

# Trustees

## Overview

Trustees, as bankruptcy estate fiduciaries, are presented with the challenging and often daunting task of both marshalling and obtaining control of estate assets, as well as investigating the background of the debtor's financial demise, pursuing viable causes of action to augment the estate and administering claims asserted in the bankruptcy case. Munsch Hardt's nationally recognized Bankruptcy, Restructuring & Insolvency team has extensive experience in representing trustees appointed in both Chapter 11 and Chapter 7 cases, including in many highly complex, fraud-entangled cases. Not only does Munsch Hardt benefit from having several of its team members previously serve as trustees – thereby providing first-hand experience of the types of challenges regularly encountered by trustees – but it also boasts a stable of highly experienced bankruptcy litigators who are fully equipped to prosecute claims and causes of action on behalf its trustee clients when necessary.

Our lawyers have regularly represented trustees in all phases of a bankruptcy case, and in all types and categories of matters and proceedings, including:

- Asset identification and recovery
- Asset marketing, sales and other dispositions
- Assumption and assumption and assignment of executory contracts and unexpired leases
- Avoidance action prosecution and asset recoveries
- Chapter 11 plan formulation, solicitation and confirmation
- Claim objection prosecution
- Defense of stay relief motions
- Estate financing, including cash collateral and post-petition financing proceedings
- Fraud-based claim prosecution
- Fraudulent conveyance claim prosecution and asset recoveries
- Investigative Bankruptcy Rule 2004 examinations, depositions and other discovery
- Lender, committee and other major creditor and creditor constituency negotiations
- Post-confirmation trust administration
- Preferential transfer claim prosecution and asset recoveries
- Rejection of executory contracts and unexpired leases
- Reporting obligations
- Surcharge proceeding prosecution
- Turnover proceeding prosecution and asset recoveries

## Experience

## Fiduciary Representation

Represented the Chapter 7 trustee appointed in the bankruptcy case filed by Caroline D. Wyly in the United States Bankruptcy Court for the Northern District of Texas. This is one of the largest individual bankruptcy cases ever filed in the United States. The IRS asserted a claim against the debtor in excess of \$1.2 B for unpaid income taxes, gift taxes, penalties and interest. The case involves many difficult legal and jurisdictional issues, most of which involve attempts by the trustee to bring into the United States foreign assets under the control of trusts created by the debtor and her late husband in the Isle of Man.

## Energy Representation

Represented the Chapter 11 trustee appointed in the bankruptcy cases filed by Provident Royalties, LLC and its 26 debtor affiliates in the United States Bankruptcy Court for the Northern District of Texas. The debtors were in the business of acquiring and investing in both producing and non-producing leaseholds and mineral interests across the United States, with a primary focus in Oklahoma. The Provident entities raised approximately \$500 MM from more than 8,000 investors nationwide.

## Energy Representation

Represented the Chapter 11 trustee appointed in the bankruptcy case filed by Patman Drilling International, Inc. in the United States Bankruptcy Court for the Northern District of Texas. The debtor provided contract oil and gas land drilling services to exploration companies and independent operators in North America.

## Energy Representation

Represented the Chapter 11 trustee appointed in the bankruptcy case filed by Halek Energy LLC in the United States Bankruptcy Court for the Northern District of Texas. The debtor was an independent oil and gas exploration and production company that filed Chapter 11 after several investors commenced litigation against it and its principal alleging securities fraud.

## Health Care Representation

Represented the Chapter 11 trustee appointed in the bankruptcy case filed by Medical Select Management in the United States Bankruptcy Court for the Northern District of Texas. Medical Select Management is a non-profit, independent physician association with approximately 2,300 primary care physicians and providing services to enrollees of health care service plans and health benefit organizations.

## Telecommunication Representation

Represented the Chapter 7 trustee of VarTec Telecom, Inc. and its debtor affiliates in litigation brought against the debtors' former directors and officers seeking damages in excess of \$100 MM for claims based on breaches of fiduciary duties, gross negligence, avoidance of fraudulent transfers and conversion.

## Fiduciary Representation

Represented the Chapter 7 trustee of a newly formed high-end diamond investment firm that raised capital from investors touting its supposed connections to the Israeli diamond market. The trustee uncovered a network of fraudulent transactions leading to several multi-million dollar judgments against the recipients of funds falsely representing gold and antique dealers and insurance companies across the United States, Canada, Ghana and the Caribbean. Three insiders were criminally prosecuted and each faces up to 20 years in federal prison. Litigation against a Texas-based diamond broker resulted in a favorable settlement, which included a structured sale of a rare pink diamond through Sotheby's Auction House in New York.

## Practice Leaders



**Kevin Lippman**

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## Related People

Beverly Bass  
Thomas Berghman  
John Cornwell  
Kevin Lippman  
Jay Ong  
Alexander Perez  
Deborah Perry  
Davor Rukavina  
Garrick Smith  
Julian Vasek  
Conor White

## Related Practices

Bankruptcy, Restructuring & Insolvency  
Asset Acquisitions  
Committees  
Creditors  
Debtors  
Cross-Border Insolvency  
Fraud & Asset Recovery  
Insolvency Litigation  
Receiverships

## Related Industries

Financial Services  
Construction  
Energy  
Health Care  
Hospitality  
Insurance  
Manufacturing  
Real Estate  
Retail  
Technology & Telecommunications  
Transportation

## Newsroom

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**Oral Argument:** Life Partners Creditors' Trust v. Cowley; Case Nos. 17-11477, 17-11480, 17-11488, 18-10051, and 18-10056

**In The News:** Munsch Hardt Snags Norton Rose Bankruptcy Pro In Houston

**In The News:** SEC Cites 'Misleading' Life Partners Release In Trustee Bid

**In The News:** Female Powerbroker Q&A: Munsch Hardt's Deborah Perry

**In The News:** Ex-Howrey Partners' Clawback Deal Will Pressure Holdouts