

## **Order by bankruptcy judge unfreezes Westlake accounts**

### ***Ruling doesn't address possible loss of Solana***

**By Susan Gill Vardon**  
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A U.S. bankruptcy judge yesterday granted an emergency motion that unfreezes Westlake's \$2.5 million in accounts, but he delayed ruling on the town's petition for bankruptcy protection from the disannexation of the Solana business complex.

The issue of who is Westlake mayor, Dale White or Scott Bradley, was also not addressed.

In a packed courtroom, with a battery of a dozen attorneys looking on, Judge Robert McGuire signed an order that reopens the accounts that had been frozen for days because of confusion about the town's leadership. The order which validates the new Board of Aldermen's resolution to open a new checking account with limited access, enables the town to pay its bills for the first time in weeks.

But McGuire postponed until June 20 any discussion of Westlake's request to temporarily halt Southlake's annexation of Solana. And the judge wrote at the bottom of his order that it "does not purport to retroactively resolve other disputes between the parties or any mayoralty disputes."

Still, Alderman Fred Held praised the court's order, saying that it recognized the new aldermen's legitimacy by giving them access to the town's coffers. Under the new board's May 12 resolution, only Town Secretary Ginger Crosswy, and Aldermen Held and Abe Bush can sign checks on the town's new account with Keller State Bank.

"I hope it is a plus for the town, re-establishing our position," Held said. "At least we're down from two mayors and two boards of aldermen to two mayors and one board."

Attorneys were there for almost everyone involved - Southlake; the former Board of Aldermen and White; the new board and Bradley; Ross Perot, Jr.'s Hillwood Development Corp.; Maguire Partners, owner of Solana; Keller State Bank; and the state attorney general's office.

"I haven't seen so many lawyers since the last bar association meeting," said Bradley, an attorney himself.

During the 90-minute hearing, Westlake attorney Joseph Colvin recounted events leading to the disannexation of most of the town and the freezing of its funds.

In a surprise move, Dee Kelly Jr., the attorney for White, backed Colvin's request that the funds be unfrozen.

Maguire Partners' attorney, Dave Borham, agreed.

"We don't care. Let them have the money. It's fine if they have the money," Borham said.

Kelly also said that White had rescinded an earlier statement that the new aldermen did not have the authority to open a checking account for the town, and had agreed that the board members' vote Monday overrode his veto of their resolution to open the account.

But Kelly and Borham, along with attorneys for Southlake and Hillwood, stressed that they rejected any inference that providing the board with access to the funds legitimized Bradley as mayor.

The mayoral question, they said, should be determined through a quo warranto. The little-used proceeding, called by the Tarrant County district attorney's office, was requested by White and is pending in Fort Worth District Judge Bob McGrath's court.

Judge McGuire's order authorizes Crosswy, Held and Bush to sign checks on the town's account with Keller State Bank. Any check of more than \$1,000 would require two signatures. The order also authorizes the new board to transfer money from the town's \$2.4 million state TexPool investment account.

The town has 30 unpaid bills, including police, fire and engineering services, totaling about \$60,000, officials said.

"This was a good day for the city, getting access to its money again," Colvin said.

Southlake attorneys plan to file a motion before the June 20 hearing to dismiss Westlake's request to halt the Solana annexation. On Wednesday, Kelly filed a motion to dismiss the case, saying that Bankruptcy Court is not the proper venue for political disputes and that the issues should instead be addressed in courts handling other pending Westlake lawsuits. Hillwood and Maguire Partners filed petitions yesterday to intervene and support Southlake and the former aldermen.

Hillwood attorney Matthew Molash said the corporation decided to fight the bankruptcy petition, because the "complaint makes clear that Westlake intends in this proceeding to try and undo the disannexation of the Circle T Ranch."

He cited part of Westlake's complaint that asked the judge to restore Westlake to the "status quo" as it existed May 2, when Perot's 2,500-acre ranch was disannexed by the former board.

"If Westlake truly only wanted to address the disannexation of Solana on May 8, Westlake would have no reason to ask this court to reach back to May 2," Molash said in a court document.

The state comptroller's office froze the town's TexPool account last month while it and the courts determined who the town's leaders were.

On June 4, after White wrote a letter stating that the new aldermen were not the town's legal leaders, Keller State Bank froze Westlake's \$109,468 in deposits.

Westlake's bankruptcy case, filed Monday, accuses the former board and White of conspiring to destroy Westlake by disannexing Circle T Ranch, some of their properties and the Solana complex.

Southlake is a defendant because Westlake, town attorneys claim, will be financially destroyed if it loses Solana.

"Westlake, in spite of what happened, received no consideration and no value for what was taken," Colvin said yesterday.

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