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Dallas Office Secures Defense Win & $1.15 Million Counterclaim Victory

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After more than a decade of sharing a medical office, Michelle Chesnut, M.D. and Kilpatrick Townsend client Julye Carew, M.D. were sued by another physician Howard Mintz, M.D. over a n alleged breach of their Office Sharing Agreement (Agreement). After Chesnut and Carew terminated the Agreement under its terms, Mintz claimed Chesnut and Carew were obligated by the Agreements non-compete clause and buyout provision, and further alleged that Chesnut and Carew fraudulently induced Mintz to amend the Agreement shortly before terminating it.

Mintz claimed that he was the sole owner of all the medical equipment and leasehold improvements, and that historical payments from Chesnut and Carew were not purchase payments for ownership, but rather rental fees for equipment use, inventory, leasehold improvements, and insurance. Mintz also claimed that Chesnut encouraged the staff to preferentially send certain patients exclusively to her in violation of the Agreement. According to Mintz, Chesnut and Carew also interfered with his attempt to renew the office lease with Presbyterian Hospital of Dallas when the hospital renewed the lease with Chesnut and Carew.

Mintz sued Chesnut and Carew for a litany of contract and fraud claims with alleged damages greater than $1 million, and he engaged a former state district judge to rep resent him. Mintz also filed a temporary restraining order, seeking to enforce the Agreements non-compete clause, which would effectively prohibit Chesnut and Carew from practicing medicine at Presbyterian Hospital. Dallas Partner **Patrick Carew**, along with Paralegal **Shannon Van Vickle** and co-counsel engaged by Chesnut, persuaded the court to deny the TRO and allow Chesnut and Carew to continue practicing medicine and to occupy the shared office space pending trial.

Chesnut and Carew counter-sued for their ownership share of the office equipment and leasehold improvements. Before trial, the court granted summary judgment, disposing of Mintzs breach of contract claims against Chesnut and Carew. After two jury trials (due to an unusual bifurcation), Patrick and his co-counsel secured a jury verdict of no liability for client Carew and a counterclaim verdict for damages and fees totaling $1,155,037.

Texas Lawyer magazine annually publishes a list of top verdicts and is expected to include this verdict as one of the top defense verdicts of 2016.