
Section 1: 8-K (FORM 8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): December 2, 2019

GARRETT MOTION INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-38636
(Commission
File Number)

82-487189
(IRS Employer
Identification No.)

La Pièce 16, Rolle, Switzerland, 1180
(Address of principal executive offices)

1180
(Zip Code)

Registrant's telephone number, including area code: +41 21 695 30 00

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	GTX	New York Stock Exchange

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

On December 2, 2019, Garrett Motion Inc. (the “Company”) filed a Summons with Notice in the Commercial Division of the Supreme Court of the State of New York, County of New York commencing an action (the “Action”) against Honeywell International Inc. (“Honeywell”) for declaratory judgment, breach of contract, breach of fiduciary duties, aiding and abetting breach of fiduciary duties, corporate waste, breach of the implied covenant of good faith and fair dealing, and unjust enrichment. A copy of the Summons with Notice is furnished as Exhibit 99.1 to this Current Report.

The lawsuit arises from the Indemnification and Reimbursement Agreement (the “Agreement”) imposed on the Company by Honeywell immediately prior to its spinoff in October 2018. This agreement, which was attached as Exhibit 2.1 to the Company’s Form 8-K filed on September 14, 2018, was not negotiated at arm’s-length, and purports to obligate Garrett to compensate Honeywell for payments relating to asbestos exposure arising from Honeywell’s legacy Bendix automotive brake business, including payments relating to punitive damages and defense costs. The Company’s lawsuit seeks to establish that the Agreement is unenforceable in whole or part and that Honeywell has breached its obligations under this Agreement by failing to provide the Company with information as to the underlying claims to which it is entitled. There can be no assurance as to the time and resources that will be required to pursue these claims or the ultimate outcome of the lawsuit, but the Company intends to press these claims aggressively.

Also, on December 2, 2019, the Company issued a press release announcing the commencement of the Action. A copy of the press release is furnished as Exhibit 99.2 to this Current Report.

The information furnished pursuant to this Item 7.01, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding our plans to pursue litigation against Honeywell. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of the company to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to those described in our annual report on Form 10-K for the year ended December 31, 2018, as well as our other filings with the Securities and Exchange Commission, under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward looking statements.

Item 9.01 Financial Statement and Exhibits

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
99.1*	<u>Summons with Notice</u>
99.2*	<u>Garrett Motion Inc. Press Release dated December 2, 2019</u>

* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GARRETT MOTION INC.

By: /s/ Jerome Maironi
Jerome Maironi
Senior Vice President, General Counsel and Corporate Secretary

Date: December 2, 2019

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION**

GARRETT MOTION INC. and GARRETT ASASCO INC.,

Plaintiffs,

v.

HONEYWELL INTERNATIONAL INC., HONEYWELL ASASCO LLC, HONEYWELL ASASCO 2 LLC, HONEYWELL HOLDINGS INTERNATIONAL INC., SU PING LU, and DARIUS ADAMCZYK,

Defendants.

Index No.

SUMMONS WITH NOTICE

Plaintiffs designate New York County as the place of trial.

TO THE ABOVE NAMED DEFENDANTS:

PLEASE TAKE NOTICE THAT YOU ARE HEREBY SUMMONED and required to serve upon the attorneys for Garrett Motion Inc. and Garrett ASASCO Inc. (together, "Garrett"), at the address stated below, a notice of appearance or demand for complaint within twenty (20) days after the service of this Summons (excluding the day of service itself) or within thirty (30) days after service if this Summons is not personally delivered to you within the State of New York. Venue is proper in this Court pursuant to CPLR § 501 based on a contractual forum selection clause. This Court has personal jurisdiction over the Defendants pursuant to CPLR §§ 301 and 302 and Section 4.4 of the Indemnification and Reimbursement Agreement, By and Among Honeywell ASASCO Inc., Honeywell ASASCO 2 Inc., and Honeywell International Inc., dated September 12, 2018 (the "Indemnification Agreement"). Garrett designates New York County as the place of trial.

This is an action for declaratory judgment, breach of contract, breach of fiduciary duties, aiding and abetting breach of fiduciary duties, corporate waste, breach of the implied covenant of

good faith and fair dealing, and unjust enrichment. As set forth in Attachment A, this action seeks relief from an unenforceable and unconscionable indemnification agreement, which includes illegal covenants and purports to saddle Garrett with over a billion dollars in asbestos liability unrelated to its business.

