

**Reverse and Render and Opinion Filed August 11, 2025**



**In The  
Court of Appeals  
Fifth District of Texas at Dallas**

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**No. 05-23-01121-CV**

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**NAJATI AL JUNDI AND DANA HAFEZ, Appellants  
V.  
MOHAMMAD ELJINDI, Appellee**

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**On Appeal from the 417th Judicial District Court  
Collin County, Texas  
Trial Court Cause No. 417-05480-2019**

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**MEMORANDUM OPINION**

Before Justices Goldstein, Barbare, and Jackson  
Opinion by Justice Jackson

Appellants Najati Al Jundi and Dana Hafez appeal a judgment following a jury verdict in favor of appellee Mohammad ElJindi in his suit for breach of contract. In six issues, they contend there is no basis in the pleadings or verdict to find Hafez liable for breach of contract and contend appellee's contract claims against Al Jundi fail for various legal reasons. They also challenge the amount of damages and an attorney's fee award. For reasons that follow, we reverse the trial court's judgment and render judgment that appellee take nothing.

## **I. Factual Background**

Plaintiff Eljindi and Al Jundi met in 2017 and became friends. They decided to go into the house flipping business together. Plaintiff would be the investor, and Al Jundi would handle the remodeling. Under their oral “partnership agreement,” Plaintiff would invest \$300,000, and Al Jundi would receive a salary of \$3,000 per month. After the sale of a property, Plaintiff would get his investment back, and he and Al Jundi would split any profits 50/50.

Plaintiff instructed Al Jundi to “open a company” out of which to operate the remodeling business. Al Jundi formed ALJ Enterprise Inc. in the fall of 2017 and was its sole owner/shareholder. The partnership agreement called for Plaintiff to loan ALJ \$300,000. In February 2018, ALJ, as borrower, executed a \$300,000 promissory note payable to Plaintiff, as lender. The note was due on March 15, 2019. Al Jundi signed the promissory note on behalf of ALJ. Plaintiff thereafter wired ALJ \$300,000 in two installments.

In the summer of 2018, ALJ bought a house to flip on Ashby Drive in Allen, Texas, for \$196,297.94. The remodeling of the house was solely Al Jundi’s responsibility. Al Jundi previously worked in the “gas station business” and had no real estate experience. He admittedly made mistakes in the remodeling process. Al Jundi ran out of what was left of the \$300,000 and had to take out a hard money loan to finish the work.

In January 2019, ALJ sold the Ashby house to Hafez, Al Jundi's wife, for \$275,000. According to Al Jundi, before the sale, he and Plaintiff discussed selling the house to her and Plaintiff agreed with the idea. According to Plaintiff, he learned of the sale to Hafez only after it happened.

Al Jundi testified that ALJ did not make any money on the sale. The hard money loan was secured by a lien and the balance of that loan was paid off at closing. ALJ netted about \$150,000 from the sale, but it owed contractors and used the money to pay them.

ALJ paid Plaintiff some of his \$300,000 back before the Ashby house sold, and before it was due, but Plaintiff did not receive any more money after the sale of the house. On April 26, 2019, Al Jundi signed a check written on an ALJ bank account for \$250,000, payable to Plaintiff. The check was not honored, as there were insufficient funds in the ALJ account. Over the next few months, Plaintiff and Al Jundi exchanged numerous text messages in which Plaintiff asked for his money and Al Jundi promised to pay him.

On July 11, 2019, Plaintiff and Al Jundi met with three members of their Syrian community and entered into an agreement, referred to at trial as a "settlement agreement," written in Arabic. The English translation of the agreement states

Brother[] Mohammed Tahsin Eljindi and brother Najati Sarih Aljundi convened in the presence of brothers . . . as witnesses on the following  
Brother Najati [Al Jundi] owes brother Tahsin [Plaintiff] a sum of money equal to \$224,500 US Dollar  
And the method of payment shall be as follows

To be paid on the date of July/18<sup>th</sup>/2019 \$130,000

To be paid on the date of Aug/22<sup>nd</sup>/2019 94,500

Plaintiff and Al Jundi each signed the agreement, and there is nothing to indicate Al Jundi signed on ALJ's behalf in a corporate capacity. The three community members signed as witnesses. Both Plaintiff and Al Jundi indicated that \$224,500 represented the balance owed to Plaintiff of his \$300,000 investment in ALJ after accounting for other things, such as Al Jundi's salary and the money ALJ already paid back to Plaintiff.

