.

In light of the Defendants’ motion to adjourn show cause hearing and a motion for reconsideration, the Court adjourned the hearing on the Initial Order to Show Cause and issued a second order to show cause on November 25, 2024 (the “Current Order to Show Cause”) that “THE DEFENDANTS ARE HEREBY ORDERED TO SHOW CAUSE WHY THEY SHOULD NOT BE HELD IN CIVIL

AND CRIMINAL CONTEMPT OF COURT FOR THE DEFENDANTS' CONTINUOUS VIOLATIONS OF THE COURT'S JUNE 21, 2022 OPINION AND ORDER (AS ALLEGED IN THE PLAINTIFF/COUNTER-DEFENDANT'S EX PARTE MOTION FOR CONTEMPT AND ORDER TO SHOW CAUSE PURSUANT TO MCR 3.606(A)) ON JANUARY 22, 2025 AT 1:00 PM IN PERSON."

On January 13, 2025, the Court stayed the case pending an application for leave to appeal. On January 29, 2025, the Court of Appeals denied the application "for failure to persuade the Court of the existence of manifest error requiring reversal and warranting peremptory relief without argument of formal submission." *Value Investors v Yatooma*, unpublished order of the Court of Appeals, issued January 29, 2025 (Docket No. 373856). The Court of Appeals also denied an application for leave to appeal "for failure to persuade the Court of the need for immediate appellate review." *Id.*

This Court conducted an exhaustive bench trial regarding whether the Defendants engaged in civil and/or criminal contempt of court for failing to abide by the June 21, 2022 Order.

III FINDINGS OF FACT

At the contempt trial, the Court heard testimony from Norman Yatooma and admitted several exhibits. Based on the Court's assessment of the credibility, veracity, weight, and demeanor of the witness's testimony and the exhibits, and

reasonable inferences arising therefrom, the Court finds that Norman Yatooma was a highly credible witness and affords his testimony heavy weight. As such, the Court makes the following findings of fact beyond a reasonable doubt:

- Under the Settlement Agreement, the Defendants agreed that they would convey to Value Investors mortgages for each of the Collateral Properties, in the amounts set forth in the Settlement Agreement; (b) Value Investors is entitled to valid and enforceable deeds to each of the remaining Collateral Properties; (c) Value Investors is entitled to valid and enforceable pledges to Jeffrey Yatooma's membership interests in the Battle Creek entities, which as a result of Jeffrey Yatooma's default, should be foreclosed - entitling Value Investors to Jeffrey Yatooma's 50% membership interests in the Battle Creek Entities (collectively, the "Obligations").
- The Defendants utterly failed to comply with the Obligations. In other words, the Defendants utterly failed to convey to Value Investors (a) any mortgage for any of the remaining Collateral Properties, in the amounts set forth in the Settlement Agreement; (b) any valid and enforceable deed to any of the remaining Collateral Properties; (c) valid and enforceable pledges to Jeffrey Yatooma's membership interests in the Battle Creek entities (collectively, the "Violations of the Obligations").

- The Defendants purposefully engaged in the Violations of the Obligations. In particular, Jeffrey Yatooma repeatedly, knowingly, and intentionally refused to fulfill the Obligations. He was repeatedly and serially warned to fulfill the Obligations, and instead he conjured excuses and attempted to circumvent the Obligations. When provided commercially reasonable deeds, pledges, and mortgages, he fabricated nonsensical and unreasonable excuses to refuse to execute them. He even refused to sign documents drafted by his own lawyers and which were sent by his own lawyers to Value Investors for consideration.
- Despite the Violations of the Obligations, in five instances proceeds of sales of the Collateral Properties were provided to Value Investors only because lis pendens had been placed on those properties and the purchasers reached out to Value Investors and notified it of the sales. Three additional Collateral Properties were sold without notice or payment of any kind to Value Investors. At least one of those, located at 327 Capital Avenue, was sold after the June 21, 2022 Order was entered. Of the remaining five Collateral Properties, (1) three require a transfer of the membership interest, but no transfer of the membership interest has been effectuated, and (2) are wholly

owned and no deeds have been provided (these five Collateral Properties, the “Unsold Properties”).

- As a result of the Violations of the Obligations, the Defendants received approximately \$1,000,000 of proceeds that would otherwise have been used to pay the debt secured by the Collateral Properties. However, Value Investors has not proven that particular sale occurred after the June 21, 2022 Order.
- Although there was much argument at trial about whether an “adverse inference” should be made against Jeffrey Yatooma because he invoked his constitutional right to remain silent, none of the facts above require or depend on an adverse inference.

