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# 1st VIMAC'24

Virtual Intl. Med-Arb Competition  
2024



## to be held from

17th Oct 2024  
to  
20th Oct 2024

## Hosted by

International  
University of Sarajevo



## 1 Important Dates

**Launching of Med-Arb Proposition** - 4th August 2024

**Last date to Register** - 10th October 2024

**Submission of Memorials** - 13th October 2024

**Preliminary Rounds** - 17th to 18th October 2024

**Quarter Final and Semi Final Round** - 19th October 2024

**Final Round** - 20th October 2024



## Moot Proposition for Med-Arb Competition

This proposition is purely hypothetical and created for illustrative purposes only. Any resemblance to actual persons, companies, products, services, or events is purely coincidental. This document is not intended to reflect any real-world legal agreement, investment, or business relationship.



## Format

- All the teams shall participate in both sessions (a Mediation session followed by an Arbitration Session) in all the rounds.
- Each team in the Mediation Round(s) shall play the role of a Client and Advocate pair and 1 member as a Mediator.
- The team in the Arbitration Round(s) shall constitute of 2 Counsels and 1 member as an Observer/Researcher.

## Proposition

Requisite Co., a trailblazer in the online dating industry with over 50 million active users worldwide, embarked on a strategic partnership with Respirial Inc., an industry titan in software development and IT services with a market capitalization exceeding \$50 billion. The partnership aimed to harness Respirial's advanced technological capabilities to further innovate and streamline Requisite Co.'s platform. The agreement was the culmination of extensive negotiations, spanning nearly a year, involving top executives and legal teams from both companies.

Under the detailed terms of the contract, Requisite Co. would outsource the development, enhancement, and maintenance of its proprietary algorithms and comprehensive software infrastructure to Respirial Inc. for the next ten years. This arrangement was designed to leverage Respirial's expertise in artificial intelligence, machine learning, and data analytics, ensuring Requisite Co. remained at the forefront of the competitive online dating market.

In exchange for these critical technological services, Respirial Inc. would gain a 25% ownership stake in Requisite Co. This significant equity transfer was part of a broader financial arrangement where Respirial would also make a direct capital injection of \$350 million into Requisite Co. This payment was structured to support ongoing operational costs, future development projects, and marketing initiatives aimed at expanding Requisite Co.'s user base and global reach.

At the time of the agreement, Requisite Co. was valued at \$1.5 billion, reflecting its strong market position and robust user growth. The valuation was supported by independent financial analysts who cited the company's innovative matching technology, strong brand recognition, and high user engagement metrics. The \$350 million investment by Respirial represented a strategic move, calculated to yield substantial returns through equity appreciation and profit-sharing as Requisite Co. continued to grow.

The partnership was anticipated to be transformative for both companies. For Requisite Co., the collaboration promised to bring about technological advancements that would enhance user experience, improve match accuracy, and streamline backend operations. For Respirial Inc., the deal offered a lucrative entry into the burgeoning online dating market, diversifying its portfolio and providing new revenue streams.

Both companies projected that the partnership would generate significant synergies. Requisite Co. planned to leverage Respirial's cutting-edge technology to roll out new features, such as enhanced user personalization, real-time analytics, and advanced security measures to protect user data. Respirial, in turn, anticipated that its involvement with Requisite Co. would provide invaluable insights into consumer behavior and preferences, which could be leveraged to enhance its other software solutions.

The agreement also included provisions for quarterly performance reviews, ensuring that both parties remained aligned on strategic goals and could swiftly address any operational challenges. Additionally, a joint steering committee was established, comprising senior executives from both companies, tasked with overseeing the implementation of the partnership and driving continuous innovation.

## Proposition

One of the cornerstone reasons behind Respirial Inc.'s strategic decision to invest in and partner with Requisite Co. was to bolster its public image, which had been tarnished by a series of ill-fated investments over the previous decade. Respirial, despite its technological prowess and market capitalization of over \$50 billion, had faced criticism for these poor financial decisions, which had eroded stakeholder confidence and market perception.

In contrast, Requisite Co. had consistently maintained a stellar public reputation, known for its ethical business practices, customer-centric approach, and innovative solutions in the online dating space. Respirial's leadership believed that aligning with Requisite Co. would not only be a financially sound move but also a strategic one to rehabilitate its public image and regain investor trust.

