BUSINESS COURT OF TEXAS, FIRST DIVISION

Dallas Sports Group, LLC and Radical Arena, Ltd. v. DSE Hockey Club, L.P. and Dallas Sports & Entertainment, L.P.

2026 Tex. Bus. 36 (Tex. Bus. Ct. 1st Div. 2026) · No. 25-BC01B-0049 · Decided June 3, 2026

SUMMARY

The Business Court of Texas addresses whether the plaintiffs' redemption letter and cash tender were effective against Dallas Sports & Entertainment, L.P., whether prior summary-judgment rulings resolved the claims and defenses asserted by that entity, and whether res judicata arising from a prior bankruptcy barred the plaintiffs' claims. The court concludes that the redemption method was effective as to Dallas Sports & Entertainment because the relevant individuals received the notice and payment, and that the prior rulings applied to the joined party. The opinion also discusses procedural fairness, joinder, agency, notice, and prejudice.

CASE DETAILS

COURT	Business Court of Texas, First Division
WRITING FOR THE COURT	Bill Whitehill
JURISDICTION	Business Court of Texas, 1st Division
DECIDED	June 3, 2026
DOCKET	25-BC01B-0049
DISPOSITION	other
PROCEDURAL POSTURE	The Business Court considered combined dispositive motions under Texas Rule of Civil Procedure 166(g) and summary-judgment procedures concerning the effect of prior rulings on newly joined defendant Dallas Sports & Entertainment, L.P., the defendants' declaratory-judgment counterclaims, and a res judicata defense based on a prior bankruptcy.
STANDARD OF REVIEW	Summary-judgment rulings are reviewed under the no-genuine-issue-of-material-fact and entitlement-to-judgment-as-a-matter-of-law standard, viewing evidence in the light most favorable to the nonmovant. A Rule 166(g) order disposing of claims as a matter of law is reviewed de novo.
PRECEDENTIAL VALUE	published

TOPICS

summary judgment · civil procedure · res judicata · declaratory judgment · contracts

PRACTICE AREAS

civil procedure · contracts · bankruptcy · commercial litigation · limited liability companies · partnership law

QUESTIONS PRESENTED

1. Whether plaintiffs' redemption letter and cash tender were effective against DSELP despite naming Hockey Club in the address block.
2. Whether binding DSELP to the court's prior summary-judgment rulings violated DSELP's federal due-process and Texas due-course rights.
3. Whether the defendants' declaratory-judgment counterclaims survived after the court resolved the issues raised by plaintiffs' declaratory-judgment action.
4. Whether res judicata arising from the defendants' 2011 bankruptcy barred plaintiffs' redemption claims based on the defendants' post-confirmation contractual obligations.
5. Whether the defendants preserved the res judicata defense by failing to assert it in response to plaintiffs' earlier summary-judgment motion.

HOLDINGS

1. The redemption letter and accompanying cash tender were effective as to DSELP because DSELP's owner, officers, agents, and related directors received or discussed the letter and tender, and the addressee's formal entity name did not alter the undisputed fact that the correct people and address received them.
2. Binding DSELP to the prior summary-judgment rulings did not violate due process or due course because DSELP had notice of the dispute, was in privity with Hockey Club, had aligned financial interests and common representation, had an opportunity to assert unique arguments, and neither objected to joinder nor sought a continuance.
3. The defendants' declaratory-judgment counterclaims were negated or rendered moot because they added no issues, defenses, or affirmative claims that the court's prior rulings and final judgment did not expressly or implicitly resolve.
4. The defendants' 2011 bankruptcy did not bar plaintiffs' redemption claims because the defendants assumed and accepted continuing contractual obligations after bankruptcy confirmation, and their post-confirmation failure to satisfy the Location Commitment triggered contractual Relocation Event conditions and plaintiffs' redemption rights.
5. The defendants failed to preserve their res judicata defense because they did not assert it in response to plaintiffs' summary-judgment motion addressing the requested declaratory relief.

KEY QUOTATIONS

> *“The authority cited by plaintiff (3 Fletcher Cyclopedia Corporations, Sec. 793) recognizes the rule that notice to an officer or agent is notice to the corporation in the circumstance where the officer or agent in the line of his duty ‘ought, and could reasonably be expected, to act upon or communicate the knowledge to the corporation.’”* (¶ 82)

> *“The court concludes that, under this case’s particular facts, DSELP had a fair opportunity to defend itself and its due process and due course rights were not deprived”* (¶ 96)

> *“Their decision not to move to Dallas post-bankruptcy created a new breach—based on their newly accepted and assumed duty to do so—and triggered a Relocation Event giving the Mavericks their post-bankruptcy ability to exercise their redemption rights.”* (¶ 145)

FACTUAL BACKGROUND

Plaintiffs sent a redemption letter and $110 cash tender concerning the defendants' interests in entities operating the American Airlines Center. Although the letter's addressee block named DSE Hockey Club rather than Dallas Sports & Entertainment, the same owner, executives, directors, counsel, office, and financial personnel served or represented both entities; the executives received and discussed the letter, and DSELP's CFO received and deposited the cash in a shared safe. DSELP was added as a party shortly before the summary-judgment hearing, but it did not object to the joinder order, seek a continuance, or assert unique defenses. The defendants also relied on a 2011 bankruptcy to argue that plaintiffs' redemption claims were barred, while the court found that the relevant contractual duties and alleged breach arose after bankruptcy confirmation.