IV

CONCLUSIONS OF LAW

A

The Defendants have No Right to a Jury Trial for Criminal Contempt of Court

Despite having months to prepare and raise any objections prior to the trial, at the beginning of the trial Jeffrey Yatooma demanded a jury in connection with his criminal contempt trial. He cited no controlling law, likely because it is all contrary to the request. Although a crime, not all criminal protections attend to the Defendants. This is so because in Michigan, criminal contempt is considered a

petty crime rather than a serious offense as the maximum statutory sentence is 93 days in jail. *People v Goodman*, 17 Mich App 175, 178-179 (1969) (at the time *Goodman* was decided, the maximum punishment was 30 days, the Legislature (admittingly at the prompting of this Judge), increased the penalty to 93 days, but it does not affect the analysis). Accordingly, there is no right to a jury trial in criminal contempt cases in Michigan, *Blanton v City of North Las Vegas*, 489 US 538, 542; 109 S Ct 1289; 103 L Ed 2d 550 (1989) (“[O]ur decision in [*United States v*] *Barnett*, 376 US 681[; 84 S Ct 984; 12 L Ed 2d 23] (1964)) established that a defendant is entitled to a jury trial whenever the offense for which he is charged carries a maximum authorized prison term of greater than six months”); *Goodman*, 17 Mich App at 178-179 (“Criminal contempt remains a ‘petty’ crime in Michigan, and a jury trial is not mandatory”).

B

One Trial was Appropriate

Following the pattern of raising issues at the last minute and with no authority, after the denial of the Defendants’ motion for a directed verdict/involuntary dismissal, the Defendants asked for an adjournment so they could brief the issue of combining the civil and criminal contempt trials. Raising this issue after Value Investors had rested was untimely and, in any event, baseless.

First, other than a passing reference to the Fifth Amendment, the request was made with no reference to authority. “Trial Courts are not the research assistants of the litigants; the parties have a duty to fully present legal arguments for its resolution of their dispute.” *Walters v Nadell*, 481 Mich 377, 388 (2008). The Defendants’ failure to adequately brief their position constitutes abandonment of the position. *Moses, Inc v Southeast Mich Council of Governments*, 270 Mich App 401, 417 (2006) (“If a party fails to adequately brief a position, or support a claim with authority, it is abandoned”); *Houghton v Keller*, 256 Mich App 336, 339-340 (2003) (“failure to properly address the merits of [one’s] assertion of error constitutes abandonment of the issue”; a party “may not merely announce his position and leave it to this Court to discover and rationalize the basis for his claims . . . nor may he give issues cursory treatment with little or no citation of supporting authority” (citations omitted)). After all, “[j]udges are not like pigs, hunting for truffles” that might support a party’s position. *Dibrell v City of Knoxville*, 984 F3d 1156, 1663 (CA 6, 2021) (citation omitted).

Second, as noted on the record by the Court and Value Investors, this trial was set on a dual track since the Initial Order to Show Cause as well as the Current Order to Show Cause. The case proceeded to trial with no request to bifurcate the proceedings. It was not until Value Investors rested that this issue was raised. As such, the argument was untimely raised and forfeited and/or waived. *People v Kowalski*, 489 Mich 488, 504 (“[A] party [] forfeits rather than waives an issue when

that party fails to timely assert a right”). Cf. *Marshall Lasser, PC v George*, 252 Mich App 104, 108-109 (2002) (a party’s full and active participation without objection or protest in a bench trial constituted acquiescence to a bench trial and an unequivocal waiver of a jury demand). This is “in keeping with [the] longstanding rule against harboring error as an appellate parachute.” *Id.* See also *Davis v Chatman*, 292 Mich App 603 (2011) (the defendant’s failure to object to the three-day evidentiary hearing combined with his voluntary participation in the procedure, during which he requested that the court resolve the issues at hand, amounted to a waiver of his demand for a jury trial); *In re Hensley*, unpublished per curiam opinion of the Court of Appeals, issued June 10, 2008 (Docket No. 282063, 282064), p 2 (respondent waived her right to a jury trial by participated in the bench trial without objection. “She could not remain silent and then attempt to overturn the results by raising the issue on appeal”). After all, “a contemporaneous objection provides the trial court ‘an opportunity to correct the error, which could thereby obviate the necessity of further legal proceedings and would be by far the best time to address a defendant’s constitutional and nonconstitutional rights.’” *People v Carines*, 460 Mich 750, 764–765 (1999), quoting *People v Grant*, 445 Mich 535, 551 (1994). “[T]he contemporaneous-objection rule prevents a litigant from ‘sandbagging’ the court—remaining silent about his objection and belatedly raising the error only if the case does not conclude in his favor.” *Puckett v United States*, 556 US 129, 134 (2009) (citations omitted). The Court is keenly aware that the sandbagging here occurred during the trial, but that does not affect the

analysis. After all, the issue was not raised until Value Investors rested and after the Court denied the Defendants' motion to involuntarily dismiss the case.

