



ENTERED
04/15/2016

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	Case No. 15-31471
JUAN CARLOS CASTILLO,	§	
	§	Chapter 11
Debtor.	§	

**ORDER GRANTING TRUSTEE’S EXPEDITED MOTION FOR
APPROVAL OF A SETTLEMENT AND COMPROMISE
PURSUANT TO 11 U.S.C. § 105 AND FED. R. BANKR. P. 9019**

[Relates to Doc. 553]

Upon the Motion of Ron Sommers, Trustee of the Bankruptcy Estate of Juan Carlos Castillo (“Trustee”), for an Approval of a Settlement and Compromise (the “Motion”) between the Trustee, on the one hand, and Jared Woodfill, individually and the Woodfill Law Firm, P.C., on the other hand, and the Court having reviewed the Motion and the Settlement Agreement, pleadings, evidence, and arguments of counsel made orally, the Court finds that considering the factors in *Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968), the Settlement Agreement between the Trustee and Jared Woodfill, individually and the Woodfill Law Firm, P.C., is fair and equitable and in the best interest of the estate, and should therefore be approved;

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED
AS FOLLOWS:**

ORDERED that the Motion is GRANTED. It is further,

ORDERED that the Settlement Agreement attached hereto as Exhibit “A” is APPROVED.

It is further,

ORDERED that Ronald J. Sommers, Trustee of the Bankruptcy Estate of Juan Carlos Castillo, is authorized to execute all documents necessary to carry out the compromise. It is further,

ORDERED that should Jared Woodfill, individually, or the Woodfill Law Firm, P.C., ever file a bankruptcy petition, the bankruptcy petition shall notate that it is affiliated to Case No. 15-34171, filed in the United States Bankruptcy Court for the Southern District of Texas.

Signed this 15th day of April, 2016.



Jeff Bohm
U.S. Bankruptcy Judge

Submitted by:

SNOW SPENCE GREEN LLP

By: /s/ Carolyn Carollo
Ross Spence, State Bar No. 18918400
Carolyn Carollo, State Bar No. 24083437
2929 Allen Parkway, Suite 2800
Houston, TX 77019
713.335.4800
713.335.4848 fax
ATTORNEY FOR RON SOMMERS, TRUSTEE

Approved as to form only:

By: /s/ Johnie Patterson
Johnie Patterson State Bar No. 15601700
WALKER & PATTERSON, P.C.
P.O. Box 61301
Houston, Texas 77208
713.956.5577
713.956.5570 fax
ATTORNEY FOR JARED WOODFILL AND
THE WOODFILL LAW FIRM, P.C.



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: §
JUAN CARLOS CASTILLO, §
Debtor. §
Case No. 15-31471
(Chapter 11)

**SETTLEMENT AGREEMENT AND RELEASE BETWEEN RON SOMMERS,
CHAPTER 11 TRUSTEE FOR THE BANKRUPTCY ESTATE OF JUAN CARLOS
CASTILLO AND (I) THE WOODFILL LAW FIRM AND (II) JARED WOODFILL,
INDIVIDUALLY**

THIS SETTLEMENT AGREEMENT (the "Settlement Agreement") by and between Ronald J. Sommers, as trustee for the bankruptcy estate of Juan Carlos Castillo ("Trustee") and The Woodfill Law Firm, P.C. and Jared Woodfill, Individually (collectively, "Woodfill") (the Trustee and Woodfill will be collectively referred to as the "Parties") is made and entered into as of February 22, 2015.

WHEREAS, the Trustee is the duly appointed trustee for the bankruptcy estate of Juan Carlos Castillo in Bankruptcy Case No. 15-31471, styled *In re Juan Carlos Castillo*; pending before the United States Bankruptcy Court for the Southern District of Texas, Houston Division ("Castillo Bankruptcy");

WHEREAS, Woodfill is currently the attorney for Amy Castillo in the case styled Amy Castillo v. Juan C. Castillo, Cause No. 2012-29264, in the District Court of Harris County, Texas, 309th Judicial District (the "Divorce Case");

WHEREAS, in the Divorce Case, Woodfill signed a Rule 11 Agreement, dated September 9, 2014 (the "Rule 11 Agreement") that provided that upon receipt of \$225,000 from Juan Castillo, Woodfill would distribute the finds pursuant to the Agreement;

WHEREAS, the Bankruptcy Court made certain findings regarding Woodfill's use of his IOLTA account in the Court's Amended Findings of Fact and Conclusions of Law Regarding Creditor Amy Castillo's Motion for Division of Debtor's Property/Debts [Doc. 506] in the Castillo Bankruptcy.

