

Richard S. Schmidt

Retired United States Bankruptcy Judge
Consultant and Expert Witness
Available for appointments as Fiduciary:
Plan Agent
Trustee
Chapter 11 Bankruptcy Trustee

Contact Information

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One of the nation's most distinguished Bankruptcy Judges, Judge Schmidt served 28 years on the Southern District of Texas bench. He is best known for his "user friendly" judicial temperament, ability to recognize quickly complex legal issues, legendary mathematical ability, and case management style, which helped navigate some of the largest and most complex bankruptcies in the country. Following his retirement, he is available for appointments as a fiduciary in Bankruptcy cases including Chapter 11 Trustee, Chapter 11 Plan Trustee, Receiver, Liquidator, Fee Examiner, Future Claims Representative, Independent Director of a Chapter 11 Debtor or Chief Restructuring Officer, as well as other fiduciary positions.

Education

B.S. in Mathematics, with honors, New Mexico State University
J.D., The University of Texas

Employment

7/30/15 to Date: Accepted appointments as a Trustee and Chapter 11 Trustee. Serves as Senior Advisor to the Reorganization Section of The Claro Group, a national litigation support organization. Accepts appointments as a mediator, receiver and post-confirmation trustee. Testifies as an expert on reorganization issues, oil and gas and fee disputes. Serves as an Adjunct Professor at Texas A & M University Corpus Christi, teaching graduate level Environmental Law with an Energy emphasis and undergraduate Business Law in the Business College.

7/31/87 to 7/30/15: United States Bankruptcy Judge, Southern District of Texas, Corpus Christi, Texas. Appointed by the Fifth Circuit Court of Appeals. Divisions include Corpus Christi, Brownsville and McAllen. Managed a case load of over 10,000 with annual average filings of 6,000. Served as Chief Judge and as a member of the Fifth Circuit Judicial Council. Frequent lecturer and speaker at the American Bar Association, State Bar of Texas, Commercial Law League, National Conference of Bankruptcy Judges, University of Texas School of Law, Louisiana Bar Association and many local bar associations.



1978 through 7/30/87: Private practice of law as a partner with Smitherman, Lunn, Chastain & Hill, Shreveport, Louisiana. Developed a general civil practice with an emphasis on trial work. Character of practice was wide-spread. Litigated in the following areas: oil and gas, bankruptcy, tax, personal injury, corporate law, property law, eminent domain, civil rights, environmental law, family law, contracts, social security, workers' compensation. Also accepted criminal defense appointments in both state and federal court and defended crimes ranging from driving offenses through second-degree murder. Maintained an office practice which included formation of corporation, real estate closings, securities, tax advice, domestic relations, venture capital development, wills and successions, and bankruptcy.

1973 through 1978: United States Air Force. Assistant Staff Judge Advocate, Barksdale Air Force Base, Louisiana.

1970 through 1973: J.R. Reed Music Company, Austin, Texas. Asst. Manager, Credit Department.

Significant Trustee and Post Confirmation Appointments

GWG L Bond Management Independent Manager. Hired as the Independent Manager of approximately \$420 million of Bonds in this bankruptcy. Currently working to develop a plan which will maximize recovery for this bondholders.

Black Elk Liquidation Trust. Following the bankruptcy of Black Elk Offshore Energy Corporation, this trust is responsible for decommissioning over 50 platforms in the Gulf of Mexico. Duties include managing the approximate \$500,000 in administrative expenses, complying with all of the reporting and noticing requirements of the federal and state government agencies, supervising the payment of \$143 million in funds from bonds for the costs of decommissioning, collecting and converting all remaining assets to cash other than the litigation described below and maintaining all health safety and environmental on the platforms until they are decommissioned. Ultimately when all assets have been monetized and lawsuits collected, the trust will pay out all creditors and interest holders in accordance with the waterfall established in the Black Elk Plan of Reorganization. Currently all but three platforms have been successfully decommissioned.

Black Elk Litigation Trust. This Trust is responsible for prosecuting a \$200 million fraud lawsuit against a several Investment Funds and former officers and directors. Obtaining judgments and collection has been complicated by some of the Funds being placed in Liquidations in the Cayman Islands and in SEC Receiverships in SDNY. Despite these complications the Trust has been highly successful in obtaining recoveries. It is also pursuing a large number of preference claims under the Bankruptcy Code and filing and prosecuting all claims objections from the Black Elk bankruptcy. It was set up with \$350,000 for administrative and legal costs. The Trustee is responsible for retaining and supervising all of the attorneys handling these matters, paying valid expenses of the Trust and, upon collection of all judgements in conjunction with the Black Elk Liquidating Trust, paying all creditors and interest holders in accordance with the waterfall established in the Black Elk Plan of Reorganization.