Third, the governing authority over this issue (unaddressed by the Defendants) does not require severance or bifurcation of the proceedings. MCR 2.505 provides in connection with civil cases:

(A) Consolidation. When actions involving a substantial and controlling common question of law or fact are pending before the court, it may

(1) order a joint hearing or trial of any or all the matters in issue in the actions;

(2) order the actions consolidated; and

(3) enter orders concerning the proceedings to avoid unnecessary costs or delay.

(B) Separate Trials. For convenience or to avoid prejudice, or when separate trials will be conducive to expedition and economy, the court may order a separate trial of one or more claims, cross-claims, counterclaims, third-party claims, or issues.

MCR 6.120 provides in connection with criminal cases:

(A) Charging Joinder. The prosecuting attorney may file an information or indictment that charges a single defendant with any two or more offenses. Each offense must be stated in a separate count. Two or more informations or indictments against a single defendant may be consolidated for a single trial.

(B) Postcharging Permissive Joinder or Severance. On its own initiative, the motion of a party, or the stipulation of all parties, except as provided in subrule (C), the court may join offenses charged in two or more informations or indictments against a single defendant, or sever offenses charged in a single information or indictment against a single defendant, when appropriate to promote

fairness to the parties and a fair determination of the defendant's guilt or innocence of each offense.

(1) Joinder is appropriate if the offenses are related. For purposes of this rule, offenses are related if they are based on

(a) the same conduct or transaction, or

(b) a series of connected acts, or

(c) a series of acts constituting parts of a single scheme or plan.

(2) Other relevant factors include the timeliness of the motion, the drain on the parties' resources, the potential for confusion or prejudice stemming from either the number of charges or the complexity or nature of the evidence, the potential for harassment, the convenience of witnesses, and the parties' readiness for trial.

(3) If the court acts on its own initiative, it must provide the parties an opportunity to be heard.

Both of these court rules favor consolidation. The facts at issue are identical.

No evidence that was applicable to one trial could be excluded under the other case. Jeffrey Yatooma's invocation of the Fifth Amendment applied to both criminal and civil proceedings.² There is no danger as to confusion of the issues or the burdens of proof, as this Court (who happened to write the ICLE's How to Obtain a Contempt of Court Order and Checklist for Contempt of Court) is well aware of the differences between civil and criminal contempt. Indeed, these Findings of Fact and Conclusions of Law prove just that point.

² In the end, the Fifth Amendment is a moot point. The Defendants have been convicted of the criminal contempt (in which in any case, the Fifth Amendment would have been invoked) and the civil contempt claim has been dismissed.

C
Whether the Case is Closed or Open is Irrelevant

Among the many arguments posited by the Defendants is that this case is closed and it is improper to proceed with contempt proceedings based on the same. This argument is untenable.

First, the Defendants once again argue a position with no authority to support it. As such the argument is deemed abandoned. *Walters*, 481 Mich at 388; *Moses, Inc*, 270 Mich App at 417; *Houghton*, 256 Mich App at 339-340; *Dibrell*, 984 F3d at 1663.

Second, the practical reality is that if the Court accepted this proposition, this would give free reign to parties to violate judgments and final orders of the Court once any case was closed. The whole point of finality of judgments and final orders would be subverted. Supplemental proceedings and post-judgment disputes in the Family Division, as just two examples, would be stymied or precluded from litigation. Indeed, any Family Division jurist or attorney quickly understands that about half of their time is consumed by post-judgment matters, often involving allegations of contempt. Perhaps this is why the Defendants could conjure no authority to support their proposition.

Third, this argument contradicts the Defendants' first argument. On the one hand, the Defendants argue that the June 21, 2022 Order is unenforceable because

there is no judgment. Then on the other hand, they argue that because the case is closed via a judgment, it is unenforceable. So when exactly a party can seek contempt sanctions for a violation of a court order is a great mystery.

Fourth, in any event, as the Court of Appeals found (thereby creating the law of the case), there was no final judgment as of April 18, 2024 (the day it released its unpublished opinion affirming this Court's jury instructions and quashing writs of garnishments).

