



Warner Legal Corner

AUTOMOTIVE LEGAL TOPICS

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Preparing for Local Business Impacts of the War in Ukraine

As the war in Ukraine intensifies and sanctions take effect, your business will likely be impacted either directly or indirectly – so it is best to prepare ahead of time. Below are the likely near-term impacts and ways to prepare for them.

Payments. Many of the first rounds of sanctions target Russian banks and banking services. These sanctions could significantly impact the ability to make or receive payments for companies involved with Russian businesses and Russian banks. You should explore payment alternatives now.

Adequate assurance of performance. Whether it is payment or performance of other contractual obligations, if you have concerns about businesses in your supply chain being affected by these sanctions and becoming unable to perform, you should consider requesting adequate assurance of performance under Section 2-609 of the Uniform Commercial Code. But first, review your contracts to make sure you follow any provisions addressing parameters and notice requirements for seeking such assurance. And if your supply chain is affected by these sanctions, be ready for your customers or suppliers seeking such assurance from you. Both requesting assurance and responding to such requests have potentially significant consequences if not properly done. Address these requests with appropriate due diligence.

Force majeure. If you determine your ability to supply will be affected, consider a force majeure notice to preserve your defense against a breach claim. And if you receive such a notice, review your contract to determine your rights and alternatives. Consider UCC 2-615 if your contract does not include a force majeure clause.

For more information from Warner's Automotive Industry Group, visit their [webpage](#) or log onto www.wnj.com.

ATTORNEY SPOTLIGHT

Homayune Ghaussi



Warner Partner Homayune Ghaussi focuses dually on both supply chain litigation and commercial contract negotiation, primarily for automotive suppliers. Having worked with the automotive industry for 18 years, he regularly represents clients in complex litigation and commercial disputes, including through jury trials and arbitration hearings.

His preference is to step in earlier to: "Spend a few hours in the outset, reviewing and understanding your contracts to reduce the risk of spending months or years with us in litigation at the end." It's his litigation experience, however, that gives Homayune valuable insight into how those contracts are likely to be interpreted if a problem arises.

An executive at a Tier 1 automotive supplier, who regularly retains Homayune to better understand potential legal ramifications of its customer contracts, describes his advice as invaluable. "It allowed us to proactively address issues with our customer that we would have missed had we not had his guidance."

Homayune has been named among the *Best Lawyers in America*® in Commercial Litigation; a Top Lawyer in Litigation and Commercial and Intellectual Property Law by *Dbusiness*; and a Michigan Super Lawyer. He serves as the chair of Warner's Supply Chain Litigation Practice Group and on the firm's Management Committee and Pro Staff Committee. In 2014, he won Warner's "Mentor of the Year Award" that is given to a partner who goes above and beyond in mentoring associates at the firm.

Check out Homayune's [full bio](#) here.



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