

Outsourcer, Software Co. Settle Contract Arbitration Dispute

By **Melissa Daniels**

Law360, Los Angeles (August 9, 2016, 8:00 PM ET) -- Business services provider Sutherland Global Services and Adam Technologies reached a confidential settlement in New York federal court on Monday, ending a four-year-old attempt by Sutherland to confirm an \$870,000 arbitration award over Adam's alleged failure to pay for call center services.

New York-based Sutherland had sued human resources software manufacturer Adams Technologies International SA de CV looking to confirm a \$870,000 arbitration award plus interest after an independent arbitration panel found Adams breached a contract with Sutherland by failing to pay for outsourced call center services.

The parties reached their confidential settlement weeks after Sutherland asked the judge to hold Adam in contempt for failing to comply with discovery documents as it was chasing down asset information in its quest to get the award confirmed.

Adam Technologies' attorney Evan W. Bolla of Harris St. Laurent & Chaudhry LLP confirmed on Tuesday that the matter was resolved with a settlement but declined to comment further.

Sutherland attorney Sean McPhee of Phillips Lytle LLP told Law360 that the dispute was "resolved in a manner that was mutually satisfactory."

The case began with Sutherland providing services to Adam in 2009 and 2010 that Sutherland says were never paid for.

Adam filed a petition in Texas state court seeking to stay arbitration. That petition was dismissed, as was a subsequent action from Adam against the American Arbitration Association attempting to hold off proceedings.

The parties held unsuccessful mediation talks in 2010, and eventually the matter went before a panel.

A final decision from the panel in August 2012 found in Sutherland's favor for more than \$870,000 plus interest, as well as about \$30,000 in arbitration fees to be paid for by both parties, with Adam carrying 75 percent of the cost.

U.S. District Judge Michael A. Telesca ruled against Adam Technologies in October 2014, with the total amount due exceeding \$1 million given interest and fees.

Adam appealed the decision to the Second Circuit, which affirmed Judge Telesca's ruling in March.

In November 2015, while the appeal was pending, Sutherland **accused Adam** in New York federal court of willfully failing to respond to discovery demands and requests for deposition of witnesses.

Adam fired back in December saying the post-judgment discovery requests were **sent to the wrong attorney** at Thompson Hine LLP, which had recently picked up work on the case and wasn't closely involved when it was served with the documents that fall.

In December, Sutherland **initially lost a bid** to force Adam to reveal information about its assets but in January **asked Judge Telesca to reconsider** given existing court precedent. In March, Judge Telesca said that Sutherland could **go after the asset information** in light of the Second Circuit's ruling upholding the award.

In a mid-July status report, Sutherland again said that Adam wasn't complying with discovery and asked the court to approve a motion for contempt and sanctions based on Adam's "willful failure to comply" with the March order to pay the award.

In light of Monday's sealed settlement documents, a follow-up order from the court clerk on Tuesday terminated the pending motion for sanctions and closed the case.

Sutherland is represented by Sean McPhee and Daniel R. Maguire of Phillips Lytle LLP.

Adams Technologies is represented by Evan W. Bolla and L. Reid Skibell of Harris St. Laurent & Chaudhry LLP and Joseph B. Koczko of Thompson Hine LLP.

The case is Sutherland Global Services Inc. v. Adams Technologies International SA de CV, case number 6:12-cv-06439, in the U.S. District Court for the Western District of New York.

--Additional reporting by Vidya Kauri, Kat Greene and Christine Powell. Editing by Brian Baresch.