Fifth, the Court has already determined that the Court is entitled to enforce its orders whether in a judgment or not, and June 21, 2022 Order is such an order. The ex parte motion beginning these contempt proceedings was filed on October 18, 2024. At that time, a judgment had not been entered. After additional legal proceedings, a Judgment was entered on March 31, 2025. That Judgment specifically permits the continuation of these contempt proceedings in its penultimate paragraph. As is to be expected, the Defendants have filed a motion for reconsideration of that Judgment. Whether any of their arguments have merit is for another day, but again, it does not affect the cold, hard reality that the June 21, 2022 Order was in effect. To hold otherwise would render every single order any court in Michigan enters a nullity.

D

The Law of Criminal & Civil Contempt

The judiciary's "primary functions . . . are to declare what the law is and to determine the rights of parties conformably thereto.'" *Johnson v Kramer Bros Freight Lines, Inc*, 357 Mich 254, 258 (1959), quoting 16 CJS, Constitutional Law § 144, p 687. Accordingly, from "time immemorial" the judicial power has included the authority to ensure the orderly administration of justice and to enforce orders and judgments of the court in the face of contempt. *Nichols v Judge of Superior Court of Grand Rapids*, 130 Mich 187, 195 (1902). Indeed, the power of the courts to find parties and litigants in contempt of court "is as ancient as the courts, and antedates *Magna Charta*." *Id.* at 196. This is so because Michigan law has long held that contempt power is inherent in the power judicial. See, e.g., *Langdon v Judges of Wayne Circuit Courts*, 76 Mich 358, 367 (1889) ("Courts of record in this state have inherent power to hear and determine all contempts of court which the superior courts of England had at the common law"); *In re Chadwick*, 109 Mich 601 (1896) quoting *Ex Parte Robinson*, 86 US 510; 22 L Ed 205; 19 Wall 505 (1873) ("The power to punish for contempts is inherent in all courts"); *In re Dingley*, 182 Mich 44, 50 (1914) ("The right of the court to punish as for a criminal contempt an offender is no longer an open question in this state. . . . The courts possess the power independent of the statute"); *People v Doe*, 226 Mich 19 (1924) (Fellows, J.) ("The power to punish for contempt is inherent in the court. It is a part of the judicial power. It is as firmly vested in the constitutional courts by the Constitution as is

the exercise of any other judicial power. That the exercise of the judicial power and all of it cannot be taken away from constitutional courts by the Legislature is settled” [opinion of four justices, affirming by evenly split decision the trial court’s exercise of the contempt power]]; *In re White*, 340 Mich 140, 146 (1954), *rev’d on other grounds*, 349 US 133; 75 S Ct 623; 99 L Ed 942 (1955), quoting *Doe*, 226 Mich at 19; *In re Scott*, 342 Mich 618 (1955); *In re Huff*, 352 Mich 415 (1958) (“There is inherent power in the courts, to the full extent that it existed in the courts of England at the common law, independent of, as well as by reason of statute” [citations omitted]); *Cross Co v United Auto, Aircraft and Agr Implement Workers of America, Local 155*, 377 Mich 208 n 2 (1966) (“Michigan courts have inherent power to punish for contempt”); *In re Grand Jury Proceedings, No. 93*, 164, 384 Mich 24, 35 (1970), quoting *In re Huff*, 352 Mich at 415, 416; *In re Contempt of Dougherty*, 429 Mich 81, 92 n 14 (1987) (“Michigan courts have, as an inherent power, the power at common law to punish all contempts of court”); *In re Contempt of Robertson*, 209 Mich 436 (1986) (“Courts have inherent independent authority, as well as statutory authority, to punish a person for contempt”); *In re Contempt of Auto Club Ins Ass’n*, 243 Mich App 708-709 (2000), quoting *In re Huff*, 352 Mich at 415; *In re Contempt of United Stationers Supply Co*, 239 Mich App 496, 499 (2000) (“Michigan courts of record have the inherent common-law right to punish all contempts of court” [citations omitted]); *In re Contempt of Steingold*, 244 Mich App 153, 157 (2000) (“Michigan courts of record have the inherent common-law right to punish all contempts of court”). In so finding, Michigan law is in accord with federal and

other state jurisprudence. See, e.g., *Ex Parte Robinson*, 86 US at 510 (“The power to punish for contempts is inherent in all courts”). Thus, “[t]his contempt power inheres in the judicial power vested in this Court, the Court of Appeals, and the circuit and probate courts by Const 1963, art 6, §1.” *Dougherty*, 429 Mich at 92 n 14. “Such power, being inherent and a part of the judicial power of constitutional courts, cannot be limited or taken away by act of the legislature nor is it dependent on legislative provision for its validity or procedures to effectuate it.” *In re Huff*, 352 Mich at 415-416. See also *Appeal of Murchison*, 340 Mich 151, 155-156 (1954) (finding in response to the petitioner’s claim that a statute prohibited the trial court from trying the contempt case that “[t]he trial judge answered * * * [the claim] by holding that the state statute barring him from trying the contempt cases violated the Michigan Constitution on the ground that it would deprive a judge of inherent power to punish contempt. This interpretation of the Michigan Constitution is binding here”); *Grand Jury Proceedings, No 93, 164*, 384 Mich at 36, quoting *Murchison*, 349 US at 135.

