

siva v. 1138 llc essay sample

[Law](#), [Court](#)



This is an actual appeal case regarding a breach of contract, between leasor Ruthiran Siva v. Richard Hess leasee. Ruthiran Siva the owner of commercial property entered into a written agreement with the Hess family and Shahin. The agreement was the Hess family and Shahin would lease the commercial property for a minimum of five years at \$4, 000. 00 per month. However upon the agreed contract the Hess family and Shahin never indicated they were going to use the space for a bar. On the contrary, Richard Hess and Shahin developed issues “ six months later, 1138 LLC was in default and in breach of the lease agreement. Siva sued 1138 LLC and Richard Hess to recover damages. Siva received a default judgment against 1138 LLC, but there was no money in 1138 LLC to pay the judgment.” (Cheeseman, 2013, p. 314)

In my opinion Richard Hess and Shahin are completely in the wrong it was unethical to fall back on an agreement, however by Richard having an LLC he knew opening the bar was a bad idea and that he was protected under the LLC and he would not be liable if the bar failed. On the other hand Ruthiran Siva, showed negligence on her part for not having anyone signed the agreement.

The case is trying to decide if Richard Hess is obligated to Ruthiran Siva debts of the unpaid fees, and if Richard Hess is protected because he is a member of the 1138 LLC. In addition, “ the trial court’s analysis was based upon its assumption that the doctrine of “ piercing the corporate veil” was applicable to limited liability corporations, and the court therefore considered the three-part test for piercing the corporate veil as set forth by the Ohio Supreme Court in *Belvedere*, supra.” (Siva v. 1138 L. L. C., 2007)

Furthermore, the legal rationale used by the Court when deciding the case were based upon testing the witnesses credibility by observing “ their demeanor, gestures and voice inflections, and use these observations in weighing the credibility of the proffered testimony.” (Siva v. 1138 L. L. C., 2007) This is a tactic of the courts to determine if the witness is being truthful and/or if they can be trustworthy.

The issues the court decided in this case are as followed, Richard Hess was not held liable due to the protection of the LLC laws. In fact, “ the court of appeals held that Hess, as a member of 1138 LLC, was not personally liable for the debt that the LLC owed to Siva. The court of appeal affirmed the decision of the trial court that dismissed Siva’s complaint against Hess.” (Cheeseman, 2013, p. 314)

Yes I agree with the court’s decision, because Ruthiran Siva should have protected herself better. Upon drawing a legal contract that binds an agreement between two individuals or more, both parties must sign it to seal the deal. I disagree with Richard Hess walking away completely free of his debt, I understand he is protected under the LLC laws and is not liable personally but he should be responsible as a corporation to pay the owed fees to Ruthiran Siva.

References

Cheeseman, H. R. (2013). The legal environment of business and online commerce: Business ethics, e-commerce, regulatory, and international

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