

3. On or around September 2021, White & Case and CAC II entered into a second binding legal engagement in which White & Case again agreed to provide legal services to CAC II in connection with, among other things, a possible business combination. A copy of the second agreement reflecting the terms of the parties' engagement (the "Second Engagement Letter") is attached as Exhibit B to the Complaint.¹

4. White & Case performed all of the required legal services set forth in the Engagement Letters on behalf of Defendant CAC II.

5. Defendant CAC II, however, has refused to pay over \$8,289,100 owed to White & Case for the legal services that White & Case provided under the Engagement Letters. Moreover, CAC II recently announced that, as promptly as possible, it intends to distribute all of its assets to its shareholders and then dissolve, thereby preventing White & Case from ever receiving payment.

6. After multiple demands to CAC II requesting payment, which were either ignored or rebuffed, White & Case has been forced to commence this action to recover the amounts owed to it under the Engagement Letters, plus applicable interest, and attorneys' fees and costs incurred in this case. All of the fees and costs sought here are reasonable and appropriate in relation to the services rendered by White & Case.

PARTIES

7. Plaintiff White & Case LLP is a law firm organized as a limited liability partnership under the laws of New York with offices at 1221 Avenue of the Americas, New York, NY 10020.

¹ The First Engagement Letter and the Second Engagement Letter are referred to herein as the "Engagement Letters."

8. Defendant CAC II is a Cayman Islands exempted company with a principal place of business at 1400 Centrepark Blvd., Ste. 810, West Palm Beach, FL 33401. CAC II is a blank check company commonly known as a special purpose acquisition company, or “SPAC.” CAC II was incorporated in November 24, 2020 for the sole purpose of entering into a business combination with an existing private company. CAC II initially raised funds from public investors through an initial public offering (“IPO”) selling shares (and related warrants) at \$10 per unit. CAC II’s units began trading on the New York Stock Exchange (“NYSE”) on March 10, 2021.

9. Defendant Joseph S. Sambuco is the chairman of the board of directors and managing director of CAC II.

10. Defendant Remy W. Trafelet is the CEO and managing director of CAC II.

11. Defendant Lee J. Solomon is a director of CAC II.

12. Defendant Emil Henry, Jr. is a director of CAC II.

13. Defendant Manny De Zarraga is a director of CAC II.

14. At all relevant times, CAC II was controlled by its directors.

JURISDICTION AND VENUE

15. Jurisdiction is proper over Defendants pursuant to New York Civil Practice Law and Rules (“CPLR”) 302 because this cause of action involves a fee dispute with a New York law firm. Further, the Engagement Letters at issue in this lawsuit were drafted in New York, and Defendant CAC II solicited the services of Plaintiff while Plaintiff was in New York pursuant to the Engagement Letters, conducted phone calls with Plaintiff in New York, and otherwise engaged in business in New York, including in connection with its IPO and subsequent listing on the NYSE.

16. Venue is proper in New York County pursuant to CPLR 503 because Plaintiff resides here.

17. New York's Fee Dispute Resolution Program for fee disputes arising between attorneys and clients—codified at Part 137 of Title 22 of the Official Compilation of Codes, Rules and Regulations of the State of New York—does not apply here because the amount in dispute exceeds \$50,000. N.Y. Comp. Codes, R. & Regs. tit. 22, § 137.1(b)(2).

STATEMENT OF THE FACTS

The Parties' Contractual Engagement

18. On or about November 20, 2020, White & Case provided Defendants with the First Engagement Letter, which was a draft agreement memorializing the terms and conditions of the parties' engagement.

19. The First Engagement Letter provides the precise terms for how, when, and at what rate White & Case would charge Defendant CAC II for its services.

20. In particular, White & Case explained: "Except as set forth on Annex A, White & Case will charge you as its client for the Services based upon the amount of time spent on this matter by each lawyer or legal assistant that performs work in connection with the Services and the Firm's hourly time charges in effect for each such person at the time such work is performed." *See* Ex. A at 1. Annex A sets forth a schedule of hourly rates for White & Case timekeepers, and also lists certain other fees that White & Case would charge for services related to the IPO and routine public company obligations, such as securities filings. *See id.*

21. The First Engagement Letter also provides that White & Case would defer payment on its services until the closing or abandonment of a business combination. *See id.* at 1.

