

Hybrid Startup Still Planning To Build Miss. Plant

JACKSON, Miss. (AP) — A startup car company says it's moving forward with plans to build a multibillion dollar plant in Mississippi that could produce a million fuel efficient vehicles a year.

Discussions about the proposed plant were first revealed in June when a federal judge unsealed a lawsuit involving two Chinese businessmen and their companies that were fighting for control of Hybrid Automotive Corporation.

The company had been secretly discussing its proposal for a \$6.5 billion plant in Tunica County with Gov. Haley Barbour and other officials in hopes the facility would directly employ 25,000 people when it reached maximum capacity, according to court records.

A settlement of the lawsuit was reached last week between Yung "Benjamin" Yeung and Xiaolin "Charles" Wang, who had disagreements over the terms of their "handshake" business deal, according to court records. More than two dozen third parties had signed on to the lawsuit, filed in U.S. District Court in Northern Mississippi.

Yeung will get some of his investment back and Wang will pursue the original plans with new investors and partners, Hybrid Automotive Corporation attorney Bill Brabec of Jackson told The Associated Press on Monday.

"Absolutely, we're moving forward," Brabec said. "Getting rid of this litigation was pivotal to getting this project going again."

E-mail and phone messages left with several attorney's representing Yeung's company were not immediately returned.

State officials have declined to discuss the proposed car plant, citing the need for confidentiality in economic development projects.

Brabec said four prototypes of the vehicles will be revealed in August, but he wouldn't be more specific. The line of vehicles includes compact cars, midsize cars, full size cars and sports utility vehicles, according to the company's Web site.

Court records in the lawsuit indicate there are working prototypes of at least some of the cars "in existence at Meta Motoren-und Engine-Technik GmbH," a German engine company.

Brabec said Hybrid Automotive has already prepared a site plan and hopes to break ground in 2011 on property in Tunica County. The county has secured an option to purchase the land, he said.

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Hybrid Automotive is raising money partially through a visa program that provides foreign investors "with both a great investment opportunity and a possibility of becoming a U.S. resident," according to the company's Web site.

The Web site will be shut down in August as part of the settlement and a new one created, Brabec said. Other terms of the settlement were not disclosed.

Brabec would not say how much money the company has raised.

"There is a lot of money that has been raised and there is a lot of money that needs to be raised," he said.

The dispute involving Yeung and Wang was over money and ownership. Wang said Yeung had agreed to put up \$100 million to \$200 million to get the project rolling and failed to, according to court documents. Yeung denied making that agreement.

There was also a dispute over whether Wang was Yeung's partner or employee.

"We are satisfied to put this lawsuit behind us. We will continue working closely with Mississippi State Government, Tunica County, and Gulf Coast Funds Management to make our automotive project a great success," the company said in a statement.

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