

Studio71 Files \$5.5 Million Lawsuit Against Learning App Startup



By Geoff Weiss On April 6, 2018

Studio71 has filed a \$5.5 million lawsuit against a San Francisco app startup that aims to teach English to Chinese millennials.

The app, called **Lyngo** — which is developed by parent company **Say Say K (SSK)** — contracted to pay the digital network \$5.5 million for content to power Lyngo, [Deadline reports](#), but never coughed up the money after two months of protracting excuses. “Say Say K had no intention to pay under the agreement with Studio71, and for that, it will endure a painful legal result,” Studio71’s lawyer, **Bryan Freedman**, told the outlet.

According to the suit, SSK signed a deal with Studio71 that would have given it exclusive rights to the network’s content across China. The Lyngo app would utilize this programming by showing students videos and quizzing them on their observations.

Following negotiations last fall, the two parties inked an agreement in December for \$5.5 million, which SSK agreed to pay over the course of nine installments. When the first \$1.1 million deposit never arrived on Jan. 1, SSK blamed the delay on a traveling board member. And then, after agreeing to a new due date of Jan. 17, the company failed to deliver for the second time, alleging that its wire transfer had been stalled by an audit issue at **Wells Fargo**, [Deadline reports](#).

Finally, on Jan. 26, SSK invoked a clause in the contract to suspend the arrangement, citing unanticipated regulations by the Chinese government, which it said disapproved of Studio71’s content. When Studio71 followed up, asking which regulators had deemed its content inappropriate, SSK didn’t respond — leading the network to file its breach of contract suit. Studio71 also claims that SSK’s actions caused it to mislead creators about incorporating their content onto Lyngo, and resulted in it missing out on other potential deals in China.

