

# VERDICTS & SETTLEMENTS

THURSDAY, DECEMBER 30, 2021



**Evangeline A.Z. Burbidge**

— ARBITRATION —  
\$30,231,690.00



## CONTRACTS

### BREACH OF CONTRACT Failure to Pay

**ARBITRATION: \$30,231,690**

**CASE/NUMBER:** EDAG Engineering GmbH v. Byton North America Corporation / 3:21-cv-04736-EMC

**COURT/DATE:** USDC Northern / Dec. 13, 2021

**JUDGE:** Edward M. Chen

**ATTORNEYS:**

**Plaintiff** – Evangeline A.Z. Burbidge, Marc R. Lewis, Bradley E. Estes, Kenneth M. Walczak (Lewis & Llewellyn LLP)

**Defendants** – Keith A. Sippelle (Van Etten Sippelle LLP)

**FACTS:**

EDAG Engineering GmbH is one of the world's leading providers of automotive engineering services. BYTON North America, a subsidiary of Byton Ltd., hired EDAG as an outside engineering services

provider to assist BYTON in achieving its ambitious goal of building from scratch an all-electric SUV (called the "M-BYTE") in three years.

**PLAINTIFF'S CONTENTIONS:**

EDAG contended that from 2016 to 2019, EDAG helped BYTON design its electric SUV. BYTON stopped paying EDAG in 2019, after BYTON's C-round of investment failed to materialize. EDAG initiated arbitration pursuant to the parties' contract in late 2019.

**DEFENDANT'S CONTENTIONS:**

BYTON denied all contentions. In the arbitration proceeding, BYTON asserted a \$30 million counterclaim against EDAG for breach of contract and negligence based on alleged engineering errors committed by EDAG.

**RESULT:**

EDAG Engineering GmbH was awarded \$30,231,689.48 against BYTON North America Corporation for BYTON's breach

of contract; BYTON's alleged counterclaims for \$30 million were denied in their entirety. On Dec. 13, 2021, Judge Edward Chen of the Northern District confirmed the arbitrator's award and entered a judgment for EDAG of \$30,231,689.48 against BYTON.

**OTHER INFORMATION:**

After a two-week arbitration in 2021, which included almost a dozen witnesses, Judge William J. Cahill (Ret.) issued a Final Award in favor of EDAG on its breach of contract claim, ruled against EDAG on its claim for breach of the covenant of good faith and fair dealing, and ruled against BYTON on its counterclaims. Judge Cahill found that BYTON had agreed to pay EDAG a flat fee of €50,448,045; that EDAG had substantially performed its obligations to BYTON under the contract, for which it properly invoiced BYTON; and BYTON failed to pay invoices totaling €23,446,649 (or \$28,633,0471 USD).

**FILING DATE:** Jun. 23, 2021