To facilitate this partnership, a detailed five-year payment rollout plan was established for Respirial's \$350 million investment in Requisite Co. The plan was meticulously structured to ensure financial feasibility for Respirial while providing Requisite Co. with a steady inflow of capital to support its growth initiatives. The payment schedule was as follows:

- 31st December 2021: Respirial would make the first payment of \$75 million.
- 31st December 2022: The second installment of \$75 million would be due.
- 31st December 2023: Respirial would pay another \$75 million.
- 31st December 2024: A further \$75 million would be paid.
- 31st December 2025: The final payment of \$50 million would be made, completing the total investment.
- 1st January 2026: All the 25% shares will be issued to Respirial.

This structured payment plan was designed to balance Respirial's cash flow management while ensuring that Requisite Co. received the necessary funds to accelerate its strategic projects. The capital from Respirial was earmarked for a variety of initiatives, including the development of new matchmaking algorithms, expansion into emerging markets, and enhancements to user privacy and security features.

As the payments were made, Respirial's association with Requisite Co. began to yield positive results. The public and market analysts started to view Respirial more favorably, acknowledging its efforts to align with a reputable and forward-thinking company like Requisite Co.

After Respirial Inc. made the second scheduled payment of \$75 million to Requisite Co. on 31st December 2022, their partnership appeared to be progressing smoothly, with both companies benefitting from their synergistic relationship. However, in March 2023, Respirial was thrust into a maelstrom of controversy when the Central Bureau of Investigation (CBI) opened an inquiry into allegations of corruption involving top executives at Respirial.

Given Respirial's extensive portfolio, which included the provision of government websites and defense software systems, the stakes were incredibly high. The inquiry centered on accusations that Respirial had secured lucrative government contracts by paying bribes to high-ranking officials within the government.

## Proposition

The investigation quickly escalated, leading to the apprehension of several key military personnel. The exact reasons behind their arrests were shrouded in secrecy, as the trial was classified due to national security concerns. However, public speculation ran rampant, with many assuming that the arrests were direct confirmations of the bribery allegations against Respirial. This perception was fueled by sensational media coverage and a flurry of online discourse, which severely impacted Respirial's public image.

As the scandal unfolded, Respirial began to experience a rapid erosion of the public trust it had worked so hard to rebuild through its partnership with Requisite Co. Investors grew wary, stock prices plummeted, and public opinion soured. The fallout from the scandal was swift and severe; clients began to distance themselves from Respirial, and potential business partners reconsidered their associations.

Requisite Co. found itself in a precarious position, having allied with a company now mired in scandal. Despite the fact that Requisite Co. had no involvement in the alleged corruption, the negative association began to tarnish its own reputation by extension. Internally, Requisite Co. executives held emergency meetings to assess the potential impact on their business and strategize ways to mitigate any collateral damage. They closely monitored the situation, cognizant of the need to distance themselves from Respirial's growing quagmire while upholding their commitments under the existing contract.

As the CBI investigation into Respirial Inc. continued to intensify, the repercussions began to manifest in devastating ways. In response to the allegations of corruption and the apprehension of key military personnel, the government made the drastic decision to cancel several major contracts with Respirial. These contracts, which included critical government websites and defense software systems, were a substantial part of Respirial's business and their termination dealt a severe blow to the company's financial stability and market credibility.

The fallout from these cancellations was swift and severe. Respirial's stock prices plummeted, and their public image, already tarnished by the corruption scandal, took a significant hit. The ripple effects of Respirial's downfall did not spare Requisite Co. either. Due to their highly publicized partnership with Respirial, Requisite Co.'s market valuation began to fall precipitously. Investors, concerned about the potential long-term impact of the scandal on Requisite Co., started to withdraw their support. Within a matter of days, Requisite Co. saw a reduction of over 40% in their brand value, as confidence in the company eroded rapidly.

Amid this turmoil, another damaging blow came in the form of a leaked internal email from Respirial. The email, sent by Respirial's Investment Officer to their CFO, expressed grave doubts about the financial wisdom of continuing their scheduled payments to Requisite Co. The email explicitly stated that paying the additional \$200 million, as outlined in their agreement, might not be a sound investment given the current circumstances and the plummeting valuation of Requisite Co.

