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Masuda Funai Obtains Seven Figure Settlement in AAA Arbitration in Detroit Involving OEM and Tier 1 Automotive Supplier, 2025

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By: Patrick Kelly, Reinhold F. Krammer

Reinhold F. Krammer and Patrick M. Kelly obtained a very favorable seven figure settlement on behalf of Masuda Funai's European based client for its North American subsidiary, a Tier 1 automotive supplier with production operations in Mexico, in an arbitration against an OEM. In response to demand letters, the OEM initially denied all liability and offered only a nominal amount in settlement. After commencing arbitration and asserting claims for, among other things, breach of contract and silent fraud under Michigan law and responding to the OEM's counterclaim for alleged duress in demanding prior price increases, Masuda Funai developed evidence through targeted discovery and depositions that greatly strengthened the Tier 1's position. On the eve of the arbitration hearing, the OEM agreed to pay a seven-figure settlement, resulting in a highly favorable resolution for the client.

Masuda Funai is a full-service law firm with offices in Chicago, Detroit, Los Angeles, and Schaumburg.