

FOR IMMEDIATE RELEASE

For More Information

Jeffrey L. Dorrell
Hanszen Laporte, LLP
713-522-9444

**Hanszen Laporte Case Makes New Law Across the Land:
Client Wins Big on Remand From U.S. Supreme Court**

HOUSTON – (April 24, 2017) – Changing decades of legal precedent, following a U.S. Supreme Court ruling in May 2016 that debtors cannot avoid paying their bills by fraudulently transferring assets and then filing for bankruptcy, a bankruptcy judge has awarded Colorado-based Husky International Electronics \$650,000.00 against Houston businessman Daniel Lee Ritz, Jr. The award, won by Hanszen Laporte’s Jeffrey L. Dorrell, hits against Chrysalis’ owner-director Ritz personally. The landmark decision and subsequent ruling set a new standard for fraud in bankruptcy cases nationwide.

Husky sold \$163,999.38 in electronics to Chrysalis, but Chrysalis never paid. Just before Chrysalis filed bankruptcy, Ritz transferred \$1.1 million from Chrysalis to several other companies Ritz owned. When Husky sued to hold Ritz personally liable for the fraud, Ritz filed for personal bankruptcy. Husky then sued to deny Ritz the ability to use bankruptcy to wipe out the debt to Husky. The case went all the way to the U.S. Supreme Court, as all lower courts claimed they could not see how fraudulent transfers such as this were prohibited by U.S. Law. Refusing to take “No” for an answer, Dorrell pursued and presented the matter to our nation’s highest court and argued, among other things, that fraudulent transfers had been prohibited since the time of Queen Elizabeth I over 400 years ago. The high court, in a rather stunningly broad statement, swept aside years of intermediate court opinions and agreed with Dorrell in a 7-1 decision last year.

Following this decision and the case’s remand, last week, Judge Jeff Bohm found Dorrell’s 10-year pursuit of justice “quite uncommon” and “no simple task,” as Dorrell “ferverently argued” the case “all the way up to the Supreme Court.” Bohm found that Ritz “committed fraud primarily for his own personal benefit” and, as a result, “will be finishing this part of his life with little integrity at all.” Dorrell’s argument for a more liberal construction of the law prohibiting fraud is now the law of the land.

“We are pleased Ritz has finally been stopped from using the bankruptcy code as an engine for fraud,” said Dorrell, who was repeatedly rebuffed until reaching the high court. Dorrell has led Hanszen Laporte to national prominence and holds *Texas Lawyer’s* coveted “Impact Player” award—reserved for the 10 lawyers who have the greatest impact on Texas law each year.

“We would never have dreamed that simply trying to get our small company paid for goods it sold would take us on a decade-long trek ending in the highest court in the land,” said Nick Davis, CEO of Colorado-based Husky.

Husky was founded in 1996 as an independent distributor of electronic components to original equipment manufacturers worldwide.

To learn more about Hanszen Laporte and Jeffrey Dorrell and to see Judge Bohm's opinion, visit www.hanszenlaporte.com.

About Hanszen Laporte

Founded in 1997, Hanszen Laporte proudly represents a diverse array of clients – from individuals and new entities to Fortune 500 corporations. The firm's attorneys have almost two centuries of legal experience handling a broad spectrum of cases including litigation, business, real estate and criminal law. The firm's core principles of resolution, clarity, results and purpose have defined Hanszen Laporte since inception and continue to shape the way we practice – passionately, thoughtfully and client-focused.

###