

Country club in legal fight with ex-members

Lutherville club closes amid financial troubles

By Alison Knezevich, November 28, 2011



Errant tennis balls are lodged in the shrubs outside the tennis courts at the Chestnut Ridge Country Club. There is a legal dispute at the Greenspring Valley club, which is suing ex-members for dues. The club, founded in 1957, closed this month because of financial problems. (Amy Davis, Baltimore Sun / November 27, 2011)

It's easy to miss the small "Members Only" sign along a heavily wooded section of Falls Road in Lutherville. But for those who belonged, the Chestnut Ridge Country Club offered 240 secluded acres where they could golf, play tennis, swim and gather for card games.

Now, after more than 50 years as "a haven from the rigors of work and home," Chestnut Ridge has closed amid financial problems — and a legal fight with dozens of ex-members. The parking lot at the sprawling property was vacant on a recent afternoon. A chandelier hung in the darkened entrance of the clubhouse, an empty restaurant cart by the door.

The unusual conflict pits the club's board against members who once enjoyed happy hours, yoga classes and Friday night prime rib dinners. Chestnut Ridge sued more than 30 former members in September, claiming they owe from \$800 to \$2,400 — plus interest and lawyers' fees.

Other golf courses and private clubs in the corridor north of downtown Baltimore have closed in recent years. Bonnie View Country Club in the Mount Washington area shut down because of financial problems and was

developed for housing. The Worthington Valley Country Club in Owings Mills was also closed, and the land developed for homes.

Country clubs nationwide have seen revenues decline in recent years, according to Sageworks, a financial information company. "During the recession, country clubs took a hit like the rest of the economy," said Libby Bierman, a Sageworks analyst.

Chestnut Ridge faced those same pressures. In a letter sent to members Nov. 10, president Herb Weiner cited a list of reasons for the club's financial problems: The economic downturn. A declining membership base. Intense competition with other country clubs. Debt from improvement projects.

The club had tried to turn things around, Weiner wrote, by hiring a professional golf management company, seeking legal and financial advice, and discussing a merger with other clubs. Chestnut Ridge also presented restructuring plans to its bank, and changed its membership plans to try to keep members, said the letter from Weiner, who did not return messages seeking comment.

Meanwhile, the members who stayed at the club had to make up for lost revenue, and many felt the costs became unreasonable, said Alan Bloom, the attorney who represents 11 former members.

"When [members] get out, then dues go up," he said. "It's a Catch-22. Every time someone leaves, your dues go up."

Bloom said nearly all of his clients paid their dues and other bills. But after the members left the club May 1, they were charged "special assessments" a month later — \$1,400 for a single member or \$2,000 for a couple.

Clubs use assessments to make up for declining revenue, said Bloom, who left Chestnut Ridge in May and was sued himself.

"The people that left and got sued had already paid an extra \$2,000 about six months before that," he said. "We were all sick of it."

Joel Smeyne, a former member who was sued after he left the club this spring, said many started leaving Chestnut Ridge at the start of the economic downturn a few years ago. "As your net worth takes a serious hit, people have to view their priorities."

A full family membership at Chestnut Ridge cost more than \$10,000 annually, though the club also offered more limited membership plans. A membership application lists annual fees, including \$100 for a locker, \$125 a year for golf club storage, and \$100 for soft drinks and bottled water served on the golf course and tennis courts.

Jeffrey Friedman, a club member and lawyer who is representing Chestnut Ridge, said the debt at issue in the lawsuits represents not only assessments, but outstanding dues and bills for expenses such as food.

The club is seeking money from the period between May 1, 2010, and April 30, 2011, Friedman said.

Although it closed last week, Chestnut Ridge, which was founded in 1957, is trying to figure out how to reopen, Friedman said.

"There are a number of things ... in the fire that would allow Chestnut Ridge to continue," said Friedman, who offered no details. "Nothing is written in stone that Chestnut Ridge is going to close permanently."

Nationwide, revenue at private golf courses and country clubs — including membership collections, food and golf sales — dropped 2.5 percent in 2009, according to Sageworks. Since then, revenue has been nearly flat.

Like other businesses caught in the economic downturn, "clubs have had to make adjustments as well," said Jackie Abrams, spokeswoman for National Club Association.

But the association says the outlook may be improving. Last year, the group reported that 47 percent of clubs nationwide delayed facility improvements; that has declined to about 20 percent.

Attracting younger families has been a major focus for country clubs, according to the association. For instance, some have offered discounted rates for people who only want to play tennis or have clubhouse access.

Smeyne, who now belongs to the Suburban Club in Pikesville, remembers taking his son-in-law, a corporate attorney, to play golf at Chestnut Ridge.

"Three hours on the golf course, he was on the phone," he said. "Young people are like that. ... It's a different world today. And country clubs are part of a slower world."

Smeyne, a retired entrepreneur who once owned arcades, Benetton sweater shops and a distribution company that sold jukeboxes, pinball machines and other items, also said that premier public courses offer an alternative for golf enthusiasts.

He grew up in a middle-class family, and joined a country club in the late 1970s, once he could afford the cost.

Since then, Smeyne has seen attitudes change.

"It used to be if you were a member of a country club, you have arrived," he said. "I don't think my friends think that anymore."

For the full story featuring Sageworks' data and analysis, please visit [The Baltimore Sun - Country club in legal fight with ex-members](#)