

MARKS & WEINBERG, P.C.

Telerent Leasing Corp. v. Morgan Inn, LLC No. 565197, 2005 WL 429253 Conn. Super. Jan. 24, 2005)

This case involves a lessor/licensor who arguably consented to its lessee's/licensee's assignment of its rights under an agreement by accepting payments from the assignee. It should be noted, however, that the court was a little "question of fact happy" as it found many issues to be worthy of additional analysis.

Telerent entered into a leasing and licensing agreement for television satellite equipment and television programming services with Morgan Inn for a period of 60 months. Morgan Inn was to pay \$312.70 per month under the lease agreement and \$300 under the license agreement. Telerent alleged that Morgan Inn and its individual owner Joe Morgan failed to make these payments.

Morgan Inn maintains that the duties were assigned to Gurukrupa LLC, when Morgan Inn was sold to that entity in March of 2000. Telerent claimed to have no knowledge of the sale/assignment, arguing that it was done without Telerent's approval and thus was in violation of the underlying leasing and licensing agreement. Morgan Inn countered that even if the assignment was in violation of the agreement initially, Telerent has since accepted payments from Gurukrupa and had thus waived the right to bring action against Morgan Inn. In addition, Morgan Inn claimed that the equipment leased by Telerent was defective. Telerent moved for summary judgments on all of its claims.



With regards to the assignment, the court also held that a genuine issue of material fact existed despite a provision in the original agreement forbidding assignments without express approval. The court reasoned that the anti-assignment clause may have been waived by the conduct of Telerent if it did in fact accept payments from Gurukrupa in lieu of payments from Morgan Inn.

The court held that there was a genuine issue of material fact surrounding Joe Morgan's personal liability since he contends that he intended to sign, and was led to believe that he was signing, as a member of the LLC only. The court held that a genuine issue of material fact existed with regard to whether or not the equipment was defective despite the fact that there was a Completion Certificate filled out by Morgan Inn stating that the equipment was acceptable. Thus, the court denied all motions for summary judgment filed by Telerent.

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