

Saiber Wins Fee Arbitration in Medical Equipment Dispute

July 19, 2012

Saiber LLC recently prevailed in an arbitration concerning attorneys' and service fees on behalf of its client, a division of Philips Electronics of North America Corp. that provides medical equipment.

Philips was compelled to take action after a New Jersey medical practice ceased making payments for a leased cardio nuclear imaging camera and, despite Philips' and Saiber's numerous efforts, refused to reinstate them. Saiber ultimately filed a Complaint in the United States District Court for the District of New Jersey on behalf of Philips, soon secured Default Judgment against the medical practice, and eventually executed on a bank account containing several hundred thousand dollars in order to satisfy the practice's obligations. Thereafter, the parties entered into a settlement agreement that recognized the medical practice's full responsibility for its equipment lease payments, but left open two items to be arbitrated: (1) whether Philips' attorneys' fees, which were recoverable by contract given the default, were reasonable; and (2) whether Philips was entitled to payment under an attendant service contract.

The parties arbitrated these issues before the Honorable Bette Uhrmacher, J.S.C. (Ret.), who heard witness testimony and accepted voluminous documentation from Philips into evidence. On May 7, Judge Uhrmacher issued a 13 page Arbitration Award and determined that Philips was entitled to be reimbursed for the entirety of its attorneys' fees incurred prior to settlement, reasoning that they were all "reasonable and necessary" in light of both the contracts at issue and the conduct of the medical practice and/or its attorney. Moreover, Judge Uhrmacher determined that Philips properly fulfilled its obligations under the parties' service contract, noting that service was regularly provided notwithstanding the medical practice's failure to pay, and awarded Philips the full amount due under that agreement as well.

Attorneys Marc E. Wolin and Jakob B. Halpern successfully arbitrated the matter on Philips' behalf.