

BARTLIT BECK SECURES \$96MM JURY VERDICT FOR GMAC AGAINST SUSMAN, GODFREY



10.2001

On September 24, 2001, Bartlit Beck scored another courtroom victory when a New Haven, Connecticut jury returned a \$96 million verdict in favor of Residential Funding Corporation ("RFC"), a subsidiary of General Motors Acceptance Corp., and rejected in their entirety the claims of the other side, DeGeorge Home Alliance. DeGeorge had been seeking nearly \$400 million in compensatory damages in addition to punitive damages.

DeGeorge claimed that RFC breached a lending agreement, and that the breach caused the destruction of DeGeorge's business. DeGeorge also claimed that RFC broke an oral promise to advance over \$1 billion in additional financing and committed the torts of defamation and interference with existing and prospective contractual relations. RFC asserted that DeGeorge breached the lending agreement when it failed to repay funds that it owed RFC and when it abandoned its obligation under the agreement to service customer loans that were funded by RFC. The jury awarded RFC all of the damages it was seeking.

RFC retained Bartlit Beck less than four months before trial. The Bartlit Beck team was led by Phil Beck and Jeff Hall, and included Rebecca Weinstein and Steven Derringer. DeGeorge was represented by the Houston firm of Susman Godfrey, with Stephen Susman acting as DeGeorge's lead trial attorney.

The trial was suddenly interrupted on day two by the September 11 tragedy. Judge Janet Bond Arterton decided not to suspend the trial. Judge Arterton explained that the terrorists were seeking to destroy our way of life and that it was important for our justice system to continue operating in the face of such threats. At the conclusion of the trial, Judge Arterton told the jury: "[W]e are grateful to you for performing this service at the time and under the circumstances in which you have done so because the system of self-government, of which you have been a part, has continued unabated and undeterred by those who would have it cease."

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ATTORNEYS

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