

# SUSMAN GODFREY L.L.P.

*The following is an excerpt from an article that appeared in The Texas Lawyer on February 24, 2003.*

## **Top 10 Settlements in Texas in 2002**

The following are the top 10 settlement summaries, ranked by dollar amount, of 2002 according to Texas Blue Sheet, a weekly publication of The National Law Journal's Litigation Services Network and an affiliate of Texas Lawyer. Because settlement agreements are often confidential, this list of the top settlements of 2002 only considers those settlement amounts that have been reported. The full text of these settlements can be found at [VerdictSearch.com](http://VerdictSearch.com).

### **BREACH OF CONTRACT**

*TeraForce Technology Corp., et al. v. Cadence Design Systems Inc.*, No. 99-05670-G; 134th District Court, Dallas County/Judge Anne Ashby

Plaintiffs' attorneys: Geoffrey L. Harrison and Neal S. Manne of Susman Godfrey in Houston.

Defense attorneys: Rey Rodriguez and Byron Wilder of Gibson, Dunn & Crutcher in Dallas.

### **Settlement:**

On March 11, 2002, TeraForce Technology Corp., a Richardson-based telecommunications company, settled its suit against Cadence Design Systems Inc., a Silicon Valley, Calif.-based electronics and software design firm, for \$9.45 million. TeraForce alleged that in July 1999, Cadence signed a contract to acquire for \$15 million most of the assets of TeraForce's design services subsidiary, DNA Enterprises, but then refused to close the deal and pay the agreed purchase price. TeraForce alleged breach of contract, fraud and negligent misrepresentation, claiming that Cadence's wrongful conduct caused DNA to obtain capital at unfavorable terms, to take steps in reliance, to lose personnel, to forgo profit and to experience damage to its reputation damaged in the local job market. The defense claimed the plaintiffs withheld important financial information until two days before the scheduled closing and that no contract ever was formed because not all the conditions to the effectiveness of the agreement were met. The plaintiffs sought economic damages for lost profits, attorneys' fees, actual damages and punitive damages.