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Court Awards \$12M to Oil Patch Exec in Employment Contract Dispute

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A Houston state court on Monday awarded \$12.4 million to David M. Dunwoody, Jr. in a dispute over his employment contract with Houston-based EnVen Energy Corp., the exploration & production company Dunwoody co-founded eight years ago.

Monday's final judgment, entered by Harris County District Judge Mike Engelhart, follows a three-week trial this summer in which a jury ruled exclusively in Dunwoody's favor.

The amount awarded includes \$7.96 million in actual damages, \$900,000 in prejudgment interest and \$3.58 million in fees and costs for Dunwoody's attorneys at Gibbs & Bruns.

"We're obviously delighted for our client," said Gibbs & Bruns partner Anthony Kaim, Dunwoody's lead attorney. "He remained resolute during a lengthy legal process and he stood up for his contract rights."

EnVen's lawyers did not immediately respond to requests for comment.

Dunwoody founded EnVen in 2013 with Steve Weyel, the company's current chairman and chief executive officer. Between 2013 and 2018, Dunwoody successfully hired and managed a team at EnVen and led multiple corporate transactions that twice doubled the company's oil and gas reserves and grew annual revenue to more than \$623 million.

The legal dispute dates back to May 2019, when EnVen reduced Dunwoody's share of management equity awards and disparaged him, Dunwoody's lawyers said. Dunwoody exercised his contractual right to resign for good reason, and sued EnVen after the company refused to honor his resignation, which deprived him of his contractual severance benefits.

The case had originally been set for trial in January, but was delayed to a late June trial date after EnVen filed a mandamus appeal over Judge Engelhart's denial of the company's request for a continuance. Both the Fourteenth Court of Appeals and the Supreme Court of Texas denied EnVen's appeals.

"Our client had a lot invested in this business and obtaining his severance and vindicating

his contract rights was critical for him," Kaim said.

Beyond being one of the larger disputes to go to trial this year after Covid-19 restrictions were lifted, the case had personal significance for Robin Gibbs, founding partner of Gibbs & Bruns and a leading member of Dunwoody's trial team. The trial win marks the sixth decade that Gibbs has obtained jury verdicts in Houston and beyond; he will celebrate 50 years of trial law practice on Sept. 20.

In a previous interview with The Texas Lawbook, Gibbs said his first jury trial was in 1971. It was a property damage case involving a car accident in which he defended American General Insurance. Less than \$1,000 was at stake.

"I was so nervous waiting for the jury to return with the verdict," Gibbs said in 2015 when The Texas Lawbook recognized him as one of its Lions of the Texas Bar. "That anxiety over picking a jury and waiting for the verdict has never gone away."

That was presumably the case for the current dispute, which Kaim remembers involving about a day-and-a-half of deliberation before the jury returned its verdict.

In addition to Gibbs and Kaim, the Gibbs & Bruns trial team included Gabriel Kaim, Jorge Gutierrez and Conor McEvily.

EnVen's team included Davis Polk & Wardwell lawyers Paul Spagnoletti, Antonio Perez-Marques, Matthew Cormack and Tess Liegeois; Jim Staley of Ogletree Deakins; and Jennifer Caughey of Jackson Walker.