

# Denver Law Review

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Volume 67  
Issue 4 *Tenth Circuit Surveys*

Article 23

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February 2021

## Corporations

Denver University Law Review

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### Recommended Citation

Denver University Law Review, Corporations, 67 Denv. U. L. Rev. 689 (1990).

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## CORPORATIONS

*Lowell Staats Mining Co. v. Pioneer Uranium, Inc.*, 878 F.2d 1259

Author: Judge Brorby

Plaintiff, Lowell Staats Mining Company ("Staats"), the judgment-creditor from an earlier suit, appealed the district court's grant of a directed verdict in favor of third-party defendants Pioneer Corporation ("Pioneer"), and Pioneer Nuclear Inc. ("Nuclear"). Staats also appealed the district court's denial of prejudgment interest.

The Tenth Circuit found that Staats was not entitled to reversal of the directed verdict against Nuclear or Pioneer. The court found that Staats was not able to pierce the corporate veil through the alter ego, instrumentality, or agency theories because the complaint failed to state a claim for relief. The court considered many factors in making its determination: ownership of stock, common directors and officers, and inadequate capital on the part of the subsidiary. The court also considered whether the subsidiary retains substantially no business except that with the parent corporation. The court decided that the district court acted properly in directing verdicts in favor of Pioneer and Nuclear. In addition, the court reversed the district court's denial of prejudgment interest. The court held that the district court should have followed previously decided Colorado cases that allowed for prejudgment interest, but only for the statutory amount of eight percent per annum compounded annually.

