Business

Judge awards $115 million in judgment against former Dallas real estate investor Eric Brauss

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After a year in court, investors received nearly $115 million in judgments Thursday against former Dallas dealmaker Eric Brauss, who fled the country in late 2009 as his real estate empire crashed.

That doesn't mean investors will ultimately collect that much money. In fact, only a handful of the dozens of the Brauss partnerships involved have much value, said the receiver overseeing the companies.

Brauss, originally from Germany, moved to Dallas from Canada in 1990. He was involved in hundreds of millions of dollars' worth of projects here and elsewhere. At the end of 2008, according to one attorney involved in the case, he reported his net worth at about $28 million.

Brauss liked expensive automobiles, luxury homes, fine wines, art and jewelry. And he was a major supporter of the arts, especially the Dallas Opera. Brauss and his former wife, Christine, pledged $1 million toward the performing arts center downtown, but he left the country before fulfilling the pledge.

Brauss, who owes a total of about $750,000 to several Las Vegas casinos for gambling losses, is believed to be living in Brazil.

In his decision Thursday after a bench trial, state District Judge Bruce Priddy approved claims of $65.3 million to a group of about 220 investors, represented by attorney John Palter, and $49.5 million to the prominent Nixdorf family of Germany, represented by attorney Jeff Tillotson. The parties sued soon after Brauss fled the country.

Another Tillotson client, Dallas resident Doug Barnes, who owns a national chain of eyewear stores, received a $35 million judgment earlier this year. Barnes was the largest individual investor with Brauss.

Not all Brauss investors were included in Thursday's ruling. Altogether, investors had about $200 million in equity and debt in Brauss deals.

Palter's clients agreed not to voluntarily pursue criminal prosecution against Brauss. Tillotson's did not.

If there is no appeal, Priddy's decision will become final in a month.

"It is the end of the beginning," Palter said of the long legal battle, which promises to continue. After the decision becomes final, the real work begins: divvying up any assets that are found.

The bench trial, which began last week, gave a glimpse of that. One Brauss project, a Sugar Land rehabilitation hospital, was sold this year, leaving about $4.5 million. Priddy agreed with Palter's arguments and divided the proceeds roughly in half between the two groups.

"There's no question the defendants [Brauss and companies he controlled] ripped you all off," Priddy said in court Thursday.

Tillotson, in an interview after the court made its decision, said that Brauss "clearly did" steal from investors.

"There is money missing that we can't find," he said.

Brauss' attorney, Larry Friedman, defended his client. He said of the trial: "There was no mention of Christine at all and no evidence of damages by Eric."