

MARKS & WEINBERG, P.C.

Siemens Credit Corporation v. American Transit Insurance Company 2000 WL 534497 (S.D.N.Y., 2000)

The plaintiff, Siemens Credit Corporation (SCrCö), and third-party defendant, Siemens Information and Communication Networks, Inc. (SICNö), each filed motions to stay discovery pursuant to Fed. R. Civ. P. 26, which allows the district court to stay discovery upon a showing of "good cause."

SCrC's motion rested on whether the lease was a "hell or high water lease" under Article 2A of the New York Uniform Commercial Code. Under this type of lease, SCrC would not be responsible for the performance or condition of the leased equipment. The Court held that the language of the contract implied that the lease was in fact a "hell or high water lease," and therefore SCrC has satisfied its burden under Fed. R. Civ. P. 26 of showing "good cause." Regarding SICN's motion to stay discovery, however, the Court held that there still existed issues of fact that could be resolved upon further discovery.

Marks & Weinberg, PC is a law firm with significant experience in dealing with virtually every type of equipment and facility lease financing. The lawyers of the firm have participated in leasing financings for more than a billion dollars of equipment and are recognized throughout the industry. If you would like more cases or articles on leasing, or have any questions or comments about this Article or other leasing issues, please visit leaselawyer.com or contact Barry Marks at 205.251.8303 or Ken Weinberg at 205.251.8307.

