



CHARLIE SHELTON
ATTORNEY AT LAW



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PRACTICE AREAS

Bankruptcy Reorganization
Financial Distress Law
Business Bankruptcy
Debt Restructuring
Corporate and Business Litigation
Bankruptcy Trustee Representation and Litigation
Creditors' Rights

BAR ADMISSIONS

Texas

COURT ADMISSIONS

United States Court of Appeals for the Fifth Circuit
United States District Court for the Western District of Texas
United States District Court for the Eastern District of Texas
United States District Court for the Southern District of Texas

PROFESSIONAL HISTORY

Hayward PLLC
Partner
Hajjar Peters, LLP
Associate
Attorney General of Texas
Assistant Attorney General, Bankruptcy Regulatory Section
The Hon. Raymond T. Lyons (NJ)
Judicial Clerk

EDUCATION

J.D., Rutgers School of Law
Newark, New Jersey
Honors: Merit Scholarship
Journal: Senior Managing Editor
Rutgers Law Record
B.A., Economics, University of Colorado, Boulder, Colorado

PUBLICATIONS

Private Actions Against Propriety Schools
40 Rutgers L. Rec. 81 (2012-2013)
Approaches to Reducing the Cost of a Patient Care Ombudsman
34 Am. Bankr. Inst. J.5., 14-15, 61 (May 2015)

CHARLIE SHELTON has represented debtors, creditors, trustees, buyers, and state agencies in bankruptcy cases with debtor assets ranging from zero to in excess of \$1.5 billion. His industry experience includes breweries, oil & gas, retail, healthcare, and commercial real estate, among others. He also has extensive bankruptcy and commercial litigation experience and has obtained judgments on behalf of clients in excess of \$37 million. His prior experience with the Texas Attorney General's Office, which included representing the Texas Department of Insurance, the Texas Commission on Environmental Quality, the Railroad Commission and the Consumer Protection Division, makes him uniquely well-suited for clients facing regulatory concerns.

In addition to working with clients, he is a frequent speaker at bankruptcy and state bar conferences such as the Jay L. Westbrook Bankruptcy Conference and the Bankruptcy Bench-Bar Conference and has published articles related to reducing costs of healthcare bankruptcies.

PROFESSIONAL AFFILIATIONS AND AWARDS

- Associate Member, The Hon. Larry E. Kelly Inn of Court
- Member, Texas State Bar Association Bankruptcy Law Section
- Former Chair of the Young Lawyers Committee of the Bankruptcy Law Section of the State Bar of Texas
- Former Member of DFW Association of Young Bankruptcy Lawyers
- Former Member of the Minority Concerns Committee of the Middlesex County (NJ) Bar Association

REPRESENTATIVE EXPERIENCE

- **In re RadioShack, et. al. (Delaware)**
Represented the Consumer Protection Division of the Office of the Attorney General in the Chapter 11 filing of RadioShack Corporation, a major consumer electronics retailer with more than 21,000 employees and 5,500 stores.
- **In re SH130 Concession Company, LLC et. al. (W.D. Tex.)**
Represented the Texas Department of Transportation in SH130's Chapter 11 filing. SH130 had a contract with TxDOT valued in excess of \$1.1 billion. *Assisted in negotiating the assumption of the concession agreement, an additional concession payment of \$392,110 and certain penalty payments of \$428,905.*
- **In re Hydrocarb Energy Corp. and Galveston Bay Energy, LLC (S.D. Tex.)**
Represented the Texas Railroad Commission and the Texas General Land Office in the debtors' Chapter 7 filing. At the time of filing, debtors had more than one-hundred bay oil and gas wells, and environmental liabilities to the RRC exceeding \$10 million. *Negotiated a provision in the debtors' Purchase & Sale Agreement that the buyer would assume all the debtors' liabilities with respect to the oil and gas leases and wells thereby minimizing the loss to the clients.*
- **In re Navarro Orthodontix, PC (N.D. Tex.)**
Represented the Texas Health & Human Services Commission in the Chapter 11 filing of Navarro Orthodontix, PC which was a Medicaid dental services provider. *Outcome: Secured a \$41 million claim for Medicaid overpayments by mediated settlement.*



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SPEAKING ENGAGEMENTS

36th Annual Jay L. Westbrook Bankruptcy Conference, November 2017

- *Bankruptcy's Role in Alleviating Student Debt Burdens, Panelist*

State Bar of Texas Bench-Bar Bankruptcy Conference, June 2017

- *Dealing with Health, Safety & Welfare Emergencies in Bankruptcies, Panelist*

Annual N.D.T.X. Chapter 7 Trustee Training, September 2016

- *State Agency Regulatory Concerns for Chapter 7 Trustees, Panelist*

San Antonio Bankruptcy Bar Association Monthly Meeting, August 2016

- *Interacting with the Attorney General's Office in Bankruptcy Cases, Presenter*

Consumer Protection Division Annual Meeting, October 2014

- *Bankruptcy Basics, Presenter*

CARE Financial Literacy Conference, September 2014

- *Pomp & Circumstance: The Student Loan Crisis*

La Buena Vida Youth Leadership Foundation 2nd Annual Business Ethics Summit, January 2014

- *Panelist*

REPRESENTATIVE EXPERIENCE CONTD.

