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Texas Breeder of Rare Red Wagyu Cattle Wins \$30M Verdict

July 19, 2021 | BY BRUCE TOMASO

A Fort Bend County jury has awarded more than \$30 million to a Texas cattle company that claimed a breeding association withheld valuable information about the pedigree of the company's rare Japanese cattle.

After a four-week trial, the jury unanimously ruled against defendants American Akaushi Association; its parent company, HeartBrand Holdings; and their chairman of the board, Ronald Beeman, concerning multiple claims, including breach of contract, fraud, tortious interference, conspiracy, and alter ego.

It further found that the AAA fraudulently concealed its breaches and tortious offenses for years. The jury's award included more than \$21 million in damages for breach of contract, \$1.3 million for fraud, and \$3.3 million in exemplary damages, plus attorneys' fees.

The suit was filed in 2018 by Twinwood Cattle Co. of Simonton, Texas, a small ranching community in Fort Bend County, west of Houston.

Until 2017, Twinwood was a member of the AAA, a cattle breeding association for a rare breed known as Red Wagyu, or Akaushi. Twinwood's suit said the association told members they would receive DNA-verified documentation of the pedigree of cattle registered with AAA, along with certificates authenticating the lineage of the animals.

However, Twinwood claimed, the AAA never provided the documentation. Twinwood, according to its suit, eventually learned that the association could not produce DNA results confirming the lineage of more than half of the roughly 200 animals registered by Twinwood.

"A cattle company can't go to market and sell its product as Red Wagyu beef without certification," said **Willie Wood**, a principal in the Houston office of McKool Smith who represented Twinwood at trial. "The value of that certification therefore is very high."

"Our client was clearly impacted by unfulfilled

obligations related to the defendants providing DNA verified pedigree information for the registered cattle."

Also on the plaintiffs' trial team were **Veronica Manning** and **Kaitlyn Dawson** of McKool Smith; Justin P. Tschoepe, a partner with Yetter Coleman in Houston; and Bill Boyce, a former justice of the 14th Court of Appeals in Houston now with Alexander Dubose Jefferson in Houston.

The lead attorney for the defendants, Jason M. Powers, a partner in the Houston office of Vinson & Elkins, did not return a phone call or respond to an email seeking comment on the jury verdict.

The trial was held before Fort Bend County state District Judge Robert Rolnick.

Wood, Twinwood's lawyer, said evidence at trial indicated that other cattle companies in Texas may have been similarly harmed by the AAA's failure to provide promised DNA and lineage documentation. He declined to elaborate.

The case number is 18-DCV-250789 in the 458th district court of Fort Bend County.