

SUPREME COURT OF THE STATE OF DELAWARE

Invenergy Renewables LLC v. Leaf Invenergy Company

No. 293, 2019 · No. No. 293, 2019 · Decided September 19, 2019

SUMMARY

The Delaware Supreme Court affirmed the Court of Chancery's calculation of prejudgment interest in a dispute arising from a contractual redemption obligation under an LLC agreement. The court held that interest accrued from the date of the Material Partial Sale, when the contractual payment obligation arose, rather than from the later date on which the investor surrendered its membership interest.

CASE DETAILS

COURT	Supreme Court of the State of Delaware
WRITING FOR THE COURT	Gary F. Traynor; Justice Vaughn; Justice Seitz; Justice Traynor
JURISDICTION	Delaware
DECIDED	September 19, 2019
DOCKET	No. 293, 2019
DISPOSITION	affirmed
PROCEDURAL POSTURE	Expedited appeal from a final judgment of the Delaware Court of Chancery concerning the calculation of prejudgment interest following remand in Leaf I.
STANDARD OF REVIEW	The date when payment is due, and thus the date from which prejudgment interest accrues, is a matter of law subject to plenary review.
PRECEDENTIAL VALUE	published opinion
PARTIES	Invenergy Renewables LLC v. Leaf Invenergy Company

TOPICS

[breach of contract](#) [contract interpretation](#) [damages](#) [remedies](#) [appellate procedure](#)

PRACTICE AREAS

[contract law](#) [limited liability companies](#) [remedies](#) [appellate procedure](#)

QUESTIONS PRESENTED

1. Whether prejudgment interest on Leaf's contractual damages should accrue from December 15, 2015, when the Material Partial Sale closed, or from June 20, 2018, when Leaf surrendered its membership interest.
2. Whether Leaf was entitled to attorney's fees based on an informal request under Supreme Court Rule 20(f).

HOLDINGS

1. Where the underlying obligation arises from a contract, prejudgment interest accrues from the date payment was due under the contract. Because the LLC agreement entitled Leaf to the Target Multiple when Invenergy closed the TerraForm transaction on December 15, 2015, prejudgment interest properly ran from that date.
2. The court will not consider an informal request for attorney's fees under Supreme Court Rule 20(f) absent a formal motion presented in accordance with the Supreme Court Rules.

KEY QUOTATIONS

"A party is entitled to prejudgment interest running from the date payment is due. The determination of the date when payment is due is a matter of law subject to plenary review." (§ 3)

"Where . . . the underlying obligation to make payment arises ex contractu, we look to the contract itself to determine when interest should begin to accrue." (§ 5)

"Rather, what entitled Leaf to the Target Multiple was the LLC agreement and Invenergy's undertaking of a Material Partial Sale that triggered the contractual provisions we interpreted in Leaf I." (§ 6)

FACTUAL BACKGROUND

Invenergy and Leaf were parties to an LLC agreement under which Leaf was entitled to a contractually defined Target Multiple when Invenergy conducted a Material Partial Sale. Invenergy closed the TerraForm transaction on December 15, 2015, triggering Leaf's contractual entitlement. Leaf later surrendered its membership interest under a redemption agreement dated June 20, 2018, but the Supreme Court held that the surrender did not postpone the accrual of prejudgment interest.

PROCEDURAL HISTORY

In Leaf I, the Delaware Supreme Court held that Invenergy breached its LLC agreement by conducting a Material Partial Sale without redeeming Leaf for the contractually defined Target Multiple. The court remanded for further proceedings, after which the Court of Chancery entered final judgment awarding prejudgment interest from December 15, 2015, the closing date of the sale. Invenergy appealed the interest calculation, and Leaf informally requested attorney's fees.

DISPOSITION

affirmed

CASES CITED

- Leaf Invenergy v. Invenergy, 210 A.3d 688 (Del. 2019)
- Hercules, Inc. v. AIU Insurance Co., 784 A.2d 481, 508 (Del. 2001)
- Citadel Holding Corp. v. Roven, 603 A.2d 818, 826 (Del. 1992)
- Glanden v. Quirk, 128 A.3d 994, 1006 (Del. 2015)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/delaware-supreme-court-of-the-state-of-delaware/2019/invenergy-renewables-llc-v-leaf-inenergy-company-pjkg4f0g>