Laredo Family Trusts. Four Family Trusts set up to pay the medical expenses of a terminally ill adult. The Trusts have approximately \$6 million in cash and investments, including oil and gas royalties in thousands of acres of minerals. In addition to managing the investments and paying valid expenses, Judge Schmidt is also responsible for the executive mineral rights of the properties. The beneficiary of the Trust has died and thus the Trusts are awaiting a final accounting and tax return. Judge Schmidt will continue to be responsible for the executive mineral rights.

John Gorman Chapter Eleven Trustee. Appointed by the US Trustee from the DOJ, Judge Schmidt is the Chapter 11 Trustee of this bankruptcy estate. He is in the process of selling a hunting ranch interest in Mexico, a 300-acre ranch outside of Austin, Texas, and a large house in Austin, Texas and pursuing several causes of action on behalf of the estate. Ultimately, the Trustee hopes to propose a Plan of Reorganization.

Sam Kane Beef, Inc. Appointed Receiver by the Federal District Court of the tenth largest slaughterhouse in the United States whose ownership had lost the confidence of its creditors. Under the supervision of the District Court, he managed the slaughterhouse correcting significant waste water, air quality, accounting and management problems, while conducting a bid procedure which lead to a sale of the plant to new owners, saving 750 jobs.

Brooks Brothers Bankruptcy. Appointed by the Delaware Bankruptcy Court to represent several non-union retired employees concerning their retirement plan and life insurance plan. Successfully reach agreement with debtor resulting in treatment confirmed in its Plan of Reorganization.

Exide Bankruptcy. Appointed by the Delaware Bankruptcy Court to mediate with the debtor, 14 States, and creditors treatment of 14 environmental site thought the United States. After several attempts at settlement, he circulated a mediators proposal, which provided a resolution and lead to Confirmation.

Significant Expert Witness Engagements

In re Life Partners Holdings, Inc. Case No. 15-40289 (N.D. Tex.). An extremely complicated bankruptcy case involving fractional interests in Life insurance policies and allegations of fraud which led to the appointment of a Trustee. After a contentious mediation which led ultimately to a settlement of all issues other than the Trustee's fees, Judge Schmidt was ask to opine and testify on the reasonableness of the fees. The opposing party agreed to the fees after deposing Judge Schmidt.

In re Rincon Island Limited Partnership Case No. 16-33174 (N.D. Tex.). The Debtor in this case owned offshore oil and gas leases from the State of California. The wells were located on a man-made island located approximately 300 yards off the coast line of central California. The Island was connected to the coast by a causeway. Judge Schmidt was asked to investigate the availability of third party DIP financing and then opine and testify as to the reasonableness of insider DIP financing. Following Judge Schmidt's testimony, the Judge granted the request for DIP financing.

MOGAS v. TOTAL A dispute between Joint Interest Holders over P & A and Decommissioning costs. The case was settled following the issuance of my report

Perry v. Vida A dispute between a Client and a Bankruptcy attorney for failing to advise the client that filing a Bankruptcy after a foreclosure would likely lead to the loss of the house and failing to file the Bankruptcy before the noticed foreclosure. The client lost his homestead as a result of the attorney's negligence. The case was settled after Judge Schmidt's deposition and the Trial Judge ruling that he was qualified to testify at the Jury Trial.

Significant Cases as United States Bankruptcy Judge

In re Asarco LLC, Case No. 05-21207-C-11. Bankruptcy of copper mining, refining and smelting companies described by the United States District Court as “perhaps the most successful outcome in bankruptcy history.” (Opinion of Hon. Andrew S. Hanen, Case No. 2:11-CV-290). The Debtor exited bankruptcy with \$1.4 billion cash and little outstanding debt. All creditors were paid in full with interest and attorney’s fees. The case included complex legal issues including labor law, environmental, (estimations of 54 super fund sites) asbestos/toxic tort, tax law, international law and corporate law. A review of the docket in this case indicates over 16,800 docket entries.

In re Scotia Pacific LLC, Case No. 07-20027. Reorganization of the largest redwood forest in Northern California. Confirmation involved federal and state environmental laws, complex bankruptcy issues including valuation of note holders’ secured claim and credit bidding. The plan sold the forest and its affiliated businesses to a “stalking horse bidder”.

In re Eagle Bus Mfg, Inc. (Greyhound) Case No. 90-00985-B-11 Reorganization of Greyhound bus lines which included litigation of unfair labor practice claims and corporate issues of a publicly traded corporation. The case was the third in a series of Bankruptcy case involving union contract dispute with a transportation company.

In re Midcon Offshore, Inc., Case No. 96-25269-C-11 Complex Chapter 11 reorganization involving offshore oil and gas production requiring the interpretation of Texas and Louisiana oil and gas law and its interplay with Federal Regulations. The case also involved appointment of a chapter 11 trustee and litigation between a secured creditor, the unsecured creditor’s committee and the chapter 11 trustee.

