

In The News

Houston Jury Awards \$138M, Finds Breach of Contract

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The Texas Lawbook

After eight years of litigation and a six-week trial, a jury returned a \$138 million verdict yesterday after two and a half hours of deliberation over 22 questions, finding breach of contract and promissory estoppel.

"It's been a long and hard-fought battle to get to this point," said Munsch Hardt's Richard Schwartz, who represents Carlo Civelli.

Civelli and Philippe Mulacek were business partners at InterOil, which invested in properties in Papua New Guinea for potential oil and gas. There was a discovery of gas on properties, which were sold for \$900 million.

Civelli had invested in InterOil and made loans to Mulacek, which he believed would be paid back. Mulacek argued that the money was his and didn't need to be paid back.

"The dispute had to do with oral agreements which were formed in these two men's relationship based on handshakes over time for millions of dollars, and the jury had to decide who they believed and whether the contracts were made or not," Schwartz said.

One of the pieces of evidence that the jury got to see was a "letter of wishes" that was admitted three years after the case was filed in 2017. Schwartz said they believed the document was fabricated and, through investigation of CCTV footage, discovered Mulacek's nephew lied about when he found the document. The court then ordered a forensic investigation of Mulacek's computer, which showed he was working on a document similar to the "letter of wishes" on the same day it was produced.

"I think the jury believes that Mr. Mulacek did not have evidence to support his case, so he fabricated a letter to support it," Schwartz said.

The jury awarded Civelli \$138 million.

Civelli resides in Zurich and Singapore and was there for the six-week trial. Schwartz explained that the trial did break for Thanksgiving.

"Mr. Civelli is very appreciative of our American judicial system and that he could be here and have his case resolved, and that it could vindicate what he has been saying for years, that he made these loans and agreements based upon the relationship of trust that he had with Mr. Mulacek, and that the system here allowed him to show and to prove that that happened, and that what he's been saying is true," Schwartz said.

Schwartz said the defense tried to argue that none of the oral agreements were made and that it all belonged to Mulacek.

"Our clients very much appreciate the jury's service and respect their decision. We believe any judgment would cut the verdict amounts substantially; however, for legal reasons that we look forward to presenting to the court," Mulacek's attorney Paul Yetter said in a statement to *The Texas Lawbook*.

Fred Wahrlich, Michael Harvey and Randall Miller of Munsch Hardt Kopf and Harr, Andrew Bender of Andrew Myers, Heather Kabele of Kane Russell Coleman Logan, and Michael Martin of Martin Walton Law Firm also represented Civelli.

Reagan Simpson, Justin Rowinsky and David Gutierrez of Yetter Coleman, Michael M. Fay, Jenny Kim and Valecia Battle of Boies Schiller Flexner, and Warren Harris and Jacob McIntosh of Bracewell also represented the defendants.

The case is *Carlo Giuseppe Civelli, et al. v. Philippe Emanuel Mulacek, et al.*, 4:17-cv-03739.

To read more, [click here](#).

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