A party who through act, omission, or statement, “impede[s] or disturb[s] the administration of justice,” is considered in contempt of court. *Ex Parte Gilliland*, 284 Mich 604, 611 (1938), *cert den* 306 US 643; 59 S Ct 583; 83 L Ed 1042 (1939), *rehearing den* 306 US 669; 59 S Ct 641; 83 L Ed 1063 (1939). See also *Pontiac v Grimaldi*, 153 Mich App 212, 215 (1986) (“Contempt of court is a willful act, omission, or statement tending to impair the authority or impede the functioning of a court”);

In re Contempt of Robertson, 209 Mich App 433, 436 (1995) (“Contempt of court is a wilful act, omission, or statement that tends to impair the authority or impede the functioning of a court”); *In re Contempt of Auto Club Ins Ass’n*, 243 Mich App 697, 708 (2000), quoting *In re Contempt of Robertson*, 298 Mich at 436. Michigan jurisprudence has long held the contempt power “extends not only to contempt committed in the presence of the court, but also to constructive contempt arising from refusal of defendant to comply with an order of the court.” *In re Huff*, 352 Mich 402, 415 (1958). See also *Carroll v City Commission*, 266 Mich 123, 124-125 (1934) (“There is no question but the court has inherent power to punish for contempt, whether such contempt is committed in the presence of the court, in which case the presiding judge may act summarily, or whether the contempt is constructive, arising from the refusal of the party to comply with an order of the court”).

Indeed, “[a] party must obey an order entered by a court with proper jurisdiction, even if the order is clearly incorrect, or the party must face the risk of being held in contempt and possibly being ordered to comply with the order at a later date.” *Kirby v Michigan High School Athletic Ass’n*, 459 Mich 23, 40 (1999). See also *Schoensee v Bennett*, 228 Mich App 305, 317 (1998). Stated another way, “an order entered by a court with proper jurisdiction must be obeyed even if the order is clearly incorrect.” *Matter of Hague*, 412 Mich 532, 545 (1982). See also *Rose v Aaron*, 345 Mich 613, 615 (1956) (“Although the temporary restraining order was

improperly granted, it should have been obeyed until dissolved and the court had the power to punish disobedience thereof as for contempt. Accordingly, defendant is not entitled to reversal of the order from which he appeals not to costs” [citations omitted]); *State Bar of Michigan v Cramer*, 399 Mich 116, 125-126 (1976); *City of Troy v Holcomb*, 362 Mich 163, 169-170 (1978); *Lester v Spreen*, 84 Mich App 689, 696 (1978) (“While acknowledging that the order was improperly entered, it must still be obeyed until vacated by appropriate judicial action”). In fact, even if a higher court has previously “held the ordinance upon which [an] injunction was based to be void, nevertheless, an order entered by the court of proper jurisdiction must be obeyed even if it is clearly incorrect.” *Ann Arbor v Danish News Co*, 139 Mich App 218, 229 (1984). Simply put, “Unless a court lacks jurisdiction, its orders must be obeyed, and a party’s reasons for defying an order are ‘irrelevant’ to the issue of whether sanctions for disobedience are properly imposed.” *Liberty Property Ltd v City of Southfield*, unpublished per curiam opinion of the Court of Appeals, issued June 18, 2002 (Docket No. 231323), quoting *Matter of Hague*, 412 Mich at 544. “The reasons for this principle were set forth by the United States Supreme Court in *Walker v City of Birmingham*, 388 US 307, 320-321; 87 S Ct 1824; 18 L Ed 1210 (1967), upholding convictions for criminal contempt of civil rights marchers who were in violation of an injunction: ‘(I)n the fair administration of justice no man can be judge in his own case, however exalted his station, however righteous his motives * * *. [R]espect for judicial process is a small price to pay for the civilizing hand of law, which alone can give abiding meaning to constitutional freedom’.” *Cramer*,

399 Mich at 125-126. In short, the rule of law requires that the determination of the validity of a court's order "is one to be made by the courts, not by the parties." *Lester*, 84 Mich App at 696. The Michigan Court of Appeals recently explained these principles of law when affirming the trial court's finding of criminal contempt against a defendant who wore a shirt in defiance of the trial court's order, even though the Court of Appeals found that the trial court's order barring the shirt was in error:

