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Bird Marella Obtains Trial Victory in Commercial Breach of Contract Matter

Bird Marella principals Paul Chan and Hernán Vera recently prevailed in a commercial breach of contract trial on behalf of firm client California Credits Group (CCG), a leading provider of tax credits consulting services, against Rich Foods, an international food conglomerate.

The question posed was whether a sale of assets under the Internal Revenue Code constituted a "reorganization" under the parties' services contract, triggering payment obligations to CCG. After successfully moving to bifurcate the case to try the contract interpretation issues prior to damages, Mr. Chan's team established through witness testimony and other parol evidence that the contract term should have a broad and natural language interpretation, triggering payment obligations to the client. The Court agreed, by declining to assign a technical meaning to the "reorganization" term and interpreting the contract according to its plain and natural meaning. The case settled immediately thereafter, before proceeding to the damages phase.