

**QUESTION 12 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK
IV OR IN EXAMPLIFY ANSWER SCREEN 12**

Michigan's State Real Estate Transfer Tax Act (SRETTA) imposes a transfer tax on contracts and other written instruments of conveyance for the sale of real estate located in Michigan. SRETTA provides that only the seller is liable for the transfer tax.

John Thompson is the Register of Deeds for Pleasant County, Michigan. Mulligan Properties Inc. purchases and sells luxury real estate across the country. The company is organized as a Delaware corporation with five shareholders. Its principal place of business is in Austin, Texas. Three of its shareholders are also domiciled in Austin, and the remaining two shareholders are domiciled in Anytown, Michigan. Wyatt Title is an unincorporated sole proprietorship owned by Ellis Wyatt, who is domiciled in Pleasant City, a city located within Pleasant County, Michigan. The title company's sole office is also located in Pleasant City.

In 2017, Mulligan Properties Inc. owned 20 luxury homes, each on 5 acres of real estate, in Pleasant County. In 2017, the real estate investment company contracted to sell all of the properties to various individual buyers. Wyatt Title was the title company hired by Mulligan Properties Inc. to perform title insurance services related to the sales. All of the sales were completed in 2017, and no transfer taxes were paid by Mulligan on any of the sales.

In his capacity as Register of Deeds, Thompson sued Mulligan Properties Inc. and Wyatt Title in Pleasant Circuit Court for failing to pay the tax under SRETTA. Thompson alleged that, as the seller of the 20 properties, Mulligan Properties Inc. was liable for the transfer taxes associated with the sales. Thompson further alleged that the county's damages exceeded \$25,000 in lost tax revenue, but further alleged that the actual losses were very likely in the six figures. Thompson did not allege failure to pay the tax against Wyatt.

Mulligan Properties Inc. has hired the firm for whom you are clerking to defend the company. The client is concerned about being in the circuit court located in the same county as the plaintiff public official, and it has asked whether removal to the federal district court, Western District of Michigan, is viable.

*******THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV*****
OR IN EXAMPLIFY ANSWER SCREEN 12**

The firm's partner asks you to:

1. Explain what the standards are for removing a state action to federal district court,
2. Apply those standards to the facts of this case, and
3. Explain whether the case should be filed in the Western District of Michigan or remain in the Pleasant Circuit Court.

*****THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV*****
OR IN EXAMPLIFY ANSWER SCREEN 12