

'I hope he is in hell': Dallas developer Eric Brauss' rise and spectacular fall

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For the longest time, the rise and spectacular fall of Eric Brauss lacked a final act. Since 2009, the Dallas developer had been hiding in Brazil, avoiding hundreds of angry investors, their lawyers, federal prosecutors, and debt collectors from some of Las Vegas' biggest casinos.

But now, like the grand opera he loved, his drama has a finale. The singing, at least apparently for Brauss, has stopped. He died late last year at age 70, prosecutors believe. The government dismissed a criminal indictment against him this month.

Friends of Brauss — there are still some — describe him as kind, gentle and generous. Some of his investors, who face potential losses of about \$200 million, say he was a thief and a schemer who planned his getaway long in advance.

Despite the official death certificate from Brazil, a few even think Brauss is still alive, smoking big cigars, drinking wine, and enjoying his luxury spoils somewhere. The fact that the death certificate lists no cause of death and says Brauss died without any assets only increases suspicion. Such a convenient death, some believe, provides much too easy an ending to such a calculated life.

Just in case, the government reserves the right to re-indict.

In the past, stories about Brauss have called him flamboyant. That's accurate but doesn't go far enough. "Big and splashy" would be better. That's how he lived.

At a charity auction in Canada, he once paid \$29,000 for two boxes of Fidel Castro's favorite Cuban cigars. The boxes were signed by Castro himself. Other bidders included Whoopi Goldberg, who got a similar box for just \$9,000.

Afterward, Brauss told a reporter from the *Toronto Star* that he would probably break down and eventually smoke one of the rare Trinidads, for which he had just given \$290 apiece.

"It's relaxing ... just very relaxing," Brauss said.

That was 1995. Brauss lived in Dallas but kept his cigar collection in a humidor in Windsor, Ontario, his former home, safe from the U.S. ban on Cuban cigars.

'Self Made Man'

Brauss, a big man who often wore a big smile, was an immigrant from Germany. He got to Texas and eventual U.S. citizenship by way of Canada and hard work, he said. He owned a version of a popular sculpture, *Self Made Man*, which shows a man chiseling himself out of stone. Brauss thought it described him, doing it all on his own.

While in Brazil, where he said his son David sometimes lived with him, Brauss corresponded with *The Dallas Morning News* by email. Over a period of several months in 2010 and 2011, he said he wanted people to know his real story. He wasn't a thief. He was a victim of the economy.

In his messages — one totaled 1,500 words — he wrote about his new life in exile. He missed the Dallas arts and the Dallas Cowboys. And he wrote about his old life. When the correspondence began, he used the email name "66666 77777." When it stopped, Brauss was "livinghappydays."

It was clear that he kept up with his legal cases and stories about him in the news. He said he had a Brazilian wife and was confident that he couldn't be extradited to the U.S. to face prosecution. If he were, he said, he had attorneys telling him he wouldn't be convicted.

The federal indictment alleged that Brauss defrauded investors of more than \$6 million in two commercial real estate projects.

Brauss' Brazilian wife, Maria Isabel Carvalho Silva, was 26 years younger than him. According to Brazilian court records, she apparently had legal problems of her own going back to at least 2006 when she was named in a civil suit alleging default on a debt.

Brauss said he moved to Canada in 1970 and made his first million in real estate by age 38, in 1981. In 1990, he sold his holdings in Windsor and moved to Dallas, which was then awash in real estate from failed savings and loan associations. Brauss said he bought properties from the federal government's Resolution Trust Corp.

"For the first time in my life I did not have to build and sell," Brauss wrote. "I bought great properties at 20% to 30% of the construction cost, leased and improved them, then sold them."

Over the next two decades, Brauss masterminded the development of commercial and residential real estate projects here and elsewhere. Prior to the crash, some investors estimated, his ongoing projects totaled about \$1 billion in value, counting equity and debt.

He also dabbled in other businesses. For a time, he owned Positano Ristorante in North Dallas. He was a small investor in a campy horror film called "The Dead Don't Scream" that came out in 2008. He started a movie production company — Six Horseshoes Productions — and began collaborating with Matt Cimber, the writer, director, producer and last husband of Jayne Mansfield. That business relationship ended in a lawsuit and settlement in the spring of 2009.

'On top of the world'

Along with cigars, Brauss collected fine wine, art, watches, snuffboxes, writing pens and expensive automobiles. Mercedes was a low-end brand for Brauss and his wife, Christine. They preferred ultra-luxury: Rolls-Royce, Aston Martin, Bentley, Maybach. In fact, they owned three Maybachs at once, one for him, one for her and a stretch limo.