Al Jundi did not make either payment as provided by the settlement agreement. After that, Plaintiff arranged for a mutual acquaintance to meet with Al Jundi. As a result of the meeting, Al Jundi wrote Plaintiff nine checks from his personal account that totaled \$224,500. The checks were postdated for dates in 2020 and 2021. None of the checks were honored by the bank.

## **II. The Lawsuit**

Plaintiff eventually brought suit against ALJ, Al Jundi, and Hafez. His live pleading identified three breaches of contract: 1) "Breach of Partnership Agreement," 2) "Breach of Contract – NSF Checks," and 3) "Breach of Settlement Agreement." Under the first theory, breach of the partnership agreement, he referred to a contract dated July 11, 2019 (the date of the settlement agreement) and alleged Al Jundi breach the contract by failing to pay him \$224,500 (the amount of the settlement agreement). Under the second theory, he alleged Al Jundi and ALJ wrote

him checks valued at \$474,500 knowing there were not enough funds in the account. Third, Plaintiff alleged Al Jundi breached the settlement agreement by not making the two payments that totaled \$224,500. It is unclear from these allegations what the difference is between theory one and three, and Al Jundi would later object to a question in the charge on breach of the partnership agreement on grounds that such a claim had not been pleaded. In the alternative to his claim for breach of the settlement agreement, Plaintiff alleged the settlement agreement was a promissory note. Plaintiff did not allege that he contracted with Hafez.

Plaintiff also asserted noncontractual claims. He alleged Al Jundi and ALJ committed fraud by making material misrepresentations about the partnership agreement to induce him to enter into the agreement and transfer \$300,000 to ALJ. Plaintiff brought two claims against all three defendants—ALJ, Al Jundi, and Hafez—based on the sale of the Ashby property to Hafez. Plaintiff alleged the transfer to Hafez was fraudulent under the Texas Uniform Fraudulent Transfer Act and that the three defendants committed civil conspiracy.

In addition, Plaintiff alleged the corporate veil between ALJ and Al Jundi should be pierced. He asserted a unity between ALJ and Al Jundi such that the separateness of ALJ had ceased to exist and asserted that Al Jundi established ALJ as a sham entity to perpetrate a fraud.

Al Jundi asserted various affirmative defenses, including lack of consideration, and asserted a counterclaim for breach of contract.

While the lawsuit was pending, ALJ filed a petition for Chapter 7 bankruptcy. ALJ no longer exists and was dismissed from the case before trial.

### **III. The Jury's Verdict**

After a two-day trial, the jury returned a verdict in favor of Plaintiff. In response to Question 1, the jury found that Plaintiff and Al Jundi agreed to create a business to flip houses and split profits and that Plaintiff would make a loan to ALJ for the business. The jury found Al Jundi failed to comply with the agreement and Plaintiff did not fail to comply. In response to Question 3, the jury found that Al Jundi breached the settlement agreement signed on July 11, 2019. Question 4 asked whether Al Jundi's failure to comply was excused by Plaintiff's previous failure to comply with a material obligation of the same agreement, prior repudiation of the same agreement, or waiver, among other things.<sup>1</sup> The jury found that Al Jundi's failure to comply was not excused.

Next, the jury was asked about the NSF checks. Question 5 asked if Al Jundi breached the contract with Plaintiff by providing a \$250,000 NSF check from ALJ's account. The jury found that he did. Question 6 asked if Al Jundi breached the contract with Plaintiff by providing Plaintiff 9 NSF checks from Al Jundi's account. The jury found that he did.

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<sup>1</sup> Other than the question about Plaintiff's contract damages, the charge does not make answering any question conditional upon the answer to a previous question.

The jury was also asked if Al Jundi breached the promissory note he signed on February 28, 2018.<sup>2</sup> In response to Question 7, the jury found that he did.