22. CAC II executed a copy of the First Engagement Letter on or around November 3, 2020. *See id.* at 4.

23. On or around September 27, 2021, the parties executed the Second Engagement Letter for CAC II's potential business combination transaction and other such matters requested by CAC II. Like the First Engagement Letter, the Second Engagement Letter provides the precise terms for how, when, and at what rate White & Case would charge Defendants for its services. It also includes an Annex A, which sets forth a schedule of hourly rates for White & Case timekeepers. *See Ex. B.*

24. As with the First Engagement Letter, the Second Engagement Letter provides that White & Case would defer payment on its services until the closing of the business combination. *See id.* at 1.

25. From November 2020 through March 2023, White & Case rendered legal services for CAC II at its request, ranging from registering CAC II's securities under the Securities Act of 1933, assisting with securities filings, and providing services in connection with potential business combinations.

26. During this time period, White & Case provided quarterly updates with respect to all fees that had been accrued.

27. CAC II did not contemporaneously object to any of the fees that White & Case had accrued.

28. At no point during the parties' relationship did CAC II ever suggest or indicate that it believed the fees owed to White & Case were only payable upon the contingency that CAC II actually identified a target company and completed a business acquisition with that target.

CAC II Makes Public Disclosures Affirming its Liabilities

29. Like many other SPACs, CAC II initially raised funds from public investors through an IPO selling shares (and related warrants) at \$10 per unit. CAC II's units began trading on the NYSE on or around March 10, 2021. CAC II placed the funds from its IPO (and from the sale of private placement warrants) into a trust account managed by Continental Stock Transfer & Trust Company ("Continental") under an Investment Trust Management Agreement.

30. CAC II filed its corporate charter (SEC Form S-1 Registration Statement) on February 12, 2021, and amended that filing on March 3, 2021. Both the form S-1 and S-1 Amended inform shareholders that the proceeds held in trust, "could become subject to the claims of our creditors, if any, which could have priority over the claims of our public shareholders."

31. CAC II's charter contemplates a failure to complete a business combination, stating that, "if [CAC II is] unable to complete our initial business combination within such 24-month period, we will . . . redeem the public shares . . . liquidate and dissolve, subject, in each case to our obligations under Cayman Islands law to provide for claims of creditors. . . ."

32. In fact, CAC II reflected White & Case's fees as current (as opposed to contingent) liabilities in its subsequent filings with the Securities Exchange Commission, which constitutes an admission by CAC II that such fees were not contingent upon the closing of any business combination.

33. CAC II made full disclosures to all of its public shareholders that it may be required to pay creditors, such as White & Case, from the funds held in the Colonnade Trust prior to making any distributions to the public shareholders.

34. On March 9, 2021 CAC II issued its Final Prospectus where it disclosed that, “[i]f third parties bring claims against [CAC II], the proceeds held in the trust account could be reduced and the per-share redemption amount received by shareholders may be less than \$10.00 per share.”

35. CAC II also contemplated the possibility that it would not achieve a business combination in the same Final Prospectus. CAC II noted that if it was “unable to complete [its] initial business combination within the prescribed timeframe . . . [CAC II] will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public shareholders could be less than the \$10.00 per public share initially held in the trust account, due to claims of such creditors.”

36. White & Case made no waiver of CAC II’s liability to White & Case.

CAC II Fails to Achieve A Business Combination

37. CAC II’s Amended and Restated Memorandum and Articles of Association state that any business combination must be consummated by March 12, 2023. If CAC II did not consummate a business combination by that deadline, it was required to cease all operations and, as promptly as possible, instruct Continental to liquidate all of the assets in the trust account for distribution to CAC II’s shareholders. Upon distribution, CAC II will then take all necessary steps to liquidate and dissolve.