Garrett seeks relief, including: (a) declaratory relief; (b) compensatory damages in an amount to be determined at trial; (c) rescission of the Indemnification Agreement; (d) attorneys' fees and costs; and (e) such other and further relief as the Court may deem just and proper.

YOU ARE HEREBY NOTIFIED that, on your failure to appear or answer, a judgment will be entered against you by default granting the relief requested above, including rescission of the Indemnification Agreement and damages of not less than \$193 million in amounts already paid to Honeywell and additional amounts to be determined, plus interest at the rate prescribed by law, attorneys' fees, and costs of this action.

DATED: December 2, 2019
New York, New York

**QUINN EMANUEL URQUHART & SULLIVAN,
LLP**

By: /s/ Michael B. Carlinsky

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**pro hac vice* motion to be filed

*Attorneys for Plaintiffs Garrett Motion Inc. and
Garrett ASASCO Inc.*

TO:

Honeywell International Inc.
Honeywell ASASCO LLC
Honeywell ASASCO 2 LLC
Honeywell Holdings International Inc.
Su Ping Lu
Darius Adamczyk

ATTACHMENT A

NATURE OF ACTION

This action arises out of Honeywell's spin-off of Garrett in October 2018. The spin was architected and led by Honeywell's CEO, Darius Adamczyk. Honeywell and Adamczyk sought to use the spin to convince the market that Honeywell's legacy Bendix-related asbestos liability, which well exceeded a billion dollars and had saddled the company for decades, would no longer impact Honeywell's balance sheet and future earnings. To do this, Honeywell purported to give itself control over Garrett's strategic decision-making for thirty years through illegal covenants, and required Garrett to indemnify it for virtually all of Honeywell's legacy asbestos liability—despite the liability being unrelated to Garrett's business.

To add insult to injury, Honeywell also forced Garrett to borrow \$1.6 billion dollars to fund a cash distribution to Honeywell.

Honeywell's massive asbestos liability arises from claims that it knowingly sold products containing asbestos, including Honeywell's "Bendix" automotive brakes, for over six decades—well after the fatal dangers of asbestos became known to Honeywell. As a result, Honeywell faces tens of thousands of tort claims, seeking potential compensatory and punitive damages.

The Indemnification Agreement purports to require Garrett to reimburse Honeywell for 90% of Honeywell's legacy asbestos liability, including Honeywell's legal fees and costs of defending the thousands of asbestos-related claims brought against it each year. The Indemnification Agreement also purports to illegally require Garrett to indemnify Honeywell for punitive damages, *e.g.*, damages meant to *punish Honeywell* for its reckless disregard for human life, which juries have awarded against Honeywell in multi-million dollar verdicts both before and after the spin. And, while the Indemnification Agreement purports to force Garrett to foot the bill,

Honeywell retains full control over managing the claims, including making settlement decisions and decisions on legal spend without any notice to Garrett even though Garrett allegedly is required to pay 90% of all such amounts back to Honeywell.

Through the Indemnification Agreement, Honeywell also exercises near total control over Garrett's key corporate decisions during the agreement's thirty-year term. Honeywell did this by inserting a set of loan-like covenants into the Indemnification Agreement and providing that, unlike a loan, the Indemnification Agreement cannot be terminated by early repayment. The result is that Honeywell has purportedly granted itself a discretionary veto over foreseeable business decisions, and an effective right to approve—or prevent—any change of control or other strategic transaction for thirty years. The resulting agreement is unlawful, so one-sided as to be manifestly unconscionable, and thus unenforceable.

Because no company would ever voluntarily agree to such an arrangement, Honeywell did not actually negotiate the Indemnification Agreement with Garrett. Instead, Honeywell installed one of its own in-house lawyers (Su Ping Lu) as Garrett's president and sole director for the purpose of forcing these unconscionable terms on Garrett. Lu exercised no judgment, discretion, or care in binding Garrett to a transaction unilaterally imposed by Honeywell. Instead, Lu acted under the direction of Honeywell and Adamczyk and signed whatever they told her to. In so doing, Lu breached her fiduciary duties to Garrett, and Honeywell and Adamczyk aided and abetted her breaches. Honeywell also retained the same lawyers to represent both Honeywell and Garrett in connection with the spin-off; but the lawyers blindly acceded to Honeywell's wishes, regardless of the best interest of their other client, Garrett.