"In a Maybach, you're definitely on top of the world," Brauss told *The News* in 2004. At the time, the cars were worth a total of roughly \$1 million.

Adjacent to his house in Willow Bend, Brauss built a big garage for his cars. It had a marble floor, chandeliers, and paintings on the walls depicting scenes from Turin. One former friend said Brauss spent \$1 million on the structure, which included a wine room and home theater.

"People, generally speaking, do not spend their own money the way he spent money," one Brauss acquaintance said.

Dallas attorney Jeff Tillotson, who represents some Brauss investors, was more blunt. "My sophisticated legal judgment is that a jury would convict on photos of the garage alone," he said when Brauss was still alive and in hiding.

Immersed in Dallas society, the Brausses looked like royalty when they arrived at the opera and other events. Their chauffeur opened the limo door and Christine emerged, dressed in diamonds and fur, glittering like a Christmas tree.

Why not? Their names are set in stone outside the Winspear Opera House downtown, along with the names of other founding families of the performing arts center, such as Perot, Wyly and Strauss.

Over the years, Brauss and his wife were regularly mentioned in *The News* for their philanthropy. In 2007, they contributed \$50,000 for the Dallas Opera's 50th anniversary gala. Former Texas Rangers owner Tom Hicks and his wife gave \$25,000 that year.

In his correspondence, Brauss said that he earned about \$25 million from 1990 to 2008. "Easily verified through my tax returns from the IRS," he said, though he did not offer to show the returns to *The News*. In court, Brauss' net worth in 2008 — pre-crash — was said to be \$28 million.

For most people, that is a lot of money. But Brauss led a lifestyle that swallowed cash.

'One tragic weekend'

And then in late 2009 everything changed. Brauss suddenly closed his real estate company and fled to Brazil, reneging on the large

balance remaining of his million-dollar pledge to the performing arts center. Amid a worldwide economic slump, his development empire collapsed.

"I have been spanked," he wrote of the deep recession, "and paying heavily for my misjudgment."

Looking back, it's clear that Brauss' problems started earlier. In mid-2008, a Frisco project defaulted on nearly \$35 million in loans that Brauss had personally guaranteed.

And court records show that Brauss had been cutting back at his company, Today Realty Advisors, for more than a year when his top assistant shuttered the Dallas office Nov. 16, 2009, terminating the last 10 workers. Employment once totaled more than 100.

However, a reconstruction of his last three months in Dallas shows that Brauss clearly had other matters on his mind, including gambling, women and trying to dispose of personal assets as his business life spiraled down, according to interviews and public records.

All the while, Dallas society still beckoned. The Winspear's opening performances were in mid-October and the first opera, Verdi's *Otello*, was Oct. 23.

One investor remembered a meeting with Brauss and others at an Addison cigar club in late October. They talked about a troubled project in Texas. After Brauss fled, that same investor recorded a conversation in which Brauss talked about Las Vegas.

"One tragic weekend I lost a million two," Brauss said on the recording, played for *The News*. "I paid down \$350,000 to \$400,000, but then everything collapsed. I had no money. I offered 5 cents on the dollar but they won't take it."

The "tragic weekend" appears to have occurred in September 2009. Three casinos filed a civil complaint against Brauss in early 2010. The debt — about \$750,000 — was never repaid.

In his emails, Brauss said he had been taking a drug called Mirapex for more than five years. He didn't say for what condition. It's a common treatment for restless leg syndrome and Parkinson's disease. A rare side effect associated with the drug is compulsive behavior, including gambling.

A woman who gambled with Brauss told *The News* that he went to the WinStar World Casino in Oklahoma as many as three times a week in September, October and early November of 2009. He carried his cigars in a red canister and his cash in a colored pouch.

Brauss won sometimes, but lost most of the time, she said. He tipped well and was very popular with the waitresses and dealers. "He was really generous," the woman said.

One Sunday in October, she said, Brauss left WinStar in the morning so he could take some German businessmen to the airport. Later that day, he returned to the casino with another woman.

During this period, the gambling friend said, she overheard Brauss' end of phone conversations as he tried to sell personal assets, including a watch and a car. She remembered that Brauss said his workload would decrease substantially after mid-November.

On Nov. 6, Christine Brauss filed for divorce. The couple had sold the Willow Bend house years earlier. They divided their property in 2002 and lived apart since 2007, according to the divorce petition. That same day, according to property records, the deed on Brauss' house in Addison was transferred to Daniel Kondos, affiliated with the law firm that represented Christine in the divorce.

That transaction resurfaced just before Brauss died last year. Some German investors sued Daniel Kondos and his brother George. The complaint alleges that they bought Brauss' house, cars, art and other assets — for cash — at "fire sale" prices to help Brauss flee the country. The brothers deny the claims and are trying to get the case moved to Collin County. Their attorney, Donald Flanary, said Daniel Kondos paid a fair price for the house and did it before there were civil judgments or criminal charges against Brauss.

