



Case Summaries February 6, 2026

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RECENTLY GRANTED CASES

GDS Transport, LLC v. MV Transp., Inc., ___ S.W.3d ___, 2024 WL 3100702 (Tex. App.—Dallas June 24, 2024), *pet. granted* (Jan. 30, 2026) [24-0924]

Transportation Code section 452.056(d) limits the damages liability of a regional transportation authority's independent contractor that performs a function of the authority to the extent of the authority's liability. MV Transportation argues that this statute grants it complete immunity from liability for alleged fraud under the facts of this case.

The Dallas Area Rapid Transit Authority contracted with MV Transportation to operate certain services for mobility-impaired users. MV Transportation's subsidiary then subcontracted with GDS Transport to provide the services under MV Transportation's management. GDS began performing, but a few months later it stopped and terminated the contract.

In the litigation that followed, MV Transportation moved to dismiss GDS's claims against it for breach of contract and fraud under Rule 91a. The motion was based in part on the Transportation Code's limitation of liability. The trial court granted the motion, but the court of appeals reversed.

MV Transportation filed a petition for review. It argues that because DART has complete governmental immunity for fraud, and MV Transportation was performing the functions of DART when it negotiated with GDS about the subcontract, the Transportation Code limits MV's liability for fraud damages to \$0. The Supreme Court granted the petition for review.

River Creek Dev. Corp. v. Preston Hollow Cap. LLC, ___ S.W.3d ___, 2024 WL 3892448 (Tex. App.—Austin 2024), *pet. granted* (Jan. 30, 2026) [24-1070]

The principal issues in this case are whether certain public financing agreements are void because they were not submitted to the Attorney General for approval under Chapter 431 of the Transportation Code and whether the agreements comply with the Public Improvement District Act.

The City of Hutto created River Creek Development Corporation to finance the development of the area around its city hall. As part of that financing, the Public Finance Authority issued bonds to Preston Hollow Capital to fund a loan of \$17.4 million to River Creek. The City and River Creek later sued Preston Hollow, seeking declarations that the transactions are invalid. The trial court granted Preston Hollow's motion for summary judgment and rendered judgment declaring that the transactions are valid and awarding Preston Hollow attorney's fees. The court of appeals affirmed.

The City and River Creek petitioned for review. They argue that the agreements are illegal and void because they were not approved by the Attorney General, and they do not comply with the Public Improvement District Act. Additionally, they argue that two attorney opinion letters regarding the validity of the transactions should not have been admitted in the summary-judgment record and that the award of attorney's fees is not equitable and just. The Supreme Court granted the petition for review.

Gopalan v. Marsh, 706 S.W.3d 650 (Tex. App.—Austin 2025), *pet. granted* (Jan. 30, 2026) [25-0161]

At issue in this case is whether, in a suit affecting the parent–child relationship tried to a jury, a parent awarded the exclusive right to designate the child's "primary residence" must also receive at least 50% possession.

Prabhakar Gopalan and Andrea Marsh, parents of two minor children, petitioned for divorce. They agreed to be joint managing conservators. At trial, the jury was asked only two conservatorship questions: which parent should have the exclusive right to designate the children's primary residence and the geographic scope of that right. The jury awarded Gopalan the exclusive right to designate the children's primary residence within Travis County. The jury also found that portions of the marital residence are each party's separate property.

Following an eight-day trial on remaining issues, the trial court entered a final decree, including a nonstandard possession schedule that awarded Gopalan less than 50% possession. The court also granted Marsh several exclusive parental rights, including authority over educational and medical decisions and control of the children's passports. In addition, the trial court ordered Gopalan to pay child support, required him to post a \$250,000 bond before traveling internationally with the children, and granted Marsh judgment notwithstanding the verdict on Gopalan's claimed separate-property interest in the marital residence.

The court of appeals affirmed in a split decision. The majority held that the jury's award of the right to designate the children's primary residence does not entitle Gopalan to any minimum amount of possession and that the Family Code leaves possession schedules and the allocation of parental rights to the trial court's discretion. The court also upheld the international travel bond, the child-support and attorney's-fees awards, and the judgment notwithstanding the verdict on separate property. The dissent opined that the term "primary residence" necessarily implies

that the children reside with that parent at least half of the time and that the possession order impermissibly conflicts with the jury's verdict.

Gopalan petitioned the Supreme Court for review, arguing that the court of appeals' decision nullifies the jury's constitutional role and conflicts with other courts of appeals on the meaning of "primary residence." The Supreme Court granted the petition.

Champion Food Serv., Inc. v. ProAlamo Foods, L.L.C., 716 S.W.3d 881 (Tex. App.—San Antonio 2024), *pet. granted* (Jan. 30, 2026) [25-0297]

The issues in this case are whether ProAlamo may recover in quantum meruit and whether the trial court erred in awarding attorney's fees.

Champion purchased frozen meat products from ProAlamo, some of which were allegedly rancid. ProAlamo sued Champion for unpaid amounts and asserted claims for breach of contract and quantum meruit. Champion brought a counterclaim for breach of contract. The jury found for ProAlamo on its quantum meruit claim and awarded \$46,396.58 in damages but \$0 in attorney's fees. On Champion's breach of contract claim, the jury found that ProAlamo failed to comply with "the agreement" but awarded Champion \$0 in damages. The trial court partially granted ProAlamo's motion for judgment notwithstanding the verdict and rendered judgment awarding ProAlamo \$46,396.58 in damages for quantum meruit and \$219,674 in attorney's fees. The court of appeals affirmed.

Champion petitioned for review. It argues that ProAlamo may not recover in quantum meruit because a contract governs the transactions at issue. Specifically, it argues that under Texas Rule of Civil Procedure 279, the jury's finding that ProAlamo breached "the agreement" amounted to a deemed finding that a contract exists. Additionally, it argues that the trial court erred in awarding ProAlamo attorney's fees because the evidence does not conclusively establish the reasonableness of the fee award, as would be required to disregard the jury's verdict.

The Supreme Court granted the petition for review.