## Proposition

When this email was leaked to the public, it caused an immediate and severe reaction in the market. The contents of the email suggested that Respirial, Requisite Co.'s largest investor, was reconsidering its financial commitments. This revelation further eroded market confidence, leading to an additional 15% drop in Requisite Co.'s stock value. The prospect of losing Respirial's substantial investment was alarming to stakeholders, investors, and market analysts alike, as it cast serious doubt on Requisite Co.'s financial stability and future prospects.

As the crisis deepened, Requisite Co.'s leadership anticipated that Respirial Inc. might soon terminate their contract, further exacerbating the company's loss of market valuation. In a preemptive move, Requisite Co. notified Respirial of their intention to stay the investment at \$150 million instead of the originally agreed \$350 million, offering Respirial a 10% ownership stake in the company. This proposal was intended to stabilize the relationship and provide a feasible path forward for both parties amidst the financial turbulence.

However, Respirial, upon receiving the notification, declined the offer without providing an immediate statement. The silence from Respirial created an atmosphere of uncertainty and apprehension within Requisite Co., further eroding investor confidence and market stability. Faced with an untenable situation, Requisite Co. decided that they could no longer sustain the partnership under the current terms and officially terminated the contract with Respirial. In their notification to Respirial, Requisite Co. pledged to return the \$150 million investment as soon as they secured alternative investors to fill the financial void.

The termination of the contract incensed Respirial, which promptly demanded a 6% interest on their initial investment, claiming it as compensation for the financial turmoil and reputational damage they had endured. Requisite Co., already struggling with plummeting valuation and investor withdrawals, refused the demand for additional payment. This refusal provoked an immediate and severe response from Respirial, who retaliated by shutting down all the technological services they were providing to Requisite Co. Overnight, Requisite Co.'s app went dark, leaving millions of users without access and causing further chaos.

With their core platform offline and no immediate resolution in sight, Requisite Co. invoked the Mediation-Arbitration (Med-Arb) clause outlined in their contract with Respirial. The Med-Arb process was designed to provide a structured resolution mechanism, combining the benefits of mediation to foster a mutually agreeable settlement and arbitration to ensure a binding decision if mediation failed.

## Annexure 1 - Leaked Email

Subject: Re: Reevaluation of Future Payments to Requisite Co.

Date: March 10, 2023

From: John Smith, Investment Officer, Respirial Inc.

To: Jane Doe, Chief Financial Officer, Respirial Inc.

Dear Jane,

I hope this message finds you well. Given the current situation with our ongoing CBI investigation and the subsequent cancellation of our government contracts, I believe it is crucial for us to reassess our financial commitments, specifically our agreement with Requisite Co.

As you are aware, our initial arrangement involved a \$350 million investment, with \$150 million already disbursed over the past two years. With the market value of Requisite Co. plummeting by over 40% and the continuous negative press impacting their stability, I am increasingly concerned about the prudence of our remaining \$200 million commitment.

Based on our recent financial reviews and market analysis, I strongly recommend reconsidering the remaining payments. Allocating an additional \$200 million to Requisite Co. under these circumstances may not be a sound investment. The risks associated with their declining market valuation and the potential for further losses are too significant to ignore.

I suggest we hold an urgent meeting to discuss this matter in detail and explore possible alternatives. Our primary objective should be to safeguard Respirial's financial health and ensure we are not compounding our current challenges with further unsound investments.

Looking forward to your thoughts on this.

Best regards,

John Smith  
Investment Officer  
Respirial Inc.

## Annexure 2 - Contract

### Initial Contract Agreement

#### Contract Agreement

This Contract Agreement ("Agreement") is entered into on this 1st day of January 2021, by and between:

1. Requisite Co., a corporation organized and existing under the laws of [State/Country], with its principal office located at [Address] ("Requisite"),
2. Respirial Inc., a corporation organized and existing under the laws of [State/Country], with its principal office located at [Address] ("Respirial").

Whereas:

- A. Requisite is a major online dating platform seeking to enhance its technological infrastructure and capabilities.
- B. Respirial is a software and IT company with extensive experience in providing technological solutions.
- C. Requisite desires to outsource its working algorithms and software support to Respirial.
- D. Respirial desires to invest in Requisite and provide the necessary technological services.

Now, Therefore, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

#### 1. Scope of Work

1.1 Services Provided: Respirial agrees to develop, enhance, and maintain the algorithms and software infrastructure for Requisite's online dating platform for a period of ten (10) years.