Question 10 asked about Plaintiff's contract damages:

What sum of money, if any, if paid now, would fairly and reasonably compensate Plaintiff Mohammad Eljindi for his Breach of Contract damages that resulted from Defendants actions?

- a. Promissory Note dated February 28, 2018
- b. Settlement Agreement Dated July 11, 2019
- c. \$250,000.00 NSF check
- d. \$224,500 NSF Checks

The jury was asked to provide one figure for contract damages sustained in the past and another for contract damages that in reasonable probability will be sustained in the future. The jury awarded \$300,000 in past contract damages and no future contract damages. The jury was not asked about Plaintiff's damages for breach of the partnership agreement.

The jury also found in Plaintiff's favor on his claims for fraud and fraudulent transfer. In three separate questions, the jury was asked about Plaintiff's damages for fraud and fraudulent transfer and also civil conspiracy, even though there was no liability question for civil conspiracy. The jury awarded no damages for any of these claims.

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<sup>2</sup> The promissory note was dated February 20, 2018.

Prior to entry of the judgment, Hafez filed a written objection to Plaintiff's proposed judgment because it found her liable to him. She argued the only damages awarded were for breach of contract and Plaintiff did not plead a contract claim against her. Nor was the jury asked any questions about a contract between her and Plaintiff. The trial court denied Hafez's objection and subsequent request to reconsider its ruling.

The trial court's judgment ordered that Plaintiff is entitled to recover from both Al Jundi and Hafez \$300,000, plus interest, court costs, and attorney's fees. Al Jundi and Hafez moved to modify the judgment for various reasons. The motion was overruled by operation of law.

#### **IV. Judgment against Hafez for Breach of Contract**

In the first issue, Hafez argues the trial court erred in entering judgment against her. We agree. A trial court's judgment must conform to the pleadings, the nature of the case proved, and the verdict. TEX. R. CIV. P. 301. Although the jury found Hafez liable for fraudulent transfer of the Ashby property, the jury found no damages associated with the transfer. The only cause of action for which the jury found damages was breach of contract. Plaintiff did not plead a breach of contract cause of action against Hafez. The charge did not ask the jury any questions about the existence or breach of any contract between Plaintiff and Hafez. There is no basis upon which to impose liability against Hafez. The judgment against Hafez does not conform to the pleadings or verdict. We have the power to modify the

judgment to conform to the pleadings, evidence, and verdict. *See Hot-Hed, Inc. v. Safehouse Habitats (Scotland), Ltd.*, 333 S.W.3d 719, 731 (Tex. App.—Houston [1st Dist.] 2020, pet. denied). We sustain issue one and reverse the trial court’s judgment in regard to Hafez and render judgment that Plaintiff takes nothing from Hafez.

#### **V. Judgment against Al Jundi for Breach of Contract**

In issues two and three, Al Jundi contends that as a matter of law he is not liable for Plaintiff’s breach of contract damages. In issue two, he argues it was error for him to be held personally liable for ALJ’s breach of contract. Al Jundi contends Plaintiff’s contract claims against him were barred and preempted by the Texas Business Organizations Code. In issue three, he contends the judgment cannot be upheld on the finding he breached the settlement agreement because there was no consideration for that agreement.

Al Jundi raised these issues in the trial court by asking for a directed verdict. At the conclusion of the evidence, he moved for directed verdict on grounds that he could not be held personally liable for ALJ’s obligations and debts, including the promissory note and the \$250,000 NSF check. Al Jundi cited sections 21.223 and 21.224 of the business organizations code. Al Jundi also moved for directed verdict on the settlement agreement on grounds there was no consideration for the agreement because he never personally owed Plaintiff money under the promissory note. The judge denied Al Jundi’s motions for directed verdict. Al Jundi raised

these issues again in his post-judgment motion which was overruled by operation of law.

