

Susman Godfrey Wins Appeal Recognizing a \$123 Million Judgment from the Kingdom of Morocco

HOUSTON (October 1, 2015) — The U.S. Court of Appeals for the Fifth Circuit yesterday reversed a district court’s refusal to recognize a \$123 million judgment issued by a commercial court in the Kingdom of Morocco. Under the Fifth Circuit’s ruling, the Moroccan judgment is “conclusive” and “enforceable in the same manner as a judgment of a sister state that is entitled to full faith and credit.”

In 2002, plaintiffs Maghreb Petroleum Exploration, S.A. (“MPE”) and Mideast Fund for Morocco, Limited (“MFM”) filed suit in Morocco and alleged that billionaire John Paul DeJoria – Forbes magazine’s 234th richest person in America – committed wrongful acts and induced them to invest tens of millions of dollars in a Moroccan oil exploration company that DeJoria and others had formed.

Claiming his life would be endangered if he returned to Morocco, DeJoria chose not to participate in the Morocco lawsuit. Instead, his U.S.-based company asked a Texas federal court to enjoin the Morocco lawsuit, but the court declined.

In 2009, the Morocco court entered judgment for approximately \$123 million in favor of MPE and MFM and against DeJoria. DeJoria sought to avoid liability by filing another lawsuit in Texas and, this time, argued that the Morocco judgment should not be recognized in Texas. The district court agreed with DeJoria and refused to enforce the Morocco judgment.

In a 3-0 decision authored by Chief Judge Carl E. Stewart, the Fifth Circuit yesterday reversed, and held that DeJoria did not meet his burden to establish non-recognition. The Fifth Circuit explained that “Morocco’s judicial system as a whole is ‘fundamentally fair’ and inoffensive to basic notions of fairness,” noted that DeJoria’s own expert advertised Morocco’s judicial system as “adher[ing] to international standards,” cited international reports praising Morocco’s judicial system, and noted that American law firms (including DeJoria’s own law firm in this case) have offices in Morocco.

The Fifth Circuit also rejected DeJoria’s “alternative grounds for non-recognition,” and explained that “DeJoria had actual notice of the Moroccan lawsuit” which “more than satisfie[s] his due process rights” under Morocco law and “even under the stricter requirements of American due process.”

Geoffrey L. Harrison, a partner in Susman Godfrey LLP’s Houston office, served as lead counsel for MPE and MFM and argued the appeal in the Fifth Circuit, called the Morocco lawsuit “a commercial dispute among sophisticated business entities” and said “the Fifth Circuit’s 3-0 decision properly recognizes that Morocco’s judicial system adheres to international standards of impartiality, due process, and fundamental fairness in accordance with the Texas Recognition Act. The Court’s decision confirms that Moroccan judgments are worthy of recognition, and international companies confidently may rely on Morocco’s judicial system.”

Harrison added: “The Fifth Circuit promptly issued its thorough and well-reasoned opinion just four weeks after oral argument. We appreciate the Court’s attention and diligence in this important case.”

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MPE and MFM are represented by Geoffrey L. Harrison, Kenneth E. McNeil, and John P. Lahad of Susman Godfrey LLP; and Roger D. Townsend of Alexander, Dubose, Jefferson & Townsend LLP.

DeJoria is represented by Brian J. Hurst, Eugenie R. Rogers, Nicholas O. Kennedy, and Michael A. Pollard of Baker & McKenzie, LLP; Craig T. Enoch and Melissa A. Lorber of Enoch Kever PLLC; and John C. Carsey of Minton, Burton, Bassett & Collins.

The case is *John Paul DeJoria v. Maghreb Petroleum Exploration, S.A. and Mideast Fund for Morocco, Limited*, No. 14-51022; In the United States Court of Appeals for the Fifth Circuit.