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Country Club Will Pay \$1.5M to Settle Class Suit Over Denied Membership Refunds

The litigation is part of a growing body of cases involving the golf industry, where robust membership fees were once the norm, but recessions and changing tastes have made joining less expensive in recent years, said Ridgefield Park attorney Robert Dowd.

By Charles Toutant | December 08, 2020



Hawk Pointe Golf Club, 4 Clubhouse Dr., Washington Township, New Jersey. Credit: Google Maps

A Warren County judge has approved a \$1.5 million settlement in a class action by country club members denied refunds after paying hefty membership fees.

The settlement, approved by Superior Court Judge Thomas Miller on Dec. 1, provides refunds of 61.5% to members of Hawk Pointe Golf Club in Washington Township who paid as much as \$30,000 each to join the club but could not get their money back when they resigned their memberships. The settlement was reached following a mediation with former Superior Court Judge Kenneth Grispin, now with Javerbaum Wurgaft Hicks Kahn Wikstrom & Sinins in Springfield.

The litigation is part of a growing body of cases involving the golf industry, where robust membership fees were once the norm, but recessions and changing tastes have made joining less expensive in recent years, said Ridgefield Park attorney Robert Dowd.

As players who paid hefty membership fees grow older and retire or move to warmer climates, those who seek refunds end up on waiting lists while the club seeks to recoup those fees from new members, who are paying less to join. "We call it the list to nowhere," said Dowd, who represented class members in the Hawk Pointe case along with Gary Graifman of Kantrowitz, Goldhamer & Graifman in Montvale.

Last year Dowd and Graifman obtained a \$2 million settlement in a similar case with New Jersey National Golf Club in Basking Ridge.

Members on the waiting list "would just sit and sit for years and years and years and that's what happened in both these cases," said Dowd.

In the Hawk Pointe case, the class consists of 139 members and two of those opted out. The refund ratio of 61.5% of fees paid was chosen because class counsel sought more and the lawyer for the country club offered less, Dowd said. The 61.5% ratio is the same rate used to compensate class members in the New Jersey National case, he said. The settlement also provides \$322,441 in attorney fees, representing 22% of the settlement, and \$2,966 in expenses to class counsel.

The Hawk Pointe suit claimed the club's management of its "transfer through resale waiting list" violated the New Jersey Consumer Fraud Act.

In the New Jersey National case, the settlement was reached after Dowd filed a separate suit against the same club on behalf of one former club member, Carl Lizza, who won a \$116,694 jury verdict. When the club filed an appeal, the parties settled for a confidential amount. The outcome of the Lizza case "had a salutary effect" on the class action, Dowd said.

Even President Donald Trump hasn't been immune to litigation by golf club members seeking refunds of the fees they paid to join. In 2018, the Trump National Golf Club in Jupiter agreed to pay \$5.45 million to settle a federal suit by members who said they were wrongly denied refunds of membership fees.

Steven Firkser of Greenbaum, Rowe, Smith & Davis in Roseland, who represented Hawk Pointe, did not respond to a request for comment about the case.

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