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**Company wins \$1 million award in suit against former salesmen**

*By: Laura Elder*

A state jury has awarded Houston-based Tri-Systems Inc. nearly \$1 million in damages from two of the company's former salesmen who opened a competing business.

After a two-day trial that ended Nov. 16, the jury found that the salesmen, Barron D. Dobbs and Frank D. Rangel, had breached their fiduciary duties to Tri-Systems, misappropriated company trade secrets, converted the company's property and interfered with the company's contracts with one of its suppliers. The case was tried in Judge Eugene Chambers' 215<sup>th</sup> District Court.

Dobbs and Rangel began working for Tri-Systems in 1988 and resigned in September of 1992, according to court documents. Tri-Systems, a seller of heat tracing and insulation systems for use at petro-chemical plants, filed the lawsuit after the two salesmen opened a competing firm, Industrial Heating Systems Inc., one business day after their resignations. Industrial Heating Systems went out of business in the summer of 1993, and the two salesmen filed a counterclaim alleging Tri-Systems killed their business through predatory pricing practices.

Tri-Systems attorney Geoffrey L. Harrison, of the Susman Godfrey law firm in Houston, says the company became suspicious of the salesmen after they immediately opened a business that directly competed with their former employers.

"Evidence at the trial showed that after the gentlemen resigned, the next business day they began operating their company. Evidence at the trial also showed that while they were still employed by Tri-Systems, and while they still owed duties of loyalty to the company, they set up the business that competed directly with Tri-Systems," says Harrison.

The jury also rejected counterclaims by Dobbs and Rangel seeking more than \$400,000 in alleged unpaid commissions. "Tri-Systems fully and in writing explained exactly how commissions were paid. The salesmen accepted and cashed every commission check they received during the entire course of their employment. Accordingly, they were not entitled to any additional commissions," says Harrison.

Woodrow Epperson, a solo practitioner who represented Dobbs and Rangel, says his clients will appeal the decision about the commissions and will ask the court to ignore the jury's decision awarding damages. "We are obviously disappointed and are planning an appeal," says Epperson.