

The Right Witness with Convincing Testimony Makes the Difference in Arbitration of Breach of Charter over Failure to Maintain Vessels

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Where we started: Our attorneys counsel the owners of a very successful Mexican drilling company, helping them on regulatory, transactional, and litigation issues that arise in their operations. Naturally, they turned to us for help when a company to which our client had chartered three of their barge rigs failed to return the rigs in proper redelivery condition. The vessels suffered significant corrosion and other damage, which required costly repairs. We initiated a hearing before a New Orleans-based arbitrator to resolve the dispute with the charterer and recoup our client's losses.

Our strategy – plus more: Prior to the hearing, our lawyers moved quickly to craft a comprehensive and creative argument to prove the charterer failed to maintain the vessels and that this negligence breached the charter agreement, entitling our client to compensation to repair the damaged rigs. As part of our strategy, we needed testimony from all of the key players to help craft the narrative of our case. So we brought in the owners from Mexico, the people in charge of overseeing the vessels, and several others to testify.

But we knew we needed a linchpin to our case, which we found in a vital witness, a former employee of the charterer embroiled in our dispute, who now owned his own barge rig business. He could provide first-hand knowledge of the condition of the vessels at the start of the charter. We were able to convince him to testify even though he was getting sued by his former employer, our opponent, for unrelated matters. In the candid and detailed testimony we extracted from him, he proved to be very credible, in large part because he didn't work for our client.

Upshot: After two weeks of proceedings, the arbitrator ruled in our favor, resulting in a multimillion-dollar award for our client. This ruling was confirmed by the district court.