

Hartline Dacus Barger Dreyer LLP Obtains \$4.2 Million Award for Huawei Technologies

Dallas, TX, October 03, 2012 – In early 2009, HDBD partner Jeff Cox was asked by a new firm client, Huawei Technologies (USA) based in Plano, Texas to help recover money owed to Huawei under a contract with E. Oliver Capital Group, LLC (EOCG). Under the contract, Huawei agreed to supply the equipment and support for two telecommunications networks in the Caribbean. After the networks were up and running, EOCG's president, Gilbert Armenta, began asking for relief, claiming EOCG needed more time to obtain additional funding. Ultimately, EOCG failed to fulfill its many promises to pay. Before filing suit, Cox and his team determined that Armenta had set up two other companies, Mio Group Limited and Mio Group Incorporated, to use and sell time on the networks, while at the same time claiming EOCG had no money to meet its obligations. Accordingly, HDBD filed suit for Huawei against EOCG, the two Mio entities and Gilbert Armenta in the United States District Court for the Eastern District of Texas, Plano Division. The September 2009 Complaint included causes of action for breach of contract, fraud, conversion and violations of federal racketeering statutes.

Over the next three years, Armenta and his attorneys orchestrated a series of roadblocks to prevent Huawei from pursuing the money to which it was entitled. First, the defendants filed a motion to compel arbitration. But after an arbitration panel was selected and discovery began, the defendants stopped participating in the process and stopped communicating with their lawyers. Cox and his team ultimately succeeded in persuading the court that the defendants had waived their right to arbitration. Subse-

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Jeff Cox



Kristina Culley



Roy McKay

quently, however, the defendants failed to respond to Huawei's pleadings and ignored orders from the court. After many months and extensive briefing, Cox and his team convinced the presiding U.S. magistrate judge to recommend entry of a default against the defendants.

Within days, Armenta hired new attorneys at the Friedman and Feiger firm in Dallas. They answered the lawsuit and asked the magistrate judge to withdraw his default judgment recommendation. Armenta and his attorneys claimed that he and his companies had been moving offices and that they were simply unaware of the many motions and orders issued, including the order canceling the arbitration and sending the matter back to court. Armenta finally appeared in court to proclaim his ignorance of the proceedings. He declared that he and the other defendants would actively participate in the lawsuit going forward. During a cross-examination in open court, Cox confronted Armenta with a number of signed, certified-mail receipts (commonly known as "green cards") from the postal service showing Armenta had received all of the notices at his residence. Armenta claimed that he did not know any of the people who had signed the green cards and had never seen any of the many motions and orders. Accordingly, the magistrate judge had no alternative but to withdraw his default judgment recommendation.

Cox and HDBD associates Kristina Culley and Roy McKay suspected Armenta's story was a fabrication, so they began to investigate the names on the signed green cards. After extensive research, they determined that the front desk staff at Armenta's high-rise condominium in Fort Lauderdale had signed the green cards. They ultimately proved that Armenta did know who signed the green cards, and that all the notices had been delivered to his locked mailbox—including a show-cause notice and order from the court. This was the turning point in the case. Although the case continued for several months, Cox's team ultimately persuaded the magistrate judge once again to recommend entry of a default due to the defendants' continued misconduct and disregard for the court's orders.

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The long fight finally ended on August 31, 2012, when U.S. District Judge Richard A. Schell entered an order approving the recommendation of default and awarding Huawei \$4,281,233.00 in damages, attorneys' fees and costs, and pre- and post-judgment interest.

Hartline Dacus Barger Dreyer LLP is a Texas-based law firm specializing in civil litigation and trials, with offices in Dallas, Corpus Christi and Houston. The firm's attorneys pride themselves on providing uncompromising excellence to their clients in a variety of areas, including products liability, commercial litigation, class action and multidistrict litigation, intellectual property, personal-injury defense, premises liability, labor and employment, insurance coverage, healthcare, construction, and dealer/franchise litigation. For more information about HDBD, visit <http://www.hdbdlaw.com>.

*SOURCE: Hartline Dacus Barger Dreyer LLP

CAUSE/CASE NO: 4:09CV455

COURT: United States District Court, E.D. Texas, Sherman Division

JUDGE: The Honorable Richard A. Schell

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