Therefore, despite our conclusion that the statement on appellant's shirt did not constitute an imminent threat to the administration of justice and was constitutionally protected speech, appellant's willful violation of the trial court's order, regardless of its legal correctness, warranted the trial court's finding of criminal contempt. Civil disobedience is not the appropriate course of action when a person disagrees with a court order. We are a society of laws and the legal remedy available to appellant was to seek leave to appeal the trial court's order precluding him from wearing his shirt. Appellant elected not to pursue his legal remedy, and instead elected to willfully disobey a valid albeit erroneous court order. A person may not disregard a court order simply on the basis of his subjective view that the order is wrong or will be declared invalid on appeal. Allowing such behavior would encourage noncompliance with valid court orders on the basis of misguided subjective views that the orders are wrong. There exists no place in our justice system for self-help.

[*In re Contempt of Dudzinski*, 257 Mich App 96, 111-112 (2003) (footnotes omitted)].

Accordingly, the proper recourse for a party in light of an order the party believes is erroneous is to file an appeal or to move to change the order, not to disregard the order of the court. *Cramer*, 399 Mich at 125, quoting Kuhns, *Limiting*

The Criminal Contempt Power: New Roles For The Prosecutor And The Grand Jury, 73 Mich L Rev 484, 504 (1975), citing *Howat v Kansas*, 258 US 181, 189-190; 42 S Ct 277; 66 L Ed 550 (1922); *Worden v Searls*, 121 US 14; 7 S Ct 814; 30 L Ed 853 (1887).

Moreover, attempts to circumvent orders through indirect subterfuge also constitute contempt. See, e.g., *Glover v Malloska*, 242 Mich 34, 36 (1928) (“In substance and legal effect [the business practice in question] is the same scheme the continuance of which was forbidden. At best it is a mere subterfuge. It is contempt to employ a subterfuge to evade the decree of the court”); *Craig v Kelley*, 311 Mich 167, 178 (1945) (“The temporary restraining order enjoined Louise Lathrup Kelley, her agents, employees and servants, from taking any action or permitting any action or proceeding to be taken whatsoever toward the erection of any residential building costing less than \$7,500. Louise Lathrup Kelley and her husband, Charles D. Kelley, deliberately proceeded to cause the erection of residential buildings to cost not to exceed \$6,000. This was done by subterfuge, which is as much a contempt of court as though done by more direct action”); *ARA Chuckwagon of Detroit v Lobert*, 69 Mich App 151, 159 (1976) (“Case law has also stressed that nonsignatories to a restrictive agreement who act and conspire with a signatory to cause its violation are equally liable to restraint orders and to contempt proceedings”).

Criminal contempt is appropriate to punish a contemnor for violating the orders of the court that cannot be remedied. *Sword v Sword*, 399 Mich 367, 380-381

(1976), rev'd on other grounds, *Mead v Batchlor*, 435 Mich 480 (1990), quoting *State v Knight*, 3 SD 509 (1893); *Jaikins v Jaikins*, 12 Mich App 115, 120, 121 (1968) ("Essentially, the difference between civil and criminal contempt is that the former seeks to change respondent's conduct by threatening him with a penalty if he does not change it, while the latter seeks to punish him for past misdoings which affront the dignity of the court. Criminal contempt being for past misconduct, there is no way for one so convicted to purge himself of the contempt"; "[w]here the contemnor's conduct of noncompliance with the court order has altered the status quo so that it cannot be restored or the relief intended becomes impossible, there is criminal contempt; however, where the contemnor's conduct of noncompliance with the court order is such that the status quo can be restored and it is still possible to grant the relief originally sought, there is civil contempt"); *People v Goodman*, 17 Mich App 175, 177-178 (1969) ("When it appears the defendants conditionally carry the 'keys of their prison in their own pocket' then the action is essentially civil. If, in other words, the intent of the sentence can be said to be a coercive influence on the future behavior of the defendant in order to secure compliance with a judicial decree, then the sentencing is a part of a civil proceeding. However, where the future behavior of the defendants can be said to have no influence over the use of the keys, such use already having been decreed and controlled by the court, then the sentence is one of punishment for behavior already committed in violation of the decree, and the contempt action, being unconditional as to result, is criminal" [footnote omitted]); *Fraternal Order of Police*

