

**ONE****BREACH OF FIDUCIARY DUTY**

Fraud — Conversion — Trusts and Estates

**Deceased IT executive's family said bank mishandled estate****VERDICT** \$8,039,179,404**CASE** Jo N. Hopper v. JP Morgan Chase Bank, N.A., Stephen B. Hopper, and Laura S. Wassmer, No. PR-11-3238-1**COURT** Dallas County Probate Court No. 1, TX**JUDGE** Brenda Hull Thompson**DATE** 9/26/2017**PLAINTIFF**

**ATTORNEY(S)** Alan S. Loewinsohn (lead), Loewinsohn Flegle Deary Simon LLP, Dallas, TX (Jo N. Hopper)  
 James S. Bell, James S. Bell P.C., Dallas, TX (Laura Wassmer, Quagmire LLC, Stephen Hopper)  
 Kerry Schonwald, Loewinsohn Flegle Deary Simon LLP, Dallas, TX (Jo N. Hopper)  
 Anthony L. Vitullo, Fee, Smith, Sharp & Vitullo, Dallas, TX (Laura Wassmer, Quagmire LLC, Stephen Hopper)

**DEFENSE**

**ATTORNEY(S)** John C. Eichman, Hunton & Williams, Dallas, TX (JPMorgan Chase Bank N.A.)  
 Grayson L. Linyard, Hunton & Williams, Dallas, TX (JPMorgan Chase Bank N.A.)

**FACTS & ALLEGATIONS** In 2011, a dispute arose between plaintiff Jo N. Hopper, 70, her adult stepchildren, Stephen B. Hopper, a psychiatrist, and Laura S. Wassmer, mayor of Prairie Village, Kan., and JPMorgan Chase Bank N.A. over the distribution of interests in a house in Dallas and personal property belonging to the community estate of Jo Hopper and her late husband, Max D. Hopper. The personal property included art, furniture, a collection of 6,700 golf putters and 900 bottles of wine. The house was on Robledo Drive and was where Jo and Max lived until his death. The total value of the community estate was about \$26 million at the time of Max Hopper's death.

Max Hopper died intestate of a sudden stroke on Jan. 25, 2010. He was an information technology executive who, in the 1970s, had co-invented an airline reservation system now in widespread use.

On June 30, 2010, the family selected JPMorgan as independent administrator of the decedent's estate.

Gary Stolbach, of Glast, Philips & Murray, was an attorney hired by Stephen and Laura in June 2011 in connection with

the dispute over the distribution of the house and personal property.

Jo sued JPMorgan, her stepchildren and Quagmire LLC (a company formed by Stephen and Laura), and the stepchildren filed counterclaims against Jo and cross-claims against JPMorgan.

The only claims at trial were Jo's claims against JPMorgan for breach of contract, breach of fiduciary duty and money had and received; Stephen's and Laura's claims against JPMorgan, on behalf of themselves and the estate, for negligence, breach of contract, breach of fiduciary duty, fraud, conversion and money had and received; a claim by Jo against JPMorgan for attorney fees in connection with declaratory judgment actions; a claim by Jo against her stepchildren for attorney fees; and claims by JPMorgan against Stephen and Laura for attorney fees.

Jo claimed at trial that JPMorgan failed to timely distribute her interest in the house and other property after portraying itself as an expert and experienced in independent estate administration.

Stephen and Laura claimed at trial that JPMorgan improperly paid its defense fees out of the estate.

Jo's and the stepchildren's attorneys argued that JPMorgan acted out of greed, malice and incompetence.

JPMorgan denied liability. It argued that any delay in the distribution resulted from the dispute on that issue between Jo and the stepchildren, and that JPMorgan had acted properly by seeking a legal ruling on it, a ruling that both Jo and the stepchildren had then appealed.

JPMorgan further argued that, in paying its defense fees out of the estate, it acted in good faith, consistent with the terms of its contract with Stephen and Laura, and consistent with the Texas Estates Code.

JPMorgan designated Stolbach and Glast, Philips & Murray as responsible third parties with respect to the tort claims.

Jo and the stepchildren were originally seeking competing declaratory judgments regarding the proper distribution of the house, but this issue was resolved in 2014 by a court of appeals. (Essentially, it held in Jo's favor, saying that the house should be divided 50-50 in undivided interests between Jo and the stepchildren.)

Several claims were nonsuited before trial. They included Jo's action to remove JPMorgan as administrator; her claims against JPMorgan for fraud and violation of the Texas Deceptive Trade Practices Act; her claims against her stepchildren and Quagmire for aiding and abetting a breach of fiduciary duty; and the stepchildren's counterclaims against Jo for fraud and breach of fiduciary duty.

**INJURIES/DAMAGES** Jo sought attorney-fees-as-damages of \$222,780 and reimbursement of expenses of \$58,651.47, as well as mental anguish and punitive damages.

