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Texas counties file in bankruptcy court against WaMu holding company

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As big-name banks go under, Tarrant County and other local governments are keeping a close eye on the fallout.

A Dallas law firm representing local governmental entities filed a notice in Delaware bankruptcy court Monday making clear it wants to be kept in the loop on the bankruptcy proceedings for Washington Mutual Inc., the holding company that was not part of the bank that was purchased by JP Morgan last week.

Linebarger Goggan Blair & Sampson filed the notice on behalf of 12 government entities in Texas including Tarrant, Dallas and Wise counties.

Elizabeth Weller, a lawyer with the firm, said that along with bank branches and offices, Washington Mutual has other foreclosed properties around North Texas.

As the company is now split into pieces, it's unclear which of those properties were purchased by JP Morgan and which, if any, remained as part of the holding company that filed for bankruptcy last week, she said.

If any of the properties are mixed in with the bankruptcy case, government entities need to keep on top of it to make sure thousands of dollars in owed taxes aren't lost, she said.

"This is a very fast-moving case," Weller said. "While its taking time to wash out which part of the company is where, this allows us to monitor the progress of the case and what's going on and if any of the local governments are impacted."

Weller noted that her firm was one of the first to file a similar "notice of appearance" on the Lehman Brothers bankruptcy case earlier this month. Her firm's research on the case has shown it was a smart move, she said.

"There will be some claims in Lehman Brothers," Weller said. "They're not large. They have a few offices in the larger cities in Texas and a few foreclosed properties."