Lodge 98 v Kalamazoo County, 82 Mich App 312, 317-318 (1978), quoting *Jaikins*, 12 Mich App at 120; *In re Contempt of Rochlin*, 186 Mich App 639 (1990) (“the purpose of imprisoning a civil contemnor is coercion, while the purpose of imprisoning a criminal contemnor is punishment”). Generally, in Michigan “there are three sanctions which may be available to a court to remedy or redress contemptuous behavior: (1) criminal punishment to vindicate the court’s authority; (2) coercion, to force compliance with the order; and (3) compensatory relief to the complainant.” *In re Contempt of Dougherty*, 429 Mich 99 (1987). See also *In re Contempt of United Stationers Supply Co*, 239 Mich App 499 (2000) (same); *In re contempt of Rochlin*, 186 Mich App 639, 647 (1990) (same); *In Re Contempt of Auto Club Ins Ass’n*, 243 Mich App 708 (2000) (“The power to hold a party, attorney, or other person in contempt is the ultimate sanction the trial court has within its arsenal, allowing it to punish past transgressions, compel future adherence to the rules of engagement, i.e., the court rules and court orders, or compensate the complainant” [footnote and citation omitted]).

E
The Defendants are Guilty of Criminal Contempt of Court

In the instant case, the Court has found (and here affirms) beyond a reasonable doubt that the Defendants violated the material terms of the June 21, 2022 Order by selling 327 Capital Avenue. The Defendants’ key defenses are that the June 21, 2022 Order was “aspirational” because it was not codified in a

judgment and the June 21, 2022 Order did not prohibit the Defendants from selling the properties. These defenses are without merit.

First, as noted above, the Court need not have a judgment to find a defendant in criminal contempt. In fact, no order need exist at all. Some obvious examples of criminal contempt without violating an order are engaging in perjury, swearing at the judge, committing assault and battery in the courtroom, and admitting fabricated evidence in an evidentiary hearing. These are all actual instances of criminal contempt of court in which this Court found contemnors guilty.

Second, violating orders (as opposed to judgments) is more than a sufficient basis for criminal contempt. For example, violations of personal protection orders, violations of parenting time arrangements, violations of child support orders, failing to comply with orders of discovery, and similar instances all can constitute criminal contempt of court. The United States Supreme Court has explained:

The ability to punish disobedience to judicial *orders* is regarded as essential to ensuring that the Judiciary has a means to vindicate its own authority without complete dependence on other Branches. “If a party can make himself a judge of the validity of *orders* which have been issued, and by his own act of disobedience set them aside, then are the courts impotent, and what the Constitution now fittingly calls ‘the judicial power of the United States’ would be a mere mockery.” *Gompers v Bucks Stove & Range Co*, 221 US 418, 450; 31 S Ct 492, 501 (1911). As a result, “there could be no more important duty than to render such a decree as would serve to vindicate the jurisdiction and authority of courts to enforce *orders* and to punish acts of disobedience.” *Id.* Courts cannot be at the mercy of another Branch

in deciding whether such proceedings should be initiated. The ability to appoint a private attorney to prosecute a contempt action satisfies the need for an independent means of self-protection, without which courts would be “mere boards of arbitration whose judgments and decrees would be only advisory.” *Id.*

* * *

While contempt proceedings are sufficiently criminal in nature to warrant the imposition of many procedural protections, their fundamental purpose is to preserve respect for the judicial system itself.

Young v United States ex rel Vuitton et Fils S.A., 481 US 787, 796; 107 S [Ct 2124; 95 L Ed 2d 740, 796, 800-801 (1987) (emphasis added).]³

Third, the June 21, 2022 Order *ruled* that Value Investors was entitled to the Obligations. It was not an aspiration.

Fourth, by selling 327 Capital Avenue after entry of the June 21, 2022 Order, the Defendants made it impossible to effectuate the order. This is the very definition of subterfuge. The Court need not spell out every single action or omission that is barred by its orders. When the Defendants sold 327 Capital Avenue, there was no doubt that they knew the Court had entered an *order* that Value Investors was entitled to the Obligations. When the Defendants sold the property, they made it impossible to effectuate the June 21, 2022 Order in

³ The Court also explained that “[t]he fact that we have come to regard criminal contempt as ‘a crime in the ordinary sense,’ *Bloom v State of Illinois*, 391 US 194, 201; 88 S Ct 1477 (1968), does not mean that any prosecution of contempt must now be considered an execution of the criminal law in which only the Executive Branch may engage. Our insistence on the criminal character of contempt prosecutions has been intended to rebut earlier characterizations of such actions as undeserving of the protections normally provided in criminal proceedings.” *Young*, 481 US at 799-800.

