COURT ENTERS JUDGMENT IN FAVOR OF CAPES SOKOL CLIENT IN MASSIVE DEFENSE VICTORY

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On April 3, 2026, the Honorable Madeline Connolly of the Circuit Court of the City of St. Louis entered a Judgment in favor of Capes Sokol client RIMCO, Inc. in a lawsuit brought by its competitor, PSC Metals, LLC, d/b/a SA Recycling. SA Recycling alleged that RIMCO had breached a Scrap Purchase Agreement ("SPA"), and sought over $7.7 million in damages. RIMCO counterclaimed, alleging that the SPA had been breached by SA Recycling in the first place. After a two-day bench trial and multiple rounds of post-trial briefing, the Court found that SA Recycling had materially breached the SPA first, entered judgment in RIMCO's favor on SA Recycling's claim and RIMCO's counterclaim, and awarded RIMCO nearly $89,000 in damages. The Court later awarded RIMCO costs of more than $13,000. RIMCO was represented by David Luce, Stephen Hoeplinger, and Andrew Gilkerson.

The choice of a lawyer is an important decision and should not be based solely upon advertisements.

Background

RIMCO is a family-owned buyer, processer, and re-seller of scrap metal that has been in business in St. Louis for over 100 years. In 2019, RIMCO and PSC entered into the SPA. Under the SPA, RIMCO was to sell, and PSC was to buy, all of the metal RIMCO acquired in five different categories (or "Grades") of scrap. For the first several years, RIMCO and PSC had an excellent business relationship.

In late 2021, PSC was acquired by the largest scrap dealer in North America, SA Recycling. In January 2023, SA Recycling informed RIMCO that from that point on, it was not going to purchase 4 of the Grades the SPA required it to purchase, and would only purchase 1 Grade, "shredder feed." It also refused RIMCO's repeated requests to negotiate on an appropriate market price for shredder feed, as the SPA required.

In July 2023, after months of SA Recycling not purchasing the other 4 Grades, and refusing to negotiate on the pricing of shredder feed, RIMCO stopped selling shredder feed to SA Recycling. SA Recycling in turn filed suit, claiming that RIMCO had caused it over $7.7 million in lost profits.

At trial, RIMCO's defense team at Capes Sokol used testimony from SA Recycling's own employees to prove that SA Recycling had been the first to breach the SPA by refusing to purchase the other 4 Grades (due to SA Recycling's internal policy of "inventory reduction"), and by refusing to meet and negotiate in good faith with RIMCO on shredder feed pricing reflective of local market prices. While SA Recycling tried to argue that it stopped buying the other 4 Grades from RIMCO due to supposed quality issues with the scrap RIMCO had been delivering, the Court found that the testimony from SA Recycling's witnesses was "not credible." The Court also found that SA Recycling had been able obtain replacement shredder feed from other sellers, and thus had not been injured by RIMCO's refusal to sell it shredder feed.

The Court entered judgment in RIMCO's favor on SA Recycling's $7.7 million breach of contract claim. It also entered judgment in RIMCO's favor on RIMCO's counterclaim, awarding it $88,890, to compensate RIMCO for SA Recycling's failure to pay the actual market price for shredder feed before RIMCO stopped selling altogether.

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