In re Lon Morris College (E.D. Tex.)

Represented the Charitable Trusts Section of the Office of the Texas Attorney General and Sam Houston State University in the Chapter 11 filing of Lon Morris College which was a non-profit university located in east Texas which scheduled \$30 million in assets. *Outcome: Secured allowed claims for \$11 million on behalf of clients and assisted in negotiating a division between the debtor and the clients of anticipated third-party recoveries which ultimately yielded \$2 million for the clients.*

In re Optim Energy, LLC (Delaware)

Represented the Texas Commission on Environmental Quality in the Chapter 11 filing of Optim Energy, LLC, who owned three power plants in Texas and had revenues of approximately \$236 million in 2013. *Outcome: Negotiated the inclusion of language in "free and clear" sale orders which ensured that any buyer of power plants sold in Texas remained liable for any future environmental liability.*

In re Cache, Inc. (Delaware)

Represented the Consumer Protection Division of the Office of the Texas Attorney General in the Chapter 11 filing of Cache, Inc., which was a women's fashion boutique with approximately \$53 million in assets. *Responsibilities: Reviewed the debtor's privacy policies to ensure that the sale of personally identifiable information was consistent with the privacy policies. Also, drafted Discovery requests.*

In re Hardeman County Hospital District dba Hardeman County Memorial Hospital (N.D. Tex.)

Represented the Texas Health and Human Services commission, the Texas Department of State Health Services, and the Texas Tech University Health Sciences Center in the Chapter 9 filing of Hardeman County Hospital District, which is a rural public hospital district. *Responsibilities: Negotiated for the debtor to complete monthly reports to be provided to the clients and the Patient Care Ombudsman, assisted in drafting the report templates, and assisted in reviewing the submitted monthly reports.*

State of Texas v. Garner (In re Garner) and In re Credit Alliance Group, Inc. (N.D. Florida)

Represented the Consumer Protection Division of the Texas Attorney General in the Chapter 7 filings of Shane Garner and Credit Alliance Group, Inc., and related potential litigation. *Outcome: Assisted in the ultimate recovery of \$2.5 million of a \$4.2 million restitution claim.*

In re Driskell (W.D. Tex.)

Represented the Consumer Protection Division of the Office of the Texas Attorney General in the Chapter 7 filing of George Allen Driskell, Jr. and Alejandra Alvarez De Dyer. Assisted the client with litigation strategy in a pre-petition state court action the client had against, inter alia, the debtors under the Texas Deceptive Trade Practices Act. *Outcome: Successfully argued a motion for summary judgment ultimately denying the debtors a discharge. In re Driskell, 2016 WL 2354722 (Bankr. W.D. Tex. May 2, 2016).*

S.E.C. v. First Choice Mgmt Servs., Inc. (N.D. Indiana)

Represented the Railroad Commission of Texas ("RRC") in a contempt action brought by a federal receiver against the RRC in a case in which the receiver was seeking the turnover of \$250,000.00 of environmental financial assurance. *Outcome: Obtained a favorable ruling when the district court denied the receiver's motion for contempt and validated the RRC's position that the receiver must comply with state law regarding the release of financial assurance. The district court's ruling was affirmed on appeal *Sec. & Exch. Comm'n v. First Choice Mgmt. Servs., Inc.*, No. 3:00-CV-446-RLM, 2018 WL 525725, at *1 (N.D. Ind. Jan 24, 2018), *aff'd*, 743 F. App'x 33 (7th Circuit 2o18).*

James v. Texas Higher Education Coordinating Board et. al. (In re James) (N.D. Tex)

Represented the Texas Higher Education Board in defense of an action brought by the debtor seeking a determination that his student loans were dischargeable pursuant to 11 U.S.C. § 523(a)(8). *Outcome: Obtained agreed judgment which determined that the plaintiff's \$120,000 debt owed to the Texas Higher Education Coordinating Board was non-dischargeable pursuant to 11 U.S.C. § 523(a)(8).*

NOTEWORTHY COURT DECISIONS

State of Texas v. Chu (In re Chu) (N.D. Tex.)

Represented the State of Texas in the debtor's main bankruptcy case in which the client has an allowed \$11.2 million claim based on a violation of the Texas Medicaid Fraud Prevention Act. Successfully tried an adversary proceeding under 11 U.S.C. § 727, which sought to deny the debtor a discharge. Successfully defended the judgment on appeal to the U.S. District Court for the N.D. Tex. And the U.S. Court of Appeals for the Fifth Circuit.