

**STATE OF MICHIGAN**  
**COURT OF APPEALS**

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SWIFTECH COMPUTING, INC.,

Plaintiff,

and

ANIMESH K. AGARWAL,

Appellant,

v

SATHISH THURAI,

Defendant-Appellee.

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UNPUBLISHED

June 27, 2006

No. 258206

Oakland Circuit Court

LC No. 2003-050953-NI

Before: Bandstra, P.J., and Saad and Owens, JJ.

PER CURIAM.

Appellant Animesh Agarwal appeals as of right from a final order granting summary disposition to defendant pursuant to MCR 2.116(C)(8) and MCR 2.116(C)(10), with respect to plaintiff Swiftech Computing, Inc.'s (Swiftech) claim that defendant breached provisions of his employment contract. Appellant also appeals an order of the trial court imposing sanctions on both Swiftech and himself individually, pursuant to MCR 2.114(E). We affirm the trial court's grant of summary disposition to defendant and the trial court's imposition of sanctions against Swiftech. However, we reverse the trial court's imposition of sanctions against appellant.

Swiftech is a Michigan corporation with its principal place of business in Troy, Michigan. Appellant is the president of Swiftech, which employed defendant from May 2000 until July 2001, when defendant began working for RainMaker Systems. Swiftech filed a complaint alleging that defendant violated nondisclosure and noncompete provisions in his employment agreement when he began work at RainMaker. Appellant drafted and signed the complaint on behalf of Swiftech. Nine months later, appellant retained an attorney to represent Swiftech before the trial court. The trial court subsequently dismissed Swiftech's claims against defendant, and imposed sanctions on Swiftech and on appellant individually. The trial court also permitted plaintiff's attorney to withdraw as counsel at that time.

Subsequently, appellant filed and signed a claim of appeal on behalf of Swiftech. After being notified by this Court that as a nonattorney, he was not permitted to represent Swiftech,

appellant filed an amended claim of appeal in propria persona, naming himself as the sole appellant.

Appellant has raised ten arguments alleging that the trial court erred when it granted summary disposition to defendant and dismissed Swiftech's claims. This Court has jurisdiction of appeals of right filed by aggrieved parties. MCR 7.203(A).

To have standing to appeal means that a person must be "aggrieved" by a lower body's decision. MCR 7.203(A). This Court has defined the term "aggrieved party" as "one whose legal right is invaded by an action, or whose pecuniary interest is directly or adversely affected by a judgment or order. It is a party who has an interest in the subject matter of the litigation." *In re Freeman Estate*, 218 Mich App 151, 155; 553 NW2d 664 (1996), quoting 6 Martin, Dean & Webster, Michigan Court Rules Practice (3d ed, 1992), authors' comment regarding Rule 7.203, § 1, pp 138-139. [*Dep't of Consumer & Industry Services v Shah*, 236 Mich App 381, 385; 600 NW2d 406 (1999).]

Appellant was not, and does not argue that he was, personally "aggrieved" by the trial court's decision to grant summary disposition to defendant and to dismiss Swiftech's claims. Swiftech was the aggrieved party. A corporation is a separate entity from its shareholders, even when one person owns all the stock. *Industrial Steel Stamping, Inc v Erie State Bank*, 167 Mich App 687, 692; 423 NW2d 317 (1988). Consequently, appellant does not have standing to appeal the trial court's decision to dismiss Swiftech's claims.

Additionally, he may not maintain an appeal on behalf of Swiftech. Our Supreme Court has long noted,

[I]n any judicial proceeding with which the corporate fiduciary is concerned, in the probate court or any other court of record, it must be represented by a duly licensed attorney. . . . While an individual may appear in proper person, a corporation, because of the very fact of its being a corporation, can appear only by attorney, regardless of whether it is interested in its own corporate capacity or in a fiduciary capacity. A layman is not authorized to practice law merely because he is an employee of a corporate fiduciary. [*Detroit Bar Ass'n v Union Guardian Trust Co*, 282 Mich 707, 711; 281 NW 432 (1938) (citations omitted).]

