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Atty Can't Duck Payment To Receiver In Spat With Old Firm

By **Michelle Casady**

Law360 (December 22, 2020, 8:01 PM EST) -- Texas' First Court of Appeals on Tuesday upheld a trial court's order that a Houston lawyer must pay fees and costs to a receiver in a dispute with his former law firm.

Abraham Watkins Nichols Sorrels Agosto & Friend — which is now Abraham Watkins Nichols Sorrels Agosto Aziz & Stogner — moved to get a receiver appointed in the matter after former partner Sean Roberts went six years without paying a November 2013 judgment in its favor in a lending dispute. The appellate court wrote that because the receiver fees were awarded in accordance to the terms in an unchallenged March 2019 order that appointed Seth Kretzer as receiver, it couldn't conclude that the trial court abused its discretion in awarding the fees.

"Abraham Watkins, as the successful party to the litigation, was entitled to recovery of all costs, including the costs of receivership," the panel held. "Although the trial court had the discretion to allocate these costs differently, it did not do so, and Roberts cannot show that this was an abuse of discretion."

Roberts left the firm following a dispute, according to the opinion, and Abraham Watkins filed suit, winning a final judgment in its favor in November 2013 that Roberts pay it \$60,283.36, plus \$3.500 in attorney fees and 8% interest until the judgment was paid in full.

He never paid so in 2019, Abraham Watkins sought appointment of a receiver, and in March 2019, the court appointed Kretzer. According to the briefing, Roberts sent an email to the firm on Feb. 22, 2019, refusing to pay the debt.

"I'm not agreeing to pay Abraham Watkins a penny," the email reads. "You understand the collection process and good luck with that."

Eventually, Roberts paid the firm about \$107,000 to satisfy the judgment but fought against the trial court's order that he pay Kretzer \$650 plus \$26,750 in receivership fees and expenses.

In a briefing to the court, Roberts repeatedly characterized Kretzer's representations to the court as "dishonest" and argued he was only challenging the court's July 12, 2019, order because it "awarded excessive and undefended fees to Kretzer in his service as a receiver despite accomplishing basically no work."

Randy Sorrels, of Abraham Watkins, told Law360 on Tuesday that the firm tried to work out the payment issue with Roberts before getting a receiver appointed.

"Unfortunately, he declined our offers and efforts and we're very happy with the work done by Mr. Kretzer in obtaining a quick resolution to this long-standing debt," he said.

Kretzer told Law360 on Tuesday he was pleased with the decision from the appellate court.

"The court made clear if you're a debtor and you don't want to pay receiver fees, then pay the bill before a receiver is appointed," Kretzer said. "It's not clear why he wanted to fight about this, but I

will happily make the world safe for judgment creditors one bank account, and one intervention at a time."

Roberts did not return a message seeking comment Tuesday.

Justices Richard Hightower, Evelyn Keyes and Julie Countiss sat on the panel for the First Court of Appeals.

Roberts is represented by himself, Roberto O. Cantu and Noah M. Howitz of Roberts Markland LLP.

Abraham Watkins is represented by Seth Kretzer of Law Office of Seth Kretzer.

Kretzer represented himself.

The case is Sean Roberts v. Abraham Watkins Nichols Sorrels Agosto & Friend et al., case number 01-19-00622-cv, in the First Court of Appeals of Texas.

--Editing by Jay Jackson Jr.

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