Worse yet, Honeywell has not even performed its minimal obligations under the agreement it wrote for itself. Honeywell has denied Garrett's requests for information concerning the liability

and the management of it, despite Garrett's rights under the Indemnification Agreement to access such information and its attempts for a year to obtain it. This is not only a material breach of Honeywell's contractual obligations, it also precludes Honeywell from being indemnified because Honeywell must establish its right to indemnity. For *each and every asbestos settlement*, Honeywell must prove the elements demonstrating its entitlement to indemnity, including that it was actually liable on the underlying claims, and that the settlement was reasonable and executed in good faith. Honeywell also must allocate between indemnifiable amounts and non-indemnifiable amounts (including claims for punitive damages or intentional misconduct). But Honeywell has refused to abide by those obligations, and instead has continued to force Garrett to pay the asbestos bill (including amounts paid to settle punitive damages exposure and Honeywell's wrongful conduct) under the threat of improperly triggering a cascade of defaults on Garrett's debts and driving Garrett into severe financial distress.

Garrett seeks relief from this oppressive and unconscionable Indemnification Agreement, which resulted from substantial breaches of fiduciary duty, and, by its very terms, is illegal. Garrett further seeks relief, including damages, based on Honeywell's material breach of the agreement and Honeywell's misconduct. And to the extent Honeywell has any right to indemnity, Garrett seeks declaratory judgment that Honeywell cannot be indemnified for amounts paid to settle its punitive damages exposure, and that Honeywell must establish its right to indemnity for each and every expense and settlement.

Garrett expressly reserves the right to name additional individuals and entities as defendants, including additional Honeywell officers and directors.

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Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2



Garrett Motion Files Lawsuit Against Honeywell Over Unusual Asbestos Indemnity

ROLLE, Switzerland – December 2, 2019 – Garrett Motion Inc. (NYSE: GTX) today filed a lawsuit in the Supreme Court of the State of New York against Honeywell International Inc. (NYSE: HON), related entities and certain affiliated officers and directors. The lawsuit follows Garrett's unsuccessful efforts to reach a negotiated solution with Honeywell's executive team to avoid litigation.

The lawsuit arises from Honeywell's unilateral imposition of an unusual 30-year Indemnification Agreement on Garrett immediately prior to the spinoff of Garrett in October 2018. This agreement, which was not negotiated at arm's-length, requires Garrett to compensate Honeywell for payments relating to asbestos exposure arising from Honeywell's legacy Bendix automotive brake business, including payments relating to punitive damages and defense costs.

Garrett asserts that requiring it to make these payments to Honeywell is unacceptable as the historical asbestos liability is Honeywell's and not Garrett's. Furthermore, Honeywell has enabled itself to potentially exercise control of key Garrett corporate decisions by inserting a set of loan-like covenants into the 30-year agreement term.

For more than a year since its spinoff, Garrett has attempted to resolve these important governance and financial issues amicably with Honeywell. After repeated, but unsuccessful discussions with Honeywell, Garrett believes it has no alternative but to turn to the Court for relief.

Garrett's decision was the result of a comprehensive analysis undertaken by its management, informed by the input of outside advisors, and made with the approval of its Board of Directors, who believe this unacceptable agreement limits Garrett's ability to reach its full potential.

During its negotiations with Honeywell, despite asserting that Honeywell's agreement is unacceptable, Garrett continued to comply with the terms of the agreement, including making timely quarterly indemnity payments under protest. Garrett's exposure remains capped at \$175 million annually throughout the agreement.

Garrett's lawsuit that seeks compensatory damages, rescission of the Indemnification Agreement, as well as other relief from the Court, can be read [here](#).

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding our plans to pursue litigation against Honeywell. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of the company to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to those described in our annual report on Form 10-K for the year ended December 31, 2018, as well as our other filings with the Securities and Exchange Commission, under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements.

About Garrett Motion Inc.

Garrett Motion is a differentiated technology leader, serving customers worldwide for more than 65 years with passenger vehicle, commercial vehicle, aftermarket replacement and performance enhancement solutions. Garrett's cutting-edge technology enables vehicles to become safer, and more connected, efficient and environmentally friendly. Our portfolio of turbocharging, electric boosting and automotive software solutions empowers the transportation industry to redefine and further advance motion. For more information, please visit www.garrettmotion.com.

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