PROCEDURAL HISTORY

Plaintiffs filed a declaratory-judgment action concerning their attempted redemption of the defendants' interests in Center Operating Company, L.P. and Center GP, LLC. The court granted or resolved multiple summary-judgment motions in an April 2, 2026 order, later joined DSELP shortly before the dispositive hearing without extending the schedule, and entered orders on May 5 and May 6 resolving the remaining issues. The court entered final judgment on May 20, 2026, and this opinion explained the court's rulings on the combined dispositive motions.

DISPOSITION

other

CASES CITED

- International Bankers Life Co. v. Holloway, 368 S.W.2d 567, 580 (Tex. 1963)
- Texas Right to Life v. Van Stean, 702 S.W.3d 348, 355 (Tex. 2024)
- Verburgt v. Dorner, 959 S.W.2d 615, 617 (Tex. 1997)
- Life Partners, Inc. v. Arnold, 464 S.W.3d 660, 669 (Tex. 2015)
- Benson v. Wanda Petroleum Corp., 468 S.W.2d 361, 363-64 (Tex. 1971)
- Harter v. Harter, No. 14-23-00340, 2024 WL 5051195, at *8 (Tex. App.—14th Dist. Dec. 10, 2024, no pet.)
- Sumrak v. Tenneco Oil Co., 648 S.W.2d 778, 780 (Tex. App.—2nd Dist. 1983, no writ)

- Continental S. Lines, Inc. v. Hilland, 528 S.W.2d 828, 831 (Tex. 1975)
- BHP Petroleum Co. v. Millard, 800 S.W.2d 838, 841-42 (Tex. 1990)
- Heritage Life Ins. Co. v. Heritage Group Holding Corp., 751 S.W.2d 229, 238 (Tex. App.—Dallas 1987, writ denied)
- Etan Indus., Inc. v. Lehman, 359 S.W.3d 620, 624-25 (Tex. 2011)
- Heckman v. Williamson County, 369 S.W.3d 137, 162 (Tex. 2012)
- Rosetta Res. Operating, LP v. Martin, 645 S.W.3d 212, 225 (Tex. 2022)
- Amstadt v. U.S. Brass Corp., 919 S.W.2d 644, 652 (Tex. 1996)
- Clayton Williams Energy, Inc. v. BMT O&G TX., L.P., 473 S.W.3d 341, 353 (Tex. App.—8th Dist. 2015, pet. denied)
- Community Health Sys. Prof'l Servs. Corp. v. Hansen, 525 S.W.3d 671, 683 (Tex. 2017)
- Rincones v. Windberg, 705 S.W.2d 846, 848 (Tex. App.—Austin 1986, no writ)
- TransAmerican Natural Gas Corp. v. Finkelstein, 933 S.W.2d 591, 596 (Tex. App.—4th Dist. 1996, writ denied)
- In re Cellnet Data Sys., Inc., 313 B.R. 604, 608-11 (Bankr. D. Del. 2004)
- In re Arriva Pharm., Inc., 456 B.R. 419, 424-26 (Bankr. N.D. Cal. 2011)
- In re Ali Props., Inc., 334 B.R. 455, 459-62 (Bankr. D. Kan. 2005)
- Huck ex rel. Sea Air Shuttle Corp. v. Dawson, 106 F.3d 45, 46, 49-51 (3d Cir. 1997), cert. denied, 520 U.S. 1276 (1997)
- McConnell v. Southside Indep. Sch. Dist., 858 S.W.2d 337, 343 (Tex. 1993)
- City of Houston v. Clear Creek Basin Auth., 589 S.W.2d 671, 678-79 (Tex. 1978)
- JLB Builders, L.L.C. v. Hernandez, 622 S.W.3d 860, 864 (Tex. 2021)
- Mack Trucks, Inc. v. Tamez, 206 S.W.3d 572, 581-82 (Tex. 2006)
- Amazon.com Servs. LLC v. Grant, No. 05-23-01306, 2024 WL 5053063, at *2 (Tex. App.—5th Dist. Dec. 10, 2024, no pet.)
- King Ranch, Inc. v. Chapman, 118 S.W.3d 742, 751 (Tex. 2003)
- Merrell Dow Pharms., Inc. v. Havner, 953 S.W.2d 706, 711 (Tex. 1997)
- Kindred v. Con/Chem, Inc., 640 S.W.2d 61, 63 (Tex. 1982)
- Dallas Sports Group, LLC v. DSE Hockey Club, L.P., 2026 Tex. Bus. 15