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Pryor Cashman Wins Arbitration and Recovers Payments Due Plus Attorneys' Fees for Breach of Purchase and Sale Agreement Relating To Film Post-Production Company

On April 15, 2009, a JAMS arbitrator ruled in favor of Pryor Cashman's client, the seller of a film post-production company, making an award of \$2.7 million and attorney's fees.

The seller had sold his film post-production company for several million dollars, with the purchase price to be paid over the following few years. The Purchase and Sale Agreement contained several restrictive covenants, including a non-solicitation clause that prohibited the client from soliciting his former customers "to cease doing business with" his former company.

When the purchaser stopped making the required payments, claiming that the client had impermissibly solicited customers, Pryor Cashman commenced an arbitration in New York against the purchaser.

After a four-day arbitration proceeding, Pryor Cashman convinced the arbitrator that its client had not, in fact, breached any restrictive covenant and that the purchaser lacked a good faith basis for withholding the moneys due in the first place. The arbitrator awarded the client all overdue payments, acceleration of all future payments and all of the client's legal fees.

The Pryor Cashman team consisted of Litigation Partners James O'Brien and Michael Goldberg.