38. CAC II was not able to effect a business combination with a target business by the March 12, 2023 deadline.

39. On March 9, 2023, CAC II issued a press release stating that in light of its failure to effect a business combination, it intended to cease operations and, as promptly as reasonably possible, distribute all assets to its shareholders and then dissolve.

CAC II Refuses to Pay White & Case

40. As recently as late February 2023, White & Case contacted Defendant CAC II to discuss payment of CAC II's invoices, which totaled approximately \$8,289,100. White & Case advised that the amounts owed must be paid before CAC II liquidates.

41. In response, CAC II argued for the first time that because it did not enter into a business combination, it was not required to pay White & Case *anything* for the prior three years of work.

42. White & Case explained that neither of the Engagement Letters state that CAC II's payment obligation is obviated (in whole or in part) if CAC II fails to effect a business combination within the period provided by its organizational documents.

43. Despite White & Case's continued demand for payment, CAC II has continued to refuse, without justification, to pay White & Case's invoiced and outstanding legal fees.

44. Upon information and belief, CAC II has continued to take steps to cease operations, liquidate the assets in the trust account for distribution, and then dissolve without making any payment to White & Case.

45. If CAC II is permitted to dissolve without first paying White & Case, White & Case will be irreparably harmed as it will have no means of recovering the over \$8 million in work done on CAC II's behalf.

46. Further, under Cayman Islands law, it is unlawful for a company to make payments to shareholders in redemption of their shares unless the company pays its debts.

47. Notably, full payment of the \$8,289,100 will not have a substantial impact on the public shareholders ability to redeem shares at approximately the amount that they paid for them. The Class A shares of CAC II are “estimated to be approximately \$10.21” given the interest that has accrued on the trust from its inception.

COUNT I
Breach of Contract

48. White & Case repeats, re-alleges, and reiterates each allegation contained in the preceding paragraphs as though set forth fully herein.

49. At all relevant times, the Engagement Letters constituted valid, binding contracts between White & Case and CAC II.

50. The Engagement Letters set forth the terms and conditions under which CAC II was required to pay White & Case.

51. At all relevant times, White & Case performed the legal services set forth in the Engagement Letters on behalf of CAC II, incurred expenses, regularly updated CAC II as to those expenses, and properly invoiced CAC II for the services and expenses.

52. To date, CAC II has failed to pay to White & Case a total of approximately \$8,289,100 in connection with the legal services provided by White & Case under the Engagement Letters.

53. White & Case has informed CAC II of its obligation to pay and has requested that CAC II satisfy the unpaid balance, but it has refused.

54. By failing to pay all fees and expenses incurred in connection with White & Case’s representation, as required under the Engagement Letters, Defendant CAC II has breached the unambiguous terms of the Engagement Letters.

55. White & Case suffered injury as a result of Defendants’ conduct described herein.

COUNT II
Quantum Meruit
(In the Alternative)

56. White & Case repeats, re-alleges, and reiterates each allegation contained in the preceding paragraphs as though set forth fully herein.

28. During the period of November 2020 through March 2023, in New York, New York, White & Case rendered legal services to CAC II, at CAC II's request and instruction, and CAC II agreed to pay White & Case the reasonable value of such services.

29. The reasonable value of such services is the sum of \$8,289,100.

30. White & Case has demanded payment from Defendants for that sum but neither the whole nor any part has been paid, and there is now due and unpaid from Defendants to White & Case the sum of \$8,289,100.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the entry of judgment by the Court:

- (i) awarding damages in the amount \$8,289,100, plus the applicable statutory interest rate of 9% per annum, pursuant to N.Y. C.P.L.R. § 5001, *et seq.*;
- (ii) awarding pre- and post-judgment interest, costs, and disbursements of this action, including reasonable attorney's fees; and
- (iii) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
March 20, 2023

WHITE & CASE LLP

By: /s/ Joshua D. Weedman
Joshua D. Weedman
Isaac Glassman
Charles D’Oria
1221 Avenue of the Americas
New York, NY 10020
Tel.: (212) 819-8200
jweedman@whitecase.com

Counsel for Plaintiff
White & Case LLP