

How I Won The Case: Latham Talks Through the Dismissal of a €500M Claim

By Oscar Glyn

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In December 2025, a tribunal dismissed a €500 million claim against private equity firm Lindsay Goldberg, represented by Latham & Watkins. The claim was filed in 2021 by B&C-Gruppe, an Austrian firm, alleging financial manipulation by Lindsay Goldberg when it sold Schur Flexibles to B&C.

The claim included allegations of inflating EBITDA and B&C brought criminal proceedings against employees of Schur. The company went through a restructuring and was not in the possession of either B&C or Lindsay Goldberg for the majority of proceedings. The tribunal lasted 2 weeks and took place in January 2025.

Proceedings went on for four years and involved matters in Austria, the Netherlands, Denmark and the U.S. Latham went on to dismiss claims in all other jurisdictions other than Germany where the €500 million was eventually dismissed along with a €37 million costs award—the largest ever in a German Arbitration Institute arbitration.

The team from Latham & Watkins was led by global head of litigation Michele Johnson in Orange County, litigation and trial partner Christoph Baus in Hamburg and partner Anne Löhner in Munich. They sat down with Law.com to give their perspective on the case.



Michele Johnson, Anne Löhner, Christoph Baus, Latham & Watkins

The following interview has been edited for clarity and style.

What were the biggest challenges in the public nature of the case?

Christoph Baus: “Where do I start, first of all, a lot was at stake. A huge monetary claim but more importantly the reputation of our client Lindsay Goldberg. A very honourable private equity investor in the U.S. that was, I would say, dragged through the mud because the other side tried to very aggressively hammer their narrative of fraudulent accounting, inflating the purchase price and left no means unused I would say to try to get that across in speaking

or leaking things to the press, as well as going to the prosecutors and many courts around the world. So the stakes for our client couldn't have been higher.

"You had criminal allegations and prosecutors in Austria, but also other countries looking at the case and investigating. You had a client from the US with investments throughout Europe. So the other side, B and C tried to basically chase them [Lindsay Goldberg] wherever they had assets throughout Europe. We had proceedings in Denmark, in the Netherlands, in Austria, Germany, and ultimately in the US.

"So, the second big challenge is dealing with prosecutors, dealing with public allegations and civil court proceedings all over the world and all of that in a heated environment where things needed to happen."

Lindsay Goldberg is a long time client of the firm, how did the relationship work?

Anne Löhner: The working relationship from almost the beginning was so close and so trustful; that definitely had a huge impact on the entire team, just because we could always call up the client, pretty much at any time of the day but they were very much in the trenches with us, unfortunately for them. You have to say, they took it very seriously, but they also trusted us with what we recommended, it was extensive.

What made this case unique?

Christoph Baus: "So our client had sold the company, and then the company went through a restructuring and ultimately ended up in the hands of another financial investor, and with that, all the records. The other side was screaming fraud, and they were saying there was this massively inflated EBITDA of the company, and the EBITDA comprises many, many entries

in the annual accounts of the company where you basically have an asset in your balance sheet. And the question was that value ascribed to that asset—was that proper? And when you don't have access to the company, when you don't have access to the records, and when all the people who were doing the accounting at the time were under criminal investigation and had no incentive whatsoever to contribute, then that makes it absolutely unique and and hard to respond to a specific allegation of a specific line item in your accounting that is allegedly wrong."

Anne Löhner: "I think that's what makes this case so unique because a lot of these types of cases tend to settle. This one didn't, largely because of our client being dragged through the mud. Also because we believed from the beginning that actually these allegations, as much as they were shouted about, didn't have merit. But it was very hard detective work. And that's again, why the cost award was ultimately so high."

B&C applied for a 1782 order in the United States, can you clarify the impact that had on the case?

Michele Johnson: "It's a statute that allows bringing the American discovery regime to bear in the relevant proceedings pending outside of the US. We kind of captured the flag, if you will. There was some information that ended up being ordered to be produced, and then we embraced that and made it part of our story [in] what we presented. So, while U.S. style of discovery proceedings can be expansive, expensive, burdensome, we can also use it to our advantage to say we're going to incorporate all of that into our story and present it in the most persuasive way."

What was the biggest challenge that this case presented?

Michele Johnson: "Time zones were fun. The actual trial began at what was effectively 11pm or midnight pacific time. Not just the trial of course, all of the lead up, we just had to be flexible with each other, the client was spectacular at being available 24/7 as were we. Co-ordination is such an important concept here."

What was so important about the costs award and the judgment?

Michele Johnson: "Honestly, from my perspective, what mattered the most was the size of the claim against our clients. That was existential. That was, I will say, inflated. B&C was asking for this massive amount, and that's what really drove the remarkable nature of this decision to just zero it out.

"Now, in addition, the cost award is likely the largest that has been ever awarded by this particular entity, driven, certainly, in a large part by B&C's choices to go scorched earth. The tribunal looked at that award and found that it was that amount and found that it was reasonable, not just that it was incurred, but that it was reasonable. So that part is remarkable.

"But for me, the most remarkable part was getting a complete defence verdict zeroing out the enormous claim that they brought. Ultimately, I think it's nice to get a large cost [award], but ultimately it's money that the clients spend on their defence. And it's the loser principle that applies, I think, across many jurisdictions and in arbitrations."

Christoph Baus: "The cost award that we secured for the client, 37 million euros, we believe is the highest a DIS administered panel ever awarded. And so that is not a penalty for the other side, right? That is costs that have been incurred by our client. And so that cost obviously correlates to all the work that needed to be done and that the tribunal apparently deemed appropriate and necessary. And so that sort of reflects the hard work and the amount of work that the entire team had done."

How did you celebrate the win?

Christoph Baus: "It was the saddest and happiest morning of last year, certainly, because there was no one in my office on that morning but me. There was maybe a secretary or two who didn't know anything about the case because they didn't work on it. There wasn't even someone to high five, at least on my floor. So that was actually very sad."