

Bailey Glasser Clients Achieve Favorable Settlement in Long-Running Sale-Leaseback Disputes

11.06.2018

After achieving favorable rulings on certain summary judgment issues, Bailey Glasser's clients, Foresight Energy and its subsidiaries, Hillsboro Energy and Macoupin Energy, favorably resolved two lawsuits in which the companies faced damages claims exceeding \$800 million. The disputes arose from complex sale-leaseback transactions and the application of certain terms of those transactional documents, including the force majeure, termination, and recoupment provisions. In addition, the disputes involved the hard-sciences aspects of spontaneous combustion and underground coal mine engineering, as well as the intricacies of the worldwide coal trade, coal qualities, and coal mine investment modeling.

The publicly-announced settlement agreement involved an upfront payment by Foresight and Hillsboro of \$25 million, coupled with a \$225 million reduction in Hillsboro's future lease obligations.

Bailey Glasser attorneys handled every aspect of both lawsuits, briefing every issue, arguing every motion, and taking and defending every deposition. Brian Glasser, Nicholas Johnson, and Jeffrey Baron led Bailey Glasser's team.

"We are pleased to have reached a mutually beneficial resolution in these lawsuits," said Robert Moore, Foresight's president and CEO, in a statement. "These agreements provide us with long-term control of our coal reserves and operational flexibility at [the] Deer Run mine."

Bailey Glasser has served as litigation and business counsel to Foresight Energy and its subsidiaries since its inception nearly 15 years ago.

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Business Litigation