In re EnRe, L.P., Case No. 02-21354-C-11 Complex Chapter 11 in which competing plans of reorganization were litigated and a creditor plan was confirmed. Texas and Wyoming mechanics and materialmen’s lien issues formed a large part of the post-confirmation litigation.

In re EOTT Energy Partners, Case No. 02-21730 The “EOTT” was short for Enron Oil Trading Trust. Complex Chapter 11 case involving claims by surface owners for environmental damage cause by pipeline and interpretation of New Mexico law. While the Enron case proceeded in New York, this sister corporation successfully reorganized its assets and liabilities in Corpus Christi. It was one of the largest bankruptcies filed at that time.

In re American Rice, Inc., Case No. 98-21254-C011 Reorganization of \$450 million publicly traded food company, Comet Rice, with over 3500 creditors, involving securities law and corporate officer liability.

TransAmerican Energy Corp. Case No. 99-21515-C-11 Complex Chapter 11 reorganization involving Texas, Wyoming, Louisiana and Oklahoma oil and gas law.

In re Clemtex, Inc., Case No. 01-21794-C-11 Agreed plan of reorganization confirmed jointly by U.S. District and Bankruptcy Court, containing settlement trust and channeling injunction in a silicosis mass tort case.

Significant Other Appointments

Appointed as a Commissioner by the Governor of Texas on the Texas Ethics Commission in 2019 and continues to serve in that capacity.

Military Duty

1978 through 2004: United States Air Force Reserves , Staff Judge Advocate, Mission Support Squadron Commander and Support Group Commander of the 917th Wing, Barksdale AFB, La. Rose to the rank of Colonel. Commanded a unit of over 900 personnel which provided the Wing with all support functions including Security Police, Engineering, Personnel, Finance, Food Services, Chaplains and Legal. Received the Legion of Merit for outstanding service in a position of extraordinary responsibility.

1973 through 1978: United States Air Force. Assistant Staff Judge Advocate, Barksdale Air Force Base, Louisiana. Served as corporate counsel for the Second Bomb Wing, Barksdale AFB, a company of over 7,000 employees; reviewed governmental contracts concerning Barksdale AFB, represented the base in utilities negotiations and litigation, and provided advice to commanders on a myriad of other legal and quasi-legal problems.

Professional Organizations and Activities

State Bar of Texas
Louisiana Bar Association
American Bar Association
Corpus Christi Bar Association
Shreveport Bar Association – Secretary/Treasurer
Northwest Louisiana Legal Services – Chairman of Board
Chairman, Bankruptcy Section – State Bar of Texas 2014-2015
American Bankruptcy Institute
National Conference of Bankruptcy Judges

Other Organizations and Activities

Harbor Playhouse Board of Directors
Corpus Christi Symphony, Board of Directors, President
President, Shreveport Little Theatre
Shreveport Opera – Board of Directors, President
Shreveport Symphony – Board of Directors, Vice President
Finisher, 1975, 1976 and 1977 International Rice Festival Marathon and 1995 Houston
Tenneco Marathon
Chairman, Holiday in Dixie Military Ball, 1982 thru 1987
Shreveport Chamber of Commerce Military Affairs Committee
Finance Commission of First United Methodist Church of Corpus Christi – 1991
Finance Committee, Corpus Christi Cathedral 2000 – 2014
Director, Halo Flight, Helicopter Ambulance Service

Professional Awards

Selected one of top ten Bankruptcy Judges in America – Turn Around & Workout Magazine
2004 – Judicial Appreciation Award – National Association of Chapter Thirteen Trustees
Outstanding Service Award, Bankruptcy Section, State Bar of Texas 2012
Banco Rotto Award, Bankruptcy Section, State Bar of Texas 2015

Military Awards

Legion of Merit 2003
The Meritorious Service Medal – 1987
The Meritorious Service Medal, First Oakleaf Cluster – 1991

Air Force Commendation Medal
Air Force Achievement Medal

Other Awards

Outstanding Young Man of Shreveport – 1977
Junior Officer of the Quarter, Barksdale AFB, Louisiana
2018 President’s Award - NAACP

Conferences and Speaking Engagements

Frequent Speaker on Various Continuing Legal Education Conferences Including the Following Organizations

Fifth Circuit Judicial Conference
University of Texas Law School
Louisiana State University Law School
State Bar of Texas
Commercial Law League
National Association of Attorneys General
American Conference Institute
Fifth Circuit Bench Bar Conference
Southern District of Texas Bench Bar Conference
Western District Bench Bar Conference
State of Texas Bench Bar Conference
Corpus Christi Bar Association
National Association of Chapter Thirteen Trustees
American Bankruptcy Institute