

MARKS & WEINBERG, P.C.

GTE Communication Systems Corp.v Telecoin Communications, Inc.

1998 WL 548763 (Tex. App. 1998)

The dispute in this case arose after the plaintiff-lessor closed down its pay phone operations and would no longer sell or lease phone equipment. When the lessee could no longer get parts and assistance needed to maintain the coin-operated phones it had leased from the lessor, it stopped paying lease installments. The plaintiff-lessor sued seeking to recover those installments and guarantees due under the lease.

The defendant-lessee counter-claimed, alleging fraud, breach of contract, deceptive trade practices, and breach of warranty. The court found that the lessee had failed to comply with the terms of the agreement but excused the breach because it also found that the lessor had engaged in deceptive trade practices. No damages were awarded to Lessee because the court found no evidence that the lessee had suffered lost profits as a result of the lessor's defective phones or as a result of the lessor's termination of its leasing operations.

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