

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF KENT

GJWD ENTERPRISES, LLC, a Texas limited liability company; and CHERRY STREET CAPITAL, LLC, a Michigan limited liability company,

Plaintiff,

v.

DOUBLE BARREL PARTNERS RE LLC, a Michigan limited liability company; ONE BEER AT A TIME, LLC, a Michigan limited liability company; JASON SPAULDING, an individual; and KRIS SPAULDING, an individual,

Defendant,

Case No. 25-20074-CBB

Hon. Curt A. Benson

OPINION AND ORDER

REC'D & FILED

OCT 29 2025

HON. CURT A. BENSON

INTRODUCTION

GJWD Enterprises, LLC and Cherry Street Capital, LLC filed a civil action against two companies (Double Barrel Partners RE, LLC and One Beer at A Time, LLC) and two individuals (Jason Spaulding and Kris Spaulding.) In response, the defendants, represented by the same law firm, filed separate motions for summary disposition.

This opinion addresses only the motion filed by Jason Spaulding and Kris Spaulding.

STANDARD OF REVIEW

A motion for summary disposition under MCR 2.116(C)(8) tests the legal sufficiency of the complaint. *Maiden v Rozwood*, 461 Mich 109, 120; 597 NW2d 817 (1999). A motion under this subrule may only be granted where “a claim is so clearly unenforceable that no factual development could possibly justify recovery.” *El-Khalil v Oakwood Healthcare, Inc*, 504 Mich 152, 160; 934 NW2d 665 (2019). When deciding such a motion, a court may only consider the pleadings and any attached documents. MCR 2.116(G)(5); *El-Khalil v Oakwood Healthcare, Inc*, 504 Mich 152, 163; 934 NW2d 665 (2019).

When deciding a motion under MCR 2.116(C)(8), the court must accept as true all factual

allegations contained in the complaint as well as any reasonable inferences that may be drawn from those allegations. *Singerman v Municipal Serv Bureau*, 455 Mich 135, 139; 565 NW2d 383 (1997). In so doing, the court must construe said allegations in the plaintiff's favor. *Wortelboer v Benzie Cty*, 212 Mich App 208, 217; 537 NW2d 603 (1995).

THE COMPLAINT

The general allegations

The complaint in *GJWD Enterprises, LLC and Cherry Street Capital, LLC v. Double Barrel Partners RE, LLC, et al.* seeks declaratory and monetary relief arising from a financing arrangement connected to the development of Brewery Vivant in Grand Rapids, Michigan. The plaintiffs are GJWD Enterprises, LLC ("GJWD") and Cherry Street Capital, LLC ("CSC"). CSC was the original lender on a 2010 construction loan to Double Barrel Partners RE, LLC ("Double Barrel") to finance the renovation of the Brewery Vivant property, while GJWD is the current holder of the loan, having acquired CSC's rights in 2023. The defendants are Double Barrel, the borrower and property owner; One Beer At A Time, LLC ("OBAAT"), the brewery's operating tenant; and Jason and Kris Spaulding, who personally guaranteed Double Barrel's obligations.

The complaint alleges that in 2011, CSC and Double Barrel amended the loan agreement to include an "Equity Kicker" provision giving the lender the right to acquire an 80 percent ownership interest in the Brewery Vivant property for one dollar when the loan matures in April 2031. CSC also entered into a separate Food and Beverage Allowance Agreement with OBAAT, entitling CSC to annual credits of \$10,000, increasing by 3 percent each year, for up to 20 years at Brewery Vivant. After CSC assigned its rights under the loan and related documents to GJWD, the defendants began disputing both the 80 percent equity provision and the food and beverage allowance obligations.

Based on those disputes, the plaintiffs assert three claims. First, GJWD seeks a declaratory judgment confirming its right to receive the 80 percent ownership interest upon loan maturity and a finding that Double Barrel's refusal to honor that obligation constitutes an anticipatory breach. Second, CSC seeks a declaratory judgment confirming its right to receive up to 20 years of annual food and beverage allowances from OBAAT and a ruling that OBAAT's refusal constitutes an anticipatory breach of the allowance agreement. Third, CSC brings a breach-of-contract claim against OBAAT for failing to provide past allowances, seeking damages exceeding \$130,000, along with attorney fees and costs authorized by the governing agreements. In essence, the complaint asks the court to enforce the equity and benefit provisions tied to the original Brewery Vivant financing, which the defendants now contest.

Allegations against the Spauldings

The complaint contains no allegations that either Jason or Kris Spaulding engaged in independent wrongdoing; instead, it asserts that they are personally liable for Double Barrel Partners RE, LLC's obligations under the Construction Loan by virtue of their personal guaranty. The complaint alleges that the Spauldings executed a Continuing Guaranty (attached as Exhibit 7) in which they guaranteed Double Barrel's performance under the Construction Loan.

