

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES STEEL CORPORATION,)
a Delaware corporation,)
)
)
Plaintiff,)
) No. 2:25-cv-1875
vs.)
)
MAGNUS PRODUCTS, LLC,)
)
)
Defendant.)

COMPLAINT

Plaintiff United States Steel Corporation files this Complaint against Defendant Magnus Products, LLC:

THE PARTIES

1. Plaintiff United States Steel Corporation (“Plaintiff” or “U. S. Steel”) is a Delaware Corporation with a principal place of business at 600 Grant Street, Pittsburgh, Pennsylvania 15219.
2. Defendant Magnus Products, LLC (“Defendant” or “Magnus”) is an Indiana Limited Liability Company with a principal place of business at 734 E. Schantz Ave., Oakwood, Ohio 45419.

JURISDICTION AND VENUE

3. The Court may exercise original subject-matter jurisdiction over the instant action pursuant to 28 U.S.C. §§ 1332(a)(1) because the amount in controversy exceeds \$75,000.00 and there is complete diversity of citizenship between the parties.

4. Venue is proper in the United States District Court for the Western District of Pennsylvania, Pittsburgh Division, because Magnus consented in the Agreement that is the subject of this dispute that “ANY LEGAL ACTION OR PROCEEDING SEEKING THE

ENFORCEMENT OR INTERPRETATION [OF] THIS AGREEMENT OR ANY OF THE CONTRACT DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA IN ALLEGHENY COUNTY, PENNSYLVANIA OR THE FEDERAL DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA IN PITTSBURGH, PENNSYLVANIA.” (Exhibit A, p. 33, ¶32.2).

5. The Court has personal jurisdiction over the parties because jurisdiction is authorized pursuant to the Commonwealth of Pennsylvania’s long-arm statute and because the exercise of jurisdiction comports with the Due Process Clause of the Fourteenth Amendment of the United States Constitution.

Factual Background

The Parties’ Contract

6. On September 20, 2021, U. S. Steel and Magnus entered into a Blanket Agreement Covering Work/Services Performed on Behalf of United States Steel Corporation (the “Agreement”). A true and correct copy of the Agreement is attached hereto as **Exhibit A**.

7. Under the Agreement, Magnus agreed to operate a briquetting facility at U. S. Steel’s Edgar Thomson facility in Braddock, Pennsylvania.

8. Specifically, under the Agreement, Magnus agreed to produce blast furnace and steelmaking briquettes made predominantly from U. S. Steel-generated and supplied sludge by-products.

9. Briquettes are a component in the raw material preparation stage for steelmaking.

10. Briquettes are materials produced from steelmaking sludge by-products which minimize dust, reduce handling hazards, and improve process efficiency.

11. The briquetting process involves recycling sludge by-products from the steelmaking process by first “dewatering” them, then adding a “binder” agent to the by-products and reintroducing them back into the blast furnace.

12. Briquettes are less expensive and as such a preferred fuel alternative to coke.

13. Briquettes provide environmental benefits and cost efficiency in the steelmaking process, as they are produced from steelmaking sludge by-products which would otherwise be disposed of in a landfill at a significant cost to U. S. Steel.

14. On October 1, 2024, U. S. Steel and Magnus signed a First Amendment to the Agreement (the “First Amendment”), the purpose of which was to revise the Agreement. A true and correct copy of the First Amendment is attached hereto as **Exhibit B**. The Agreement and the First Amendment are collectively referred to as the Briquetting Agreement.

15. Under the Briquetting Agreement, Magnus agreed to produce and load an average of 1,730 net tonnage (“NT”) per week (“Weekly Average”) of briquettes. (Exhibit B, p. 1, ¶2(b)).

16. Magnus further agreed to load each railcar with briquettes to no less than 80% of the railcar’s maximum allowable weight. (Exhibit B, p. 1, ¶2(c)).

17. Magnus further agreed at all times to maintain an adequate supply of raw materials to produce briquettes for three (3) days minimum. (Exhibit A, p. 57, Exhibit B, Section IV).

18. Magnus further agreed to be capable of producing up to 150,000 tons of briquettes per year. (Exhibit A, p. 50, Section 3).

19. Magnus consistently failed to deliver sufficient briquettes to U. S. Steel.

20. Specifically, since the beginning of 2025, in 7 out of 9 months, the actual weekly average tons of briquettes supplied by Magnus to U. S. Steel was below the contractually-required Weekly Average.