In reviewing the denial of a motion for directed verdict, we apply the standards for assessing the legal sufficiency of the evidence. *Central Mut. Ins. Co. v. Reliance Prop. Mgmt., Inc.*, No. 05-21-00071-CV, 2022 WL 1657031, at \*3 (Tex. App.—Dallas May 25, 2022, pet. denied) (mem. op.). A trial court properly denies a motion for directed verdict if, looking at all the evidence in the light most favorable to the challenged fact, a reasonable trier of fact could have formed a firm belief or conviction that the fact was true. *Id.* A directed verdict for a defendant may be proper when a plaintiff fails to present evidence raising a fact issue essential to his right to recover. *Id.*

Plaintiff argued to the trial judge that Al Jundi's conduct justified piercing the corporate veil. The doctrine of piercing the corporate veil is not a substantive cause of action but a method to impose personal liability on shareholders and corporate officers who would otherwise be shielded from liability for corporate debts. *Keyes v. Weller*, 692 S.W.3d 274, 278 (Tex. 2024). The Texas Legislature has placed strict restrictions on a contract claimant's ability to pierce the corporate veil. *Ocram, Inc. v. Bartosh*, No. 01-11-00793-CV, 2012 WL 4740859, at \*2 (Tex. App.—Houston [1st Dist.] Oct. 4, 2012, no pet.) (mem. op.). Currently, as is relevant to this dispute, the business organizations code provides that a shareholder may not be liable to the corporation or its obligees with respect to (1) any contractual obligation of the

corporation or any matter relating to or arising from the obligation on the basis that the shareholder was the alter ego of the corporation or on the basis of actual or constructive fraud, a sham to perpetrate a fraud, or other similar theory. TEX. BUS. ORGS. CODE ANN. § 21.223(a)(2). This provision does not prevent or limit the liability of a shareholder if the obligee demonstrates that the shareholder caused the corporation to be used for the purpose of perpetrating and did perpetrate an actual fraud on the obligee primarily for the direct personal benefit of the shareholder. *Id.* § 21.223(b). In addition, a shareholder is not liable to the corporation or its obligees with respect to any obligation of the corporation on the basis of the failure of the corporation to observe any corporate formality. *Id.* § 21.223(a)(3). The liability of a shareholder for an obligation that is limited by § 21.223 is exclusive and preempts any other liability imposed for that obligation under common law or otherwise. *Id.* § 21.224. The burden of proof is on the corporate obligee to demonstrate personal liability under § 21.223. *See Tryco Enters., Inc. v. Robinson*, 390 S.W.3d 497, 511 (Tex. App.—Houston [1st Dist.] 2012, pet. dismiss'd).

In his pleadings and in responding to Al Jundi's motion for directed verdict, Plaintiff did not assert any valid theory under which Al Jundi could be held liable for ALJ's breach of contract under § 21.223. *See Keyes*, 692 S.W.3d at 278–79. The \$300,000 promissory note was an obligation of ALJ, not Al Jundi personally. The note identifies ALJ, not Al Jundi, as the borrower, and Al Jundi explicitly signed as the President of ALJ. *See Wolf v. Summers-Wood, L.P.*, 214 S.W.3d 783, 792 (Tex.

App.—Dallas 2007, no pet.) (when person signs contract in corporate capacity, he is not individually a party to the contract). Nothing in the note makes Al Jundi personally liable for the \$300,000 loan to ALJ. Similarly, Al Jundi could not have breached the promissory note, a contract to which he was not a party, by providing a \$250,000 NSF check from ALJ’s bank account. The trial court erred in allowing these issues to go to the jury.

In his appellate brief, Plaintiff does not argue Al Jundi was personally liable for breach of the promissory note. He instead argues the judgment can be upheld based on the jury’s finding that Al Jundi breached the July 11, 2019 settlement agreement, which was between Al Jundi personally and Plaintiff. Al Jundi asserts the settlement agreement is unenforceable because it lacked consideration.<sup>3</sup>

A contract must be based upon a valid consideration, in other words, mutuality of obligation. *Federal Sign v. Tex. S. Univ.*, 951 S.W.2d 401, 408 (Tex. 1997). Consideration is a bargained for exchange of promises. *Id.* It is defined as “either a benefit to the promisor or a loss or detriment to the promisee.” *Northern Nat. Gas Co. v. Conoco, Inc.*, 986 S.W.2d 603, 607 (Tex. 1998). A contract that lacks consideration, lacks mutuality of obligation and is unenforceable. *Federal Sign*, 951 S.W.2d at 409.

