

MARKS & WEINBERG, P.C.

Linc Finance Corporation v. Onwuteaka 1996 WL 657852 (N.D. Ill. 1996)

This Lessee receives an award for some of the most creative and somewhat successful attempt to wiggle out of its obligations. Of course, the Lessee is a lawyer/CPA (figures!). The resourceful Lessee was able to cut the award to Lessor in half by convincing the district court to: (a) eliminate sales taxes on rentals which had not been received, (b) reduce the award by certain property taxes which were assessed against Lessor and should have been protested; and (c) reducing Lessor's claim for the residual value of the leased equipment since it did not provide a reasonable and accurate amount. It is notable that the Lessor's form allowed Lessor to receive "the estimated residual value of the Equipment as of the expiration of the Lease" as part of its damages. Had Lessor established a means of calculating the residual value, either in the Lease or in documentation acceptable to the court, it may have prevailed on this issue.

Marks & Weinberg, PC is a law firm with significant experience in dealing with virtually every type of equipment and facility lease financing. The lawyers of the firm have participated in leasing financings for more than a billion dollars of equipment and are recognized throughout the industry. If you would like more cases or articles on leasing, or have any questions or comments about this Article or other leasing issues, please visit leaselawyer.com or contact Barry Marks at 205.251.8303 or Ken Weinberg at 205.251.8307.