Even shortly after the divorce filing, investors wondered whether it was for personal reasons or involved in an effort to hide assets. In a deposition of Brauss' key assistant, Sue Shelton, in late 2009, a big topic was infidelity.

"I have learned more and more recently that Mr. Brauss has had several indiscretions," Shelton said. She added that, as a woman, she understood perfectly why Christine wanted a divorce.

In Windsor, Christine had been Brauss' secretary and assistant. They married in 1986.

'He left a mess'

It's not clear when Brauss actually fled, but in an e-mail exchange Nov. 17 between Brauss and Helmut Landwehr, an investor, Brauss said he was on a "very primitive tour in the Amazon rain forest."

Six days later, Brauss told another investor in text messages that he didn't plan to spend the rest of his life in court. The stress of his financial predicament was killing him, Brauss told Doug Barnes, a longtime friend and his largest individual investor. Barnes lives in Dallas and owns a nationwide chain of eyewear stores. Copies of the messages were in court documents.

"Right now I have 200 Mio. [million] In personal guaranties suing me, a ridiculus [sic] number," Brauss texted Barnes. "I sold all my personal properties and assets and checked out 2 weeks ago."

In his new country, Brauss said, his main decisions were "where to eat and what cigars to smoke."

In his correspondence with *The News*, Brauss claimed that he had less than \$1 million when he fled to Brazil, where, he said, he could live well on \$1,500 a month. One investor, however, said Brauss told him that he left the country with \$6 million.

Some think Brauss took much more money, or hid it in offshore accounts somewhere. They wonder what happened to all of his stuff.

The wine collection was valued at \$2 million in 2002, according to Tillotson, the attorney. Todd Harlow, another attorney representing Brauss investors, said Brauss told friends that one of his watches was worth \$1 million.

Christine had a walk-in safe at home with velvet-lined shelves for her jewelry. Two former friends said that she would wear \$1 million or more worth of gems at once.

In the aftermath, there has been some discussion about whether the jewelry was fake. Harlow conceded that some of it may have been costume jewelry but said much of it was real. Landwehr, at least at one time, had no doubt. "The real jewelry is in a safety deposit box in Canada," he said during a recess of one court hearing.

Barnes and many others sued Brauss to recoup their losses. Entangled by the competing interests of nearly 300 investors — debt, equity, small, large, those who agreed not to pursue criminal prosecution against Brauss and those who wanted him in jail — the cases were extremely complicated. Even some in-laws sued Brauss. Investors won big judgments but the legal wrangling continues. There are few assets to satisfy claims.

"When Brauss left, he left a mess," Tillotson said.

The courtroom did offer a brief glimpse of Christine, who has not responded to requests for interviews through Larry Friedman, an attorney who represented the Brausses.

In early June 2010, Christine took the stand as the court tried to determine how active she was in Brauss' businesses.

She wore a black pant suit with a white turtleneck, red lipstick, dark eye shadow, black high heels. Her hair was short and blond. She smiled softly during most of her testimony. Not a diamond in sight.

She testified that she didn't know which of the Brauss business entities — there were more than 240 — she was authorized to act for. She said she had talked to Brauss a week earlier, but didn't know where he was.

And when she was asked if she were a limited partner in any of the partnerships, she said: "I have no idea."

A few minutes after it began, her testimony ended.

Friedman said the last contact he had with Brauss was last autumn, a few weeks before Brauss' reported death.

The attorney said he had worked out an agreement with federal prosecutors, and he expected Brauss to return to Dallas.

"He made flight arrangements," Friedman said of Brauss. "I planned on seeing him at the airport. He didn't show up."

Friedman said he is relying on the proof provided by the U.S. attorney's office that Brauss is dead. "As far as I'm concerned the case is closed," he said.

According to his death certificate, Brauss was found dead at his home in Canavieiras, in the Brazilian state of Bahia, on Nov. 9. The community is on the coast, about 750 miles north of Rio de Janeiro.

Asked if federal prosecutors had convincing evidence — a body, DNA — that Brauss is indeed deceased, assistant U.S. Attorney Shamoil Shipchandler responded in an email: “No comment from us aside from what was in our motion to dismiss. Thanks!”

So, doubts likely will persist. As will a few tributes and much condemnation.

After the story about Brauss' death, *The News* sent a link to Landwehr.

“Thank you for the article,” he responded. “I hope he is in hell now!”

Staff writer Marina Trahan contributed to this report.

Did you see something wrong in this story, or something missing? [Let us know.](#)