SUMMARY STATEMENT

Alsco, Inc. v. Fatty's Bar, LLC, Docket No. 46184

The Idaho Supreme Court affirmed a district court judgment that held Fatty's Bar, LLC liable to pay Alsco, Inc. ("Alsco") damages under the doctrine of successor liability. In October 2010, Tons of Fun, LLC opened a bar called Fatty's. A short time later its manager, Clay Roman, signed a textile services agreement with Alsco that contained an automatic renewal clause, by which the agreement would renew automatically for a period of 60 months if neither party terminated it in writing at least 90 days before its initial expiration. Fatty's fell on difficult financial times, and closed for a period in January 2013. Soon after, Steven and Jennifer Masonheimer created a limited liability company called Fatty's Bar, LLC, and re-opened Fatty's in mid-February, 2013, continuing to receive textiles from Alsco. The agreement automatically renewed in March 2016. In March 2017, Fatty's Bar, LLC terminated the agreement, well before the 60-month term was set to expire. Alsco then sued Fatty's Bar, LLC and Clay Roman, seeking damages based on a liquidated damages provision in the agreement. After a court trial, the district court held that both Fatty's Bar, LLC and Roman were jointly and severally liable to Alsco for damages under the liquidated damages clause. Fatty's Bar, LLC appealed. The Idaho Supreme Court affirmed after holding the district court did not abuse its discretion when it concluded that Fatty's Bar, LLC was a successor in interest to Tons of Fun, LLC and that Fatty's Bar, LLC impliedly assumed the agreement with Alsco.