In July 2020, **ESPL (Elcomponics Sales Pvt. Ltd.)**, an Indian company, engaged **FAMAS GmbH**, a German advisory firm, to identify M&A opportunities in Europe. FAMAS assured ESPL that it would act exclusively as a **buy-side advisor**, with no parallel engagement on the sell side, and that its compensation would come solely from ESPL. These assurances were critical to establishing trust and finalizing the engagement.

FAMAS subsequently introduced ESPL to two target companies:

1. **Invictus Cable GmbH** (Austria)
2. **AIRIAL Robotics GmbH** (Germany)

However, during the course of the engagement, FAMAS entered into **undisclosed agreements** with both targets. In December 2020, FAMAS signed a **non-circumvention agreement** with Invictus, restricting the target from transacting directly with ESPL. Similarly, in **January 2021**, FAMAS entered into an agreement with **AIRIAL Robotics**, asserting control over communications with potential investors and preventing AIRIAL from directly negotiating with third parties. These agreements were **never disclosed to ESPL**, and were only discovered much later through independent communication from the targets. FAMAS, at all times, remained unaware that ESPL had come to know of these side arrangements.

The conflict deepened in mid-2021, when ESPL, in order to ensure an independent and credible valuation, decided to **engage PwC** for evaluating AIRIAL. At this point, **FAMAS—unable to directly contract with AIRIAL, suggested to AIRIAL that they bring in Thomas Thie (XO Group)** to represent the sell side in the proposed transaction. Essentially, **Thomas Thie acted on behalf of FAMAS**, as an intermediary, allowing FAMAS to remain involved indirectly and protect its economic interest in the transaction. This move was designed to retain control over the process and secure a fee based on transaction value, despite FAMAS's official role as a buy-side advisor to ESPL.

This approach raised serious concerns of **conflict of interest** and **misalignment of incentives**, as FAMAS had a vested interest in influencing deal terms in a way that would maximize its fee rather than ensure neutrality or protection of ESPL’s commercial position.

Separately, FAMAS later claimed in an **email** that ESPL had **lost exclusivity over the targets FAMAS introduced**, and disclosed that it was **engaged in discussions with Invictus GmbH** (parent of Invictus Cable) for other acquisition opportunities. This communication also referenced the **December 2020 non-circumvention agreement**, of which **ESPL had no prior knowledge**.

Following ESPL’s **termination of the engagement in October 2021**, **FAMAS had no role** in any ongoing discussions with Invictus. In fact, its evident from the above that its efforts appeared to be focused on **redirecting Invictus away from ESPL**, despite the initial introductions having been made under a buy-side advisory mandate.

n **March 2023**, the transaction with **Invictus Cable GmbH** was consummated. Prior to and after this, **FAMAS made several informal attempts to contact ESPL** to confirm whether a transaction had occurred. On the advice of legal counsel, **ESPL did not respond** to these queries.

In **July 2024**, ESPL received an **email from a collection agency in India**, demanding payment of **EUR 245,000** allegedly due to FAMAS. This was preceded by a similar demand from an Indian lawyer. **ESPL responded to the legal notice**, denying liability. Despite this, on **23 May and 27 May 2025**, ESPL received formal **Requests for Arbitration** from the **German Institute of Arbitration (DIS)**, wherein **FAMAS now claims EUR 245,000**, along with **interest at 9 percentage points above the basic rate.**.

FAMAS’s claim is based on the assertion that the consummated Invictus deal entitles them to a success fee, despite:

* Their **termination by ESPL** well before the deal,
* Their **lack of any involvement post-October 2021**,
* Their breach of **contractual obligations and fiduciary duty** by acting contrary to its role as a buy-side advisor and by entering undisclosed agreements with the targets.
* And their **admitted efforts to engage with Invictus independently** and take the target away from ESPL, after the termination.