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<sup>3</sup> Al Jundi also argues the settlement agreement was between ALJ and Plaintiff, citing his testimony that he signed the document because he controlled ALJ. We instead resolve this issue on the basis of consideration.

This Court has held that the existence of a written contract presumes consideration for its execution. *Blockbuster, Inc. v. C-Span Entm't, Inc.*, 276 S.W.3d 482, 488 (Tex. App.—Dallas 2008, no pet.). As the party alleging lack of consideration, Al Jundi had the burden to rebut the presumption. *Id.*; see *Rodriguez v. Ginsburg*, No. 05-17-01266-CV, 2019 WL 4010770, at \*8 (Tex. App.—Dallas Aug. 26, 2019, no pet.) (mem. op.). What constitutes consideration is a question of law for the court. *Petroleum Workers Union of the Rep. of Mex. v. Gomez*, 503 S.W.3d 9, 31 (Tex. App.—Houston [14th Dist.] 2016, no pet.).

Here, there is no recitation of consideration in the settlement agreement. It simply stated that Al Jundi owed Plaintiff \$224,500 and provided a payment schedule. The agreement contained no mutuality of obligation or bargained for exchange of promises. Plaintiff made no promises under the settlement agreement. It imposed no obligations on him. There was no detriment to him. He stood only to benefit from an additional recourse for recovery of his money. Al Jundi, in promising to pay a debt he did not personally owe, received no benefit.

Plaintiff argues the surrender of a legal right constitutes valid consideration and that he gave up his right to bring a lawsuit. See, e.g., *Garza v. Villarreal*, 345 S.W.3d 473, 483 (Tex. App.—San Antonio 2011, pet. denied). But he did not surrender the right to bring a lawsuit, or any other rights, in the settlement agreement. It placed no requirements or limitations on him. We conclude there is no consideration for the settlement agreement as a matter of law. Because the

settlement agreement lacks consideration, it is unenforceable. And because the settlement agreement is unenforceable, Al Jundi could not have breached it by providing NSF checks from his personal account. The trial court erred in denying Al Jundi's motion for directed verdict. Because we have concluded that Plaintiff was not entitled to recover damages as found by the jury on his breach of contract claims, we also reverse the award of attorney's fees. *See Myers v. Hall Columbus Lender, LLC*, 437 S.W.3d 632, 640 (Tex. App.—Dallas 2014, no pet.).

Al Jundi raises other issues in this appeal. In issues four, five, and six, he contends there was no evidence of damages in excess of \$224,500; the trial court erred in submitting breach of the promissory note to the jury because Plaintiff did not plead a claim for breach of the note; and Plaintiff failed to adequately prove his attorney's fees. Due to our resolution of his previous issues, we need not address these arguments. *See* TEX. R. APP. P. 47.1.

We reverse the trial court's judgment and render judgment that Plaintiff take nothing on his claims.

/Earl N. Jackson/  
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EARL N. JACKSON  
JUSTICE



**Court of Appeals  
Fifth District of Texas at Dallas**

**JUDGMENT**

NAJATI AL JUNDI AND DANA  
HAFEZ, Appellants

No. 05-23-01121-CV      V.

MOHAMMAD ELJINDI, Appellee

On Appeal from the 417th Judicial  
District Court, Collin County, Texas  
Trial Court Cause No. 417-05480-  
2019.

Opinion delivered by Justice Jackson.  
Justices Goldstein and Barbare  
participating.

In accordance with this Court's opinion of this date, the judgment of the trial court is **REVERSED** and judgment is **RENDERED** that:

Mohammad Eljindi takes nothing on his claims against Najati Al Jundi and Dana Hafez.

It is **ORDERED** that appellants Najati Al Jundi and Dana Hafez recover their costs of this appeal from appellee Mohammad Eljindi.

Judgment entered this 11<sup>th</sup> day of August, 2025.