



The Salt Lake Tribune

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La Caille owners to pay \$4.7 million to ex-partner

Lawsuit » Jury finds pair breached contract.

By Dawn House
The Salt Lake Tribune

Updated: 03/17/2010 11:34:00 AM MDT

Three partners who developed La Caille into a highly rated restaurant considered themselves kin until a business dispute turned into a family feud.

A lawsuit involving the longtime partnership ended up in 3rd District Court in February 2006. Last week, after an eight-day trial, a jury awarded the restaurant's former partner, Mark Haug, \$4.7 million, including punitive damages.

On Monday, Haug said through his attorney he feels vindicated by the award, which includes money for his share of the partnership and punitive damages assessed against his former associates.

"It's been more than a 30-year journey that includes four years of litigation," said Haug's attorney, James Magleby. "My client is already back at work. He just wants to get on with his life."

Haug, 50, who was also an executive chef at the Sandy restaurant, no longer is in the hospitality business. He works for a development company, "doing snow removal and construction, anything that needs to be done," Magleby said.

The jury found that partners Steven Runolfson and David Johnson breached a 1993 partnership agreement with Haug and unlawfully confiscated his personal property. Jurors also found the pair were involved in a 2005 "malicious prosecution" scheme that resulted in Haug facing criminal charges, which were dropped a year later.

An attorney for brothers-in-law Runolfson and Johnson said they were disappointed by the award and the verdict,

parts of which they expect to challenge through appeal. Whatever the final outcome, said lawyer Jesse Trentadue, neither the public nor the 100-person wait staff will see any changes at the restaurant.

One part of the verdict went in favor of Runolfson and Johnson. The jury determined that the pair unlawfully took possession of Haug's cabin overlooking Little Cottonwood Creek. But Haug must repay them \$190,000 for loans on which he had defaulted and that they had picked up.

"They are a close-knit family," Trentadue said of the owners and La Caille staff. "And for many years, Mr. Haug was part of that family."

The relationship went back years. Haug was 12 in 1972 when he landed a dishwashing job at La Caille, then called Quail Run. At the time, it was a weekend-only eatery, far from present-day

subdivisions that surround La Caille's 10-acre complex.

Haug developed a relationship with owners Runolfson and Johnson, later helping build several additions to La Caille, including the now familiar red-brick lane leading up to the restaurant, several outbuildings and Johnson's nearby home, valued at \$3 million.

In 1984, according to Haug's attorneys, he was given "almost total control" in managing La Caille. Four years later, he also received a 4 percent partnership in Quail Run Enterprises, which owns La Caille properties, and stock in La Caille Restaurant Corp., which operates the restaurant.

But starting in the late 1980s, as Runolfson's and Johnson's families grew, the two began trying to "trick" Haug into giving up his partnership, his attorneys contend.

The partnership became even more strained in August 2004 when Haug's wife discovered that he had an affair with one of the restaurant staff. Haug's attorneys say his wife walked into the restaurant kitchen, slapped him hard enough "to draw blood," then found the employee and slapped her, too. Haug in turn, left the restaurant to spend time with his wife. Runolfson encouraged him to return, but Haug refused, court documents state.

In 2005, according to the documents, Runolfson called the Salt Lake County Sheriff and reported that Haug had fraudulently misappropriated company funds. Johnson's estranged wife, who also worked at La Caille, told investigators her husband had coached her on what she should tell police, according to court testimony. Johnson in a deposition denied that allegation, but the jury sided with Haug in his claim that his former partners were involved in a malicious prosecution against him.

Third District Judge Kate Toomey said the jury, in assessing Runolfson's and Johnson's "credibility and trustworthiness," could be told that they had violated a court order to produce certain documents.

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La Caille

The restaurant, which opened in 1974, has been awarded AAA Travel's "Four Diamond" top rating for the past 15 years.

The 25,000-square-foot eatery, several outbuildings and a guest cottage are on 10 acres at the mouth of Little Cottonwood Canyon.

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