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Country Club Agrees to \$2 Million Settlement With Former Members

The settlement compensates members who joined the New Jersey National Golf Club from 2003 to 2013 and paid hefty up-front fees to join.

By Charles Toutant | January 03, 2019



A state court judge has approved

Golf course sprinklers

(<https://images.law.com/contrib/content/uploads/documents/399/20335/120718-Order-of-Approval-2.pdf>) a \$2 million class action settlement against an upscale golf club by former members who claimed they were stiffed on refunds when they resigned.

The settlement compensates members who joined New Jersey National (<http://newjerseynational.com/>) Golf Club in Basking Ridge from 2003 to 2013 and paid hefty up-front fees to join. Those owners felt they were treated unfairly when the declining popularity of golf prompted the club owners to quit imposing the fees on new members.

In *Crema v. New Jersey National Golf Club*, members who paid \$25,000 or more to join the club signed contracts requiring any fees to be refunded using revenue generated by new memberships. But the suit claimed departing members were shortchanged because the club undercounted its members and revenue.

Yolanda Ciccone, assignment judge for Somerset, Hunterdon and Warren counties, granted final approval to a settlement granting payments equal to 61.5 percent of the refunds owed to 217 class members and four class representatives. The 84

members who joined between 2003 and 2013 and remain as members get their choice of a lump-sum payment of 61.5 percent of the refund they are owed or a credit equal to 110 percent of their refund if they apply it to club membership dues over the next five years.

The settlement also provides \$455,250 in fees and expenses of \$2,214 to counsel for plaintiffs and the class, Robert Dowd Jr. of Ridgefield Park and Gary Graifman of Kantrowitz Goldhamer & Graifman in Montvale.

The suit brought claims against the club and its owners and managers under the New Jersey Consumer Fraud Act.

The suit claimed club management undercounted the number of active, dues-paying members for purposes of calculating its liability to members who resign. The club was obligated to compensate former members at a greater rate if current membership exceeded 350 people, but it did not count all such members, the lawsuit claimed.

The suit also claimed that the club's suspension of membership fees was a breach of contracts signed by existing members who joined from 2003 to 2013.

Plaintiff lawyer Dowd filed the class action in January 2018. Earlier, he filed a suit against the same club by one former member, Carl Lizza. Following a jury trial in Morris County in June 2017, Lizza received a judgment (<https://images.law.com/contrib/content/uploads/documents/399/20335/071817-Order-of-Judgment.pdf>) for \$116,694. When the club filed an appeal, the parties settled for a confidential amount.

But the outcome of the Lizza case "had a salutary effect" on the class action, Dowd said.

The settlement is “an especially good deal for the former members, many of whom have retired, many of whom have moved away,” Dowd said. “Because most of the [refundable portion of the] deposits are in the neighborhood of \$10,000 to \$12,000, it’s very difficult for individual members to have an effective remedy to get a refund” by filing individual suits.

Clark Alpert of Weiner Law Group in Parsippany, who represented the club, called the settlement “an extremely good deal” for his client. Alpert said the club owners had to move away from their former business model relying on large deposits by new members because of a declining interest in a country club lifestyle. In the past, members might have spent an entire weekend at the club and taken all their meals there, but nowadays members spend less time at the club. He said the club owners had to make “an injection of capital” to the club in light of the settlement.

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