#### 2. Investment and Ownership

2.1 Investment: Respirial shall invest \$350 million in Requisite, paid in installments as follows:

- 31st December 2021: \$75 million
- 31st December 2022: \$75 million
- 31st December 2023: \$75 million
- 31st December 2024: \$75 million
- 31st December 2025: \$50 million

2.2 Ownership: In return for the investment, Respirial shall receive a 25% ownership stake in Requisite, post all the payments.

#### 3. Term and Termination

3.1 Term: This Agreement shall commence on the Effective Date and continue for a period of ten (10) years, unless terminated earlier in accordance with the provisions herein.

3.2 Termination for Cause: Either party may terminate this Agreement upon thirty (30) days written notice if the other party breaches any material term or condition of this Agreement and fails to cure such breach within such notice period.

## Annexure 2 - Contract

3.3 Return of Investment: In the event of termination by Requisite, Requisite shall return the investment made by Respirial to date as soon as reasonably practicable.

### 4. Mediation-Arbitration Clause

4.1 Dispute Resolution: Any dispute arising out of or in connection with this Agreement shall be resolved through mediation, administered by MediateGuru before resorting to arbitration.

4.2 Arbitration: If the dispute is not resolved through mediation within sixty (60) days, it shall be settled by arbitration administered by IAC in accordance with its rules.

### 5. Amendment Provision

5.1 Amendment: This Agreement may be amended only by a written instrument signed by both parties.

5.2 Proposal for Amendment: Either party may propose amendments to this Agreement. Any proposed amendment shall be delivered to the other party in writing and shall include a detailed explanation of the proposed changes.

### 6. Confidentiality

6.1 Confidential Information: Both parties agree to keep confidential all information disclosed during the course of this Agreement and not to use such information for any purpose other than as required to perform under this Agreement.

### 7. Miscellaneous

7.1 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of New Delhi, India.

7.2 Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral.

7.3 Notices: All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by confirmed email, or sent by registered or certified mail, return receipt requested, postage prepaid.

In Witness Whereof, the parties hereto have executed this Agreement as of the day and year first above written.

#### Requisite Co.



Max Samwell, CEO

#### Respirial Inc.



Alexa Botez, CEO



## Objective behind 1st VIMAC'24

The primary objectives behind organizing the Med-Arb competition are to provide participants with practical exposure to hybrid dispute resolution mechanisms, enhance their skills in both mediation and arbitration, and foster a deeper understanding of the integration of these processes. By simulating real-life scenarios, the competition aims to develop critical thinking, problem-solving abilities, and effective negotiation and advocacy skills among participants. Additionally, it seeks to create a platform for networking and knowledge exchange among students, professionals, and academics, thereby contributing to the growth and development of future ADR practitioners. The competition also aspires to promote awareness and understanding of international standards and practices in Med-Arb, preparing participants for the global landscape of dispute resolution.

### 10 What you'll gain

- Skill Enhancement
- Supporting Academic Growth
- Fostering Professional Networks
- Practical Learning Experience Encouraging Innovation in Dispute Resolution
- Enhancing Career Prospects
- Cultivating Ethical Practices

## About MediateGuru

### Our story

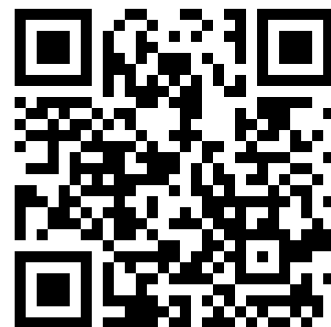
In the era of increasing legal disputes driven by diverse and growing populations, the high costs and prolonged timelines associated with traditional court proceedings are often prohibitive for many individuals seeking justice. Recognizing these challenges, our mission is to provide accessible and efficient alternatives to litigation through mediation and arbitration.

Our objectives include bridging the gap between different community classes and professional mediators, thereby enhancing access to dispute resolution services and promoting social awareness. To achieve this, we organize various conferences, webinars, and landmark competitions in mediation, negotiation, and arbitration, fostering knowledge exchange and skill development among participants.

### 11 Contact Us

In case of any query please contact:  
Kindly refer to below mentioned (in this order):

- Ms. Garima Rana (Event Coordinator)  
+91 8800 474 226  
garima@mediateguru.com
- Mr. Aditya Mathur  
+91 8447 919 954  
adimathur07@gmail.com



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