See also *Peters Production, Inc v Desnick Broadcasting Co*, 171 Mich App 283; 429 NW2d 654 (1988). Because appellant lacks both standing to appeal the trial court's rulings against Swiftech, and the authority to act on Swiftech's behalf before this Court, the arguments related to Swiftech are not properly before this Court. We will not address those issues.

Appellant additionally raises four arguments related to the trial court's imposition of sanctions on Swiftech and on appellant individually. As explained *supra*, appellant lacks standing to appeal the trial court's imposition of sanctions against Swiftech and cannot represent Swiftech with respect to those issues. Thus, we also decline to address them. However, we find that the trial court erred when it concluded that appellant was personally liable for the sanctions pursuant to MCR 2.114(E).

By imposing sanctions on appellant individually, the trial court adversely affected appellant's pecuniary interest. Consequently, appellant is an aggrieved party as defined by this Court in *Shah, supra* at 385. Therefore, we find that appellant has standing to appeal the trial court's imposition of sanctions on him individually. We review the award of sanctions pursuant to MCR 2.114. *Schadewald v Brule*, 225 Mich App 26, 41; 570 NW2d 788 (1997). We also review de novo the interpretation and application of court rules. *Marketos v American Employers Ins Co*, 465 Mich 407, 412; 633 NW2d 371 (2001). MCR 2.114(E) states:

If a document is signed in violation of this rule, the court, on the motion of a party or on its own initiative, shall impose upon the person who signed it, a represented party, or both, an appropriate sanction, which may include an order to pay to the other party or parties the amount of the reasonable expenses incurred because of the filing of the document, including reasonable attorney fees. The court may not assess punitive damages.

Appellant signed the initial complaint in his official capacity as president of Swiftech. Thus, pursuant to the plain language of MCR 2.114(E), appellant may be sanctioned if he signed the document in violation of MCR 2.114. Defendant argued that appellant violated the requirements of MCR 2.114(D), which provides:

The signature of an attorney or party, whether or not the party is represented by an attorney, constitutes a certification by the signer that

- (1) he or she has read the document;
- (2) to the best of his or her knowledge, information, and belief formed after reasonable inquiry, the document is well grounded in fact and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law; and
- (3) the document is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

MCR 2.114(D) specifies that the signature of an *attorney or party* certifies that the attorney or party read the document, believes the document is well-grounded in fact and law, and is not filing the document for an improper purpose. Court rules are interpreted according to the principles and rules governing interpretation of statutes. *Jerico Constr, Inc v Quadrants, Inc*, 257 Mich App 22, 28; 666 NW2d 310 (2003), citing *Marketos, supra* at 412. Unambiguous language must be enforced as written, without judicial construction or interpretation. *Jerico Constr, Inc, supra*. When a word at issue has acquired a particular meaning in the law, this Court should abide by that definition. See, e.g., *Massey v Mandell*, 462 Mich 375, 386; 614 NW2d 70 (2000) (Corrigan, J., concurring); *People v Law*, 459 Mich 419, 425 n 8; 591 NW2d 20 (1999). A "party" to an action is one whose name is designated in the record as a plaintiff or defendant. *Fast Air, Inc v Knight*, 235 Mich App 541, 544; 599 NW2d 489 (1999). Appellant is neither an attorney nor a party to the underlying litigation. Consequently, we conclude the requirements of MCR 2.114(D) are inapplicable to appellant. Thus, the trial court erred when it imposed sanctions on appellant individually pursuant to MCR 2.114(E).

We affirm the grant of summary disposition to defendant and affirm the imposition of sanctions against plaintiff Swiftech. The imposition of sanctions against appellant Agarwal is reversed.

/s/ Richard A. Bandstra

/s/ Henry William Saad

/s/ Donald S. Owens