21. Further, Magnus failed to load the railcars to the agreed upon maximum allowable weight and failed to possess an adequate supply of raw materials as required by the Agreement.

22. By October 21, 2025, letter, U. S. Steel demanded “Adequate Assurance of Performance” from Magnus under the Briquetting Agreement, as U. S. Steel had “reasonable grounds for insecurity” as to Magnus’s ability and/or intention to discharge its performance.

23. Magnus failed to provide U. S. Steel with adequate assurance of performance as demanded by U. S. Steel.

24. Because Magnus failed to timely and properly execute its work and failed to provide adequate assurance of performance as demanded by U. S. Steel, by October 28, 2025, letter, pursuant to Article 29 of the Agreement, U. S. Steel terminated Magnus’s further performance and U. S. Steel’s obligations under the Briquetting Agreement. (Exhibit A, p. 29, ¶29.1).

25. U. S. Steel further advised Magnus in an October 31, 2025, letter that U. S. Steel was electing to purchase Magnus’ equipment as is its right under Section 29.4 and Exhibit D of the Briquetting Agreement.

26. Following its termination of Magnus, U. S. Steel discovered further breaches of the Briquetting Agreement by Magnus including Magnus’s failure to maintain its equipment as required by the Briquetting Agreement and damage to the facility due to Magnus’s substandard operations.

27. As a result of Magnus’s breach of the Briquetting Agreement, U. S. Steel sustained damages including costs to landfill sludge by-products not made into briquettes; costs to supply alternative fuel; costs to repair equipment; and costs to repair damage to the facility.

COUNT I: BREACH OF CONTRACT

28. U. S. Steel incorporates by reference all preceding paragraphs as if fully set forth herein.

29. A contract has existed between U. S. Steel and Magnus since September 20, 2021, and all amendments thereto are incorporated into and governed by the Briquetting Agreement, such that a breach of any amendment constitutes a breach of the Briquetting Agreement itself.

30. Magnus breached the Briquetting Agreement in the following respects:

- a. Magnus consistently failed to deliver sufficient briquettes to U. S. Steel;
- b. Magnus failed to load the railcars to the agreed upon maximum allowable weight;
- c. Magnus failed to possess an adequate supply of raw materials;
- d. Magnus failed to provide U. S. Steel with adequate assurance of performance as demanded by U. S. Steel; and
- e. Magnus failed to maintain its equipment as required by the Briquetting Agreement and damaged the facility due to its substandard operations.

31. Magnus had no lawful justification for breaching the Briquetting Agreement.

32. U. S. Steel suffered harm and incurred damages as a direct and proximate result of Magnus's breach of the Briquetting Agreement, including costs to landfill material; costs of alternative fuel; costs to repair equipment that Magnus failed to maintain; and costs to repair damage to the facility due to Magnus's substandard operations.

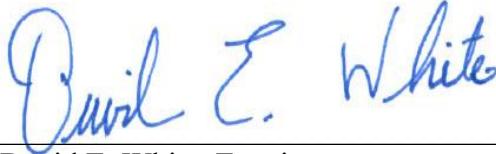
33. Because of Magnus's breach of the Briquetting Agreement, U. S. Steel is due damages in an amount to be proved at trial, but in an amount exceeding \$75,000.00.

WHEREFORE, Plaintiff U. S. Steel respectfully requests this Honorable Court enter judgment in its favor and against Magnus for:

- a. costs incurred by U. S. Steel to landfill sludge by-products not made into briquettes;
- b. costs incurred by U. S. Steel to supply alternative fuel due to Magnus's failure to supply an ample amount of briquettes;
- c. costs to repair equipment that Magnus failed to maintain;
- d. costs to repair damage to the facility due to Magnus's substandard operations;
- e. incidental damages;
- f. consequential damages;
- g. attorney fees; and
- h. such other relief as this Court deems just and proper.

Respectfully submitted,

Babst, Calland, Clements & Zomnir, P.C.



David E. White, Esquire

dwhite@babstcalland.com

Pa. I.D. No. 59659

Two Gateway Center, 6th Floor

603 Stanwix Street

Pittsburgh, PA 15222

Firm I.D. No. 812

(412) 394-5680 – Phone

*Counsel for Plaintiff,
United States Steel Corporation*

Dated: December 4, 2025