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## Gone to See a Lawyer About a Horse (Estate): Attorney Ropes In Unique Bankruptcy Gig

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CORPORATE RESTRUCTURING lawyer Michael Warner raises horses and cattle on his ranch near Fort Worth, and his ranching know-how has led to work on matters ranging from litigation involving horses to the out-of-court restructuring of a pig breeding business. But Warner melded his legal and ranching expertise in his current assignment as “special equine counsel” in the Chapter 7 liquidation of a Texas/Oklahoma horse breeding business.

“I’ve done a lot of equine-related cases, but never done an overlap of equine and bankruptcy...,” Warner said. “That’s what made this a lot of fun. It’s a great opportunity to do what I love, which is the horse world, and do what I love, which is the law.”

The Chapter 7 trustee, John Dee Spicer, hired Warner, a member in Cole Schotz in Fort Worth, in November to assist him with



**Michael Warner of Cole Schotz.**

*courtesy photo*

evaluating the equine assets in a bankruptcy filed by James and Marilyn Helzer in U.S. District Court for the Northern District of Texas.

The Helzers, who run a horse breeding operation in Texas and Oklahoma, filed Chapter 11 in 2013, but the case was converted to a Chapter 7 in August.

Warner said Spicer’s counsel contacted him in November to see if he would provide specialized advice on the equine assets of the Helzer estate. Warner said he’s never before been hired as special equine counsel, but “how many bankruptcy cases actually have significant horse-related legal issues?”

In a Nov. 29 application to hire Cole Schotz, effective Nov. 16, Spicer, a shareholder in Cavazos, Hendricks, Poirot & Smitham in Dallas, said Cole Schotz and Warner in particular could provide assistance with the equine assets in the Chapter 7 that include “60 horses, frozen embryos, collected semen, horse equipment and horse tack.” Warner and his firm agreed to charge a blended rate of \$500 an hour for their services.

Spicer did not immediately return a call seeking comment. But an associate at his firm who is working on the bankruptcy, Jordan Lewis, said the trustee needed help from someone with knowledge of the value and care of horses as well as how to sell them. “This is not something that is typical of an estate, and it is time sensitive and requires special knowledge,” Lewis said.

In his role as special equine counsel, Warner said he visited the two properties owned by the Helzers where they kept horses, and catalogued all of the horses by breed and by matching them with records of the breeding operation. Warner said he did things like look for tattoos inside the lips of racehorses, and gathered registra-

tion papers for every horse, so he and the trustee could evaluate the assets. They needed to determine whether it was more cost-effective to auction off each animal, or sell it privately more quickly, considering the costs of feeding and maintaining each animal, he said.

On Dec. 2, U.S. Bankruptcy Judge Russell Nelms of Fort Worth granted motions to sell certain equine assets to the debtors and to sell through auction some other equine assets.

Warner said the trustee proposed selling about 41 horses back to the Helzers and to auction the other horses and frozen embryos and semen in about 19 lots.

“Selling [some of the horses] back to the debtors, in this instance it was a good decision by the trustee,” Warner said. “Every day you are feeding, it costs you money.”

He declined to say how much he expects the bankruptcy estate will earn off the auction, which is scheduled for January in Oklahoma City. “You never know what an auction brings. A horse auction, a cattle auction, it’s always fun,” he said.

Warner, a California native who didn’t start horse riding until he was in college, said he

bought his first ranch in Los Angeles County after he graduated from law school. He and his wife moved to Texas and now raise working cow horses, cutting horses and reining horses on their ranch, The Final Cut Ranch, which is in Lipan located about 60 miles west of Fort Worth.

Warner said a prior commitment will not allow him to attend the horse auction in January where the Helzer equine assets will be sold, but he said an associate from his firm will go because “strange things” can happen, such as a potential buyer questioning some information in the auction catalogue about a horse.

He said his next step as special equine counsel in the Helzer Chapter 7 is to look at “horse issues” that occurred over the four years the case was in bankruptcy court.

Warner said he wears boots and a cowboy hat every day, and the only time he wears a suit and tie is when he has a courtroom appearance. He notes that all of his ties have a Western theme.

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