connection with 327 Capital Avenue. In fact, they made this very argument in their closing: “So I – Plaintiff is asking that Jeff Yatooma be held in jail, be confined to jail, have his personal freedoms revoked until he complies with the Court’s order. He can’t comply with the Court’s order at this point. . . . The same thing is true for all the Battle Creek properties 327 Capital . . . those properties have been either sold, or the entity that owned the property was only partially owned by Jeffrey Yatooma.” Exactly right. Jeffrey Yatooma cannot be coerced with civil contempt to undo the sale of 327 Capital. But he can be punished for it. As Value Investors argued at the trial, “When Ms. Warren [no relation to the Court] talks about Mr. Yatooma’s inability to comply with this Court’s order, he can’t comply. That’s exactly the point. This is no different than – than the – than the metaphor of the kid who kills his parents and then asks for mercy from the court because they’re an orphan. He – this is a mess of his own making over a three-plus year period of time, and now he wants to ask for mercy because I can’t? That ship has sailed, Your Honor . . .” [Trial Transcript, pp. 34-37.]

Apparently unpersuaded by this logic, the Defendants repeat the same argument (thereby proving criminal contempt and subterfuge occurred) in their pending motion for reconsideration of the Court’s entry of the Judgment in this case: “Jeff Yatooma cannot execute mortgages, deeds, or pledges for the properties in which he no longer has an interest.” [Motion for Reconsideration, p ____.] The Defendants then list 327 Capital as one of those properties that was sold in 2023.

[*Id.* at 5-6.] “The March 31, 2025 Judgment requires Jeffrey Yatooma to execute deeds and mortgages for properties he does not own and pledges for interests in entities that no longer own the property in the Settlement Agreement. It is, therefore, impossible for Jeff Yatooma to comply with the March 31, 2025 Judgment.” [*Id.* at 7.] Putting aside whether the Judgment should be reconsidered, the Defendants repeatedly confirm in their own arguments and papers that they have subverted the relief that was ordered in the June 21, 2022 Order by selling the property and making it “impossible” for the relief to be fulfilled. Their defense to civil contempt matter *proves* the criminal contempt.

As an analogy, assume a party is ordered to produce a set of documents. Instead of producing the documents, the party burns them. The party cannot be held in civil contempt, because short of divine intervention, it is impossible for it to unburn the documents. But the party can be criminally punished for burning the documents. What the Defendants did here is the equivalent of burning the documents.

Fifth, the fact that Value Investors has not prevailed on the civil contempt proceeding is irrelevant. As noted above, criminal contempt is to punish for a prior bad act. When 327 Capital Avenue was sold, it was in direct contravention (as a subterfuge) of the June 21, 2022 Order. The crime was committed then. The form of the Obligations became a moot point for 327 Capital Avenue. Had they not sold 327 Capital Avenue as a subterfuge, the Defendants may very well have avoided

both criminal and civil contempt. But as soon as they sold 327 Capital Avenue, they committed criminal contempt. The fact that Value Investors later abandoned the Paperwork Issue at trial does not somehow retroactively unwind the crime.

V

The Defendants are Not Liable for Civil Contempt

As noted above, the Paperwork Issues were abandoned by Value Investors at trial. As such, the Defendants cannot be coerced into executing documents to fulfill the Obligations because the trial was to determine whether the Defendants had violated the Settlement Agreement's Obligations in connection with the failure to execute deeds, pledges, and mortgages. Value Investors fumbled the issue at trial, and this Court cannot and will not resurrect the claim for them. It has been abandoned. A judgment has now been entered which extinguished Value Investors' claim for relief on the Obligations. The Court cannot hold the Defendants in civil contempt for a claim that has been abandoned and extinguished.

Again, this is not an escape hatch for criminal contempt. At the time 327 Capital Avenue was sold, the June 21, 2022 Order was in effect, and the property was sold by the Defendants as a subterfuge to avoid the Court's order. That Value Investors fumbled the issue for the remaining Collateral Properties months (if not years) later is not a (literal) "get out of jail free" card. That the Defendants escaped civil contempt is immaterial to the prior criminal contempt. As noted exhaustively

above, civil and criminal contempt are different in kind and serve distinct purposes. The lack of the ability to coerce the Defendants into compliance with the Obligations set forth in June 21, 2022 Order today, after the crime was committed, does not nullify the ability to punish them for violating the order previously.

ORDER

In light of the foregoing Opinion, the Court (1) FINDS each of the Defendants GUILTY of one count of CRIMINAL CONTEMPT OF COURT and (2) DISMISSES the claims of civil contempt.

The parties shall appear before the Court on June 4, 2025 at 1:00 p.m. for sentencing.

/s/ Michael Warren

**HON. MICHAEL WARREN
CIRCUIT COURT JUDGE**

