



# Insights: Top Disputes & Investigations

Commercial Disputes





## Commercial Disputes

Commercial disputes are likely to be significantly affected by COVID-19 in the coming years. Already, there has been a surge in new filings stemming from COVID-19.

FTI Consulting's Dispute Advisory Services practice is built around authoritative, experienced and independent functional and industry experts who analyze complex situations and formulate concise and persuasive opinions and conclusions. In this section, of our **2020 Insights: Top Disputes & Investigations**, we highlight our work helping clients resolve disputes on major Commercial Disputes projects.





## LPG Distributor v. Multinational Refiner

A multinational hydrocarbons refiner brought in FTI Consulting to assist in a dispute involving its Liquefied Petroleum Gas (LPG) production supply agreement with an LPG distributor. The LPG distributor claimed damages arising from the fact that it did not receive the monthly base quantity of LPG products, which could be solely LPG or a combination of LPG and either butane and/or propane.

FTI reviewed refinery optimization with regard to existing hardware configuration and existing operating conditions. We examined existing refinery configuration, logistics, product grades and the overall refining process, including production optimization of fuel versus LPG. FTI further analyzed crude selection, blending and commercial optimization with regard to crude quality (API, sulfur, TAN, etc.) and yields.

Of the two claims for damages made, one was dismissed in favor of our client and the other resulted in minimal damages awarded.

### Subject Matter Experts



**Ken Stern**  
Senior Managing Director



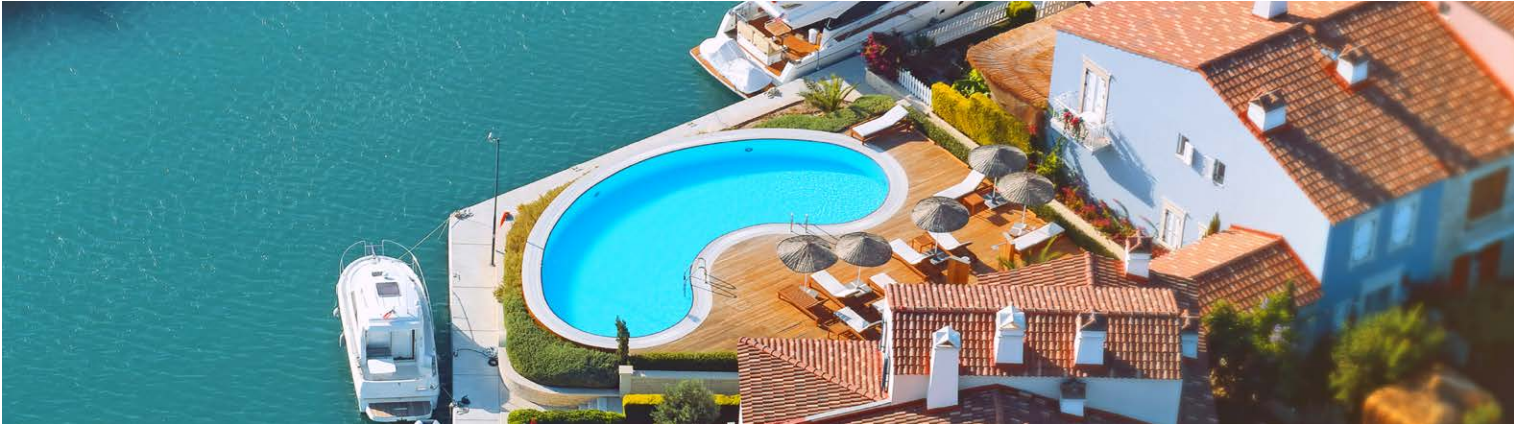
**Quincy Jones**  
Managing Director



**Richard Winn**  
Managing Director



**Nidhi Aggarwal**  
Senior Director



# Calculating Damages in a Real Estate Breach-of-Contract Suit

Counsel for a major luxury home developer needed FTI Consulting's assistance with damages analysis and expert testimony in connection with a breach of contract dispute. The developer had acquired property in Orange County, California, including an agreement with the Defendant, an oil field operator, to plug and abandon the wells that it was operating once the Plaintiff was ready to develop the parcel. When the developer was ready to build homes, the Defendant failed to cease oil operations per the agreement, which resulted in a significant project delay.

FTI was engaged to provide damages analyses regarding the alleged contract breach, and to calculate damages resulting from the delayed housing development. FTI staff supported the testimony of a UCLA professor with extensive experience with real estate investment and calculating economic damages. In this case, he relied upon the Plaintiff's financial projections for lot development and market statistics based on comparable single-family homes near the relevant parcel in order to calculate damages. The professor was deposed and testified in a jury trial where he explained that the Plaintiff was entitled to economic damages associated with the project delay.

FTI's testifying expert calculated the unjust gains that Defendant received by operating the oil wells that it was contractually required to plug and abandon. Our expert also performed a detailed review of the contractual agreement and the performance it required of the Defendant. Our expert was also tasked with quantifying the impact to the Plaintiff of the Defendant's continued trespass and nuisance. At trial, our expert effectively explained that the Plaintiff was entitled to revenues associated with unjust enrichment from its oil operations on the land at issue.

The jury relied on the testimony of FTI's two experts and ultimately found in favor of the Plaintiff, who was awarded \$27 million in compensatory damages and \$10 million in punitive damages.

## Subject Matter Experts



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**John McBeath**  
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**Lisa Marovich**  
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