

# Morris Nichols Caps Successful Seven-Day Jury Trial in Athenian Venture Partners Dispute

06.01.2013

Wilmington, DE (June 28, 2013) – R.J. Scaggs, Morris Nichols Corporate and Business Litigation partner, and associate Karl Randall, headed the Morris Nichols trial team that represented Athenian Venture Partners, I, L.P. and Athenian Venture Partners II, L.P. in their successful breach of contract dispute against GMG Capital Investments, LLC, GMG Capital Partners III, L.P., GMG Capital Partners III Companion Fund, L.P. and GMS Capital Partners II, L.P. A Final Order and Judgment entered on June 21, 2013 awarded Athenian more than \$2.3 million, including money damages, attorneys’ fees, and prejudgment interest, and requires the GMG entities to make monthly payments until the entire principal amount of a \$6.0 million note is paid.

[Click here to download a copy of the judgment.](#)

The parties’ dispute arose from a stock sale in August 2005. Athenian and GMG had both invested in a company named Alloptic, Inc., which manufactured fiber optic related equipment. When Alloptic went through a capital restructuring, the parties negotiated the sale of all of Athenian’s Alloptic stock to GMG. GMG later failed to make certain payments under the parties’ contract and Athenian sued. The case ultimately focused on Athenian’s remedies for GMG’s admitted breach, with Athenian arguing that it was entitled to money damages, while GMG claimed that Athenian’s remedy was limited to proceeds from certain Alloptic stock that was held in escrow. In 2009, the Superior Court granted Athenian summary judgment. On appeal, however, the Delaware Supreme Court held that the remedies provisions of the parties’ contract were ambiguous and remanded to the Superior Court for a determination of the parties’ intent at the time of contracting. Following a one week trial, the jury deliberated for less than an hour before returning a unanimous special verdict in Athenian’s favor. The GMG limited partnerships and their general partner, GMG Capital Investments, LLC, are jointly and severally liable for the amounts encompassed by the judgment.

## **PROFESSIONALS**

R. Judson Scaggs, Jr.

**Morris Nichols Caps Successful Seven-Day Jury Trial in Athenian Venture Partners Dispute**

---

**PRACTICE AREAS**

Corporate & Commercial Litigation