Specifically, paragraph 59 of the complaint states that, as personal guarantors, Jason and Kris Spaulding are responsible for ensuring that Double Barrel conveys to GJWD an 80 percent co-tenant ownership interest in the Brewery Vivant property for one dollar when the loan matures on April 13, 2031. The plaintiffs further allege that Double Barrel has represented it will not honor that future obligation, which they characterize as an anticipatory breach of the Construction Loan. Because the Spauldings guaranteed Double Barrel's performance, the plaintiffs contend that they are personally exposed for Double Barrel's anticipated nonperformance. In addition, the complaint seeks recovery of attorney fees and costs from the Spauldings under paragraph 12 of the Continuing Guaranty and paragraph 18.6 of the Construction Loan, both of which allow recovery of enforcement costs. Thus, the complaint does not accuse the Spauldings of fraud, misrepresentation, or any direct misconduct; their alleged liability arises solely from their status as guarantors of Double Barrel's obligations under the Construction Loan, particularly the obligation to convey an 80 percent ownership interest to GJWD upon loan maturity in 2031.

LAW AND ANALYSIS

The Spauldings raise two principal arguments. First, although the complaint alleges that they personally guaranteed Cherry Street Capital's 2010 commercial construction loan to Double Barrel, it does not allege that the Spauldings themselves have breached that guaranty. In the same vein, they contend that a plaintiff cannot assert an anticipatory breach claim against mere guarantors.

Second, the Spauldings maintain that, "as written," the guaranty does not require them to perform or be liable for the alleged "equity kicker." See Spaulding Brief, p. 5.
The defendants misapprehend the nature of the complaint.

The part of the complaint referencing the Spauldings is, to coin a phrase, no "pearl of draftsmanship."¹ It does however sufficiently set forth "[a] statement of the facts, without repetition, on which the pleader relies in stating the cause of action, with the specific allegations necessary reasonably to inform the adverse party of the nature of the claims the adverse party is called on to defend..." MCR 2.111(B)(1).

The Spauldings argue that they should be dismissed from the complaint because the plaintiffs have not accused them of wrongdoing; in other words, the plaintiffs have not asserted a claim against them. But the "cause of action" against the Spauldings is not for money damages, it's a declaratory judgment action.

Declaratory Judgment actions are governed by MCR 2.605. That rule states in pertinent part as follows:

In a case of actual controversy within its jurisdiction, a Michigan court of record may declare the rights and other legal relations of an interested party seeking a declaratory judgment, whether or not other relief is or could be sought or granted.

¹ See *Brauer v. Hobbs*, 151 Mich. App. 769, 774, 391 N.W.2d 482, 484 (1986).

MCR 2.605(A)(1)

Declaratory relief is not a claim; it is a remedy. *Mettler Walloon, L.L.C. v. Melrose Twp.*, 281 Mich. App. 184, 221, 761 N.W.2d 293, 317 (2008).

The Supreme Court describes declaratory judgments like this:

An action for a declaratory judgment is typically equitable in nature and subject to different rules than other causes of action. The declaratory judgment rule was intended and has been liberally construed to provide a broad, flexible remedy with a view to making the courts more accessible to the people. We have also consistently held that a court is not precluded from reaching issues before actual injuries or losses have occurred.

Adair v. State, 486 Mich. 468, 490, 785 N.W.2d 119, 131–32 (2010)(Quotations and footnotes omitted)

Thus, the question is not whether the plaintiffs have a claim for damages against the Spaulding's. The question is whether they are properly joined to this action.

According to the Supreme Court, “it is *essential* in an action for declaratory judgment that *all parties* having an *apparent or possible interest in the subject matter* be joined so that they may be guided and bound by the judgment.” *Allstate Ins. Co. v. Hayes*, 442 Mich. 56, 65–66, 499 N.W.2d 743 (1993) (emphasis added). See also, *Drainage Board v. Homer*, 351 Mich. 73, 85, 87 N.W.2d 72 (1957) (“It is in order, and in fact was the essential purpose of the declaratory judgment statute, that all parties having an apparent or possible interest in the subject matter be joined so that all be guided and concluded by such judgment or decree as may be entered.”).

Here, Plaintiffs assert that Jason and Kris Spaulding are personally liable for Double Barrel Partners RE, LLC's obligations under the Construction Loan because of their personal guaranty. Plaintiffs allege that the guarantee extends to the so-called “Equity Kicker” executed in 2011.

It makes sense to resolve all issues as to all parties in one civil action. After all, one purpose of the declaratory judgment rule “is to allow parties to avoid multiple litigation...” *Allstate Ins. Co. v. Hayes*, 442 Mich. 56, 64–65, 499 N.W.2d 743, 747 (1993). In this case, that purpose is met. For the sake of judicial economy, the Spauldings guided and bound by the ultimate judgment of this court.

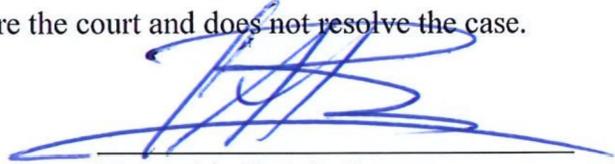
CONCLUSION

Defendants motion is DENIED.

IT IS ORDERED.

This order does not resolve all pending matters before the court and does not resolve the case.

Dated: October 29, 2025
at Grand Rapids, Michigan.



Honorable Curt A. Benson