

Michigan Federal Court Grants Partial Summary Judgment to Supplier Defending Claims Under Oral Contract

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A federal court in Michigan granted partial summary judgment to a steel supplier defending claims for breach of an oral contract and violation of Michigan’s Sales Representatives Commission Act. *L.V. Nagle & Assocs. v. Tubular Steel*, 2022 WL 3568574 (E.D. Mich. Aug. 18, 2022). L.V. Nagel served as a sales representative for Tubular Steel since the 1990’s, pursuant to an oral contract that was never memorialized in writing. When Tubular Steel terminated the relationship in mid-2019, the parties’ recollection of the oral contract’s terms differed. The parties agreed that L.V. Nagel had exclusive territories from time to time and earned commissions on its sales. They disputed whether it was entitled to post-termination commissions for accounts it developed and whether Tubular Steel paid commissions it earned in the final month before termination. Litigation ensued, and Tubular Steel moved for summary judgment.

The court granted the motion as to L.V. Nagel’s claim that it was paid an improperly reduced commission for its work after Tubular Steel proposed contractual changes a few months before the termination. The court found that L.V. Nagel failed to present any evidence on the issue. The court then denied the motion as to the post-termination commissions L.V. Nagel alleged it was owed, citing the existence of genuine disputes of material fact concerning the oral contract’s terms. The court also denied the motion as to L.V. Nagel’s claim under the Sales Representative Commissions Act to the extent it was premised on the failure to pay post-termination commissions.

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