



Jamie Smith <jlsmith@cityoffoley.org>

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## RE: Southern Grace

1 message

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**J. Casey Pipes** <jcp@helmsinglaw.com>

Tue, Jul 29, 2025 at 5:27 PM

To: Michael Thompson <mthompson@cityoffoley.org>, Keri Coumanis <KRC@helmsinglaw.com>

Cc: Jamie Smith <jlsmith@cityoffoley.org>, Cian Harrison <charrison@cityoffoley.org>, Angela Sherman <asherman@cityoffoley.org>

Mike,

The fewer connections there are between the old and new company, the weaker the "successor business" theory will be. Here there was not a sale as we know it, but there may have been some transfer of assets. Some of the store inventory transfer may have been thwarted, but there are other things that could happen. If the new store takes over the old store's contracts for future delivery of previously ordered wedding dresses, or future reservations for tuxedos, for example, then it looks more like a continuation of the old business. We will not know if that happens until after it opens (if allowed). I think all we can say now is that the Revenue Department can say that it will try to attach the City debt to the new business if it is allowed to open at this location, and the new business can try to avoid that liability, and ultimately a court will decide the issue.

Casey Pipes

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**From:** Michael Thompson <mthompson@cityoffoley.org>

**Sent:** Tuesday, July 29, 2025 5:15 PM

**To:** Keri Coumanis <KRC@helmsinglaw.com>

**Cc:** Jamie Smith <jlsmith@cityoffoley.org>; J. Casey Pipes <jcp@helmsinglaw.com>; Cian Harrison <charrison@cityoffoley.org>; Angela Sherman <asherman@cityoffoley.org>

**Subject:** Re: Southern Grace

Hi Keri,

Your write-up, particularly with regard to the successor business component, relies on actions approved by courts where the reasoning seems to be that a local government can go after proceeds from the sale of the business (i.e. a portion of the sale of the business should have been set aside to pay the balance owed). In this case, I am unaware if there was any transfer of funds between Anthony and his daughter in law for the value of the business or the business assets or the goodwill. If there were no funds transferred for the business, does that weaken or remove the whole concept of "successor business" from our position?

Mike