The stepchildren, for themselves and the estate, sought \$3,695,000 under each of their causes of action as loss of potential inheritance or reduction in value of the estate, based on JPMorgan's decision to pay for its defense out

of the estate. They also sought \$84,500 and \$78,000, respectively, in attorney-fees-as-damages. They also sought punitive damages.

JPMorgan sought attorney fees for having to defend Jo Hopper's action to remove it as administrator. It also sought attorney fees in connection with proceedings of and management of the estate after Dec. 7, 2015, the date on which Jo Hopper nonsuited her action for removal of JPMorgan as administrator.

**RESULT** The jury found breach of fiduciary duty, breach of contract, fraud, negligence (with 90 percent comparative responsibility), conversion, gross negligence and malice by JPMorgan. It also found that JPMorgan held funds that in equity and good conscience belonged to Jo Hopper and the estate.

The jury found negligence and comparative responsibility of 10 percent on the part of Gary Stolbach and Glast, Philips & Murray.

The findings of dollar amounts (including actual damages, money had and received, punitive damages and attorney fees through trial) under the plaintiffs' various causes of action, less amounts found for the bank's attorney fees, add up to \$8,039,179,403.95, but some of those findings are duplicative or mutually exclusive. In addition, JPMorgan contends that that the punitive damages exceed constitutional and statutory limits.

The actual damages findings for Jo Hopper are as follows: \$500,000 under breach of fiduciary duty for past mental anguish; \$222,780.95 under breach of fiduciary duty for attorney fees before suit; \$222,780.95 under breach of contract for attorney fees before suit; and \$58,651.47 under breach of contract for reimbursement of expenses.

The actual damages findings for Stephen Hopper are as follows: \$84,500 under breach of contract for attorney fees before suit; \$1,847,500 under breach of contract for loss of potential inheritance; \$1,847,500 under breach of fiduciary duty for reduction in the estate's value; \$84,500 under fraud for attorney fees before suit; \$1,847,500 under fraud for loss of potential inheritance; \$84,500 under negligence for attorney fees before suit; and \$1,847,500 under negligence for loss of potential inheritance.

The actual damages findings for Laura Wassmer are as follows: \$78,000 under breach of contract for attorney fees before suit; \$1,847,500 under breach of contract for loss of potential inheritance; \$1,847,500 under breach of fiduciary duty for reduction in the estate's value; \$78,000 under fraud for attorney fees before suit; \$1,847,500 under fraud for loss of potential inheritance; \$78,000 under negligence for attorney fees before suit; and \$1,847,500 under negligence for loss of potential inheritance.

The actual damages findings for the estate are \$3,695,000 under conversion and \$3,696,000 under breach of fiduciary duty for reduction in the estate's value.

The money-had-and-received findings are \$58,682 for Jo Hopper and \$3,695,000 for the estate.

The findings of attorney fees through trial are as follows: \$4,061,518 under breach of contract for Jo Hopper; \$4,052,035 for Jo Hopper regarding the declaratory judgment claims about the house and other issues addressed by the court of appeals in 2014; \$1,469,828 for Jo Hopper in obtaining a finding that she does not owe the estate any money for attorney fees.

The punitive damages findings are \$2 billion under breach of fiduciary duty for Jo Hopper; \$2 billion under breach of fiduciary duty for the estate; \$1 billion under fraud for Stephen Hopper; \$1 billion under fraud for Laura Wassmer; \$1 billion under gross negligence for Stephen Hopper; and \$1 billion under gross negligence for Laura Wassmer.

The jury found that the bank's reasonable and necessary attorney fees for having to defend Jo Hopper's action to remove it as administrator were \$1,185,775, and that its reasonable and necessary attorney fees in connection with proceedings of and management of the estate after Dec. 7, 2015, were \$685,632.

**TRIAL DETAILS** Trial Length: 4 weeks  
Trial Deliberations: 4 hours  
Jury Vote: 5-1

**PLAINTIFF  
EXPERT(S)** Trey Cox, J.D., attorney fees, Dallas, TX

**DEFENSE  
EXPERT(S)** Michael Bourland, J.D., attorney fees, Fort Worth, TX  
Tom Cantrill, J.D., fiduciary duty, Dallas, TX  
Mark Sales, J.D., attorney fees, Dallas, TX  
Lois Ann Stanton, J.D., fiduciary duty, Austin, TX

**POST-TRIAL** Jo filed a motion regarding attorney fees. JPMorgan filed a motion for judgment notwithstanding the verdict and, alternatively, a motion to disregard jury findings or suggestion of remittitur. Stephen and Laura filed a motion for judgment.

**EDITOR'S NOTE** This report is based on information that was gleaned from court documents and an interview of Jo Hopper's; Stephen Hopper's and Laura Wassmer's; and JPMorgan's counsel.

-John Schneider