WHEREAS, following good faith negotiations, the Trustee and Woodfill desire to settle the Trustee's claims under this Settlement Agreement;

NOW, THEREFORE, the Trustee and Woodfill (collectively the "Parties"), for and upon the consideration and covenants made herein, the sufficiency of which is acknowledged by the Parties, hereby agree to settle as follows:

1. Settlement Payment. Woodfill shall pay to the Trustee the sum of \$135,000 ("Settlement Amount") pursuant to the following payment schedule:
 - a. \$25,000.00 within 15 days after the Settlement Agreement is Approved by the Bankruptcy Court
 - b. \$20,000.00 on or before March 31, 2016
 - c. \$20,000.00 on or before June 30, 2016
 - d. \$20,000.00 on or before September 30, 2016
 - e. \$20,000.00 on or before December 31, 2016
 - f. \$15,000.00 on or before March 31, 2017
 - g. \$15,00.00 on or before June 30, 2017

Each installment payment is referred to herein as a "Payment"

"Pay" shall mean good funds have actually been received by counsel for the Trustee, such as a cleared wire transfer or a check that has cleared and enough time has elapsed that payment on it cannot be stopped. Checks should be made payable to "Ronald J. Sommers, Trustee". Wire transfers should be made to:

Amegy Bank N.A.
4400 Post Oak Parkway
Houston, Texas 77027
ABA 113011258
Account Name: Snow Spence Green LLP IOLTA
Account Number: 0030341878

2. Financials of Woodfill. Woodfill recognizes that the Trustee has relied on Woodfill's representations as to the financial condition of both The Woodfill Law Firm, P.C. and Jared Woodfill, Individually. Woodfill shall sign affidavits as to the veracity of the financial information that was provided by Woodfill to the Trustee for purposes of settlement negotiations (the "Financials"). Should it be determined that the Financials are incorrect or false, the Trustee shall be entitled to assert claims against Woodfill for fraud and fraudulent inducement. Any claim or cause of action for fraud or fraudulent inducement relating to the Financials shall not be released pursuant to this Settlement Agreement, even upon timely payment of the Settlement Amount.
3. Note. Woodfill shall sign a note in the form attached hereto as **Exhibit A**. (the "Note"). While the Payments are timely made, the Trustee for forebear on collecting the Note amount from Woodfill. However if any Payment is not timely made, the Trustee may immediately seek to recover from Woodfill the total amount of the Note plus the Trustee's attorneys fees and costs incurred in the collection of the Note, less credit for the amount of all Payments made by Woodfill. Conditioned on timely payment of each Payment of the Settlement Amount and receipt by the Trustee of the entirety of Settlement Amount, the Trustee waives and releases any right to any further recovery from the Woodfill on the Note. The Parties hereby stipulate and agree that the Trustee's waiver and release of the Note extends only to the Trustee's right to recover from Woodfill on the Note and is not a

waiver or release of any third party's rights to recovery from Woodfill nor of the Trustee's right to recover from any other person, company, organization, or other entity regarding to actions occurring the Divorce Case or related to Rule 11 Agreement. Specifically, the Trustee is not releasing Woodfill from (1) any malpractice claim that Amy Castillo may have against Woodfill, (2) any claim for credit or offset that Amy Castillo may have against Woodfill for any liability that Amy Castillo may be liable to the Trustee in Adversary proceeding No. 16-03062 (3) any claim for credit or offset that Amy Castillo may have against Woodfill for any liability that Amy Castillo may be liable to Juan Carlos Castillo for the tort of intentional infliction of emotional distress resulting from the filing of contempt and/or sanction claims against Juan Carlos Castillo in the Cause No. 2012-29264 or maintaining any such claims subsequent to signing the Rule 11 Agreement, (4) any claim of fraud or fraudulent inducement against Woodfill that may hereafter be asserted by the Trustee relating to this Settlement Agreement or (5) from any claim resulting from a breach of this Settlement Agreement. The identification of non-released claims above is in no way an acknowledgement that such claims exists, or that such claims may be enforceable against Woodfill.

4. The Rule 11 Agreement is not rescinded in whole or any part by this Settlement.
5. Approval of Bankruptcy Court. Upon receipt of the executed settlement agreement by Woodfill, the Trustee shall seek approval of the settlement agreement from the United States Bankruptcy Court in the Castillo case. The Parties understand and acknowledge that this settlement is conditioned upon approval of it by the United States Bankruptcy Court in the Castillo Bankruptcy.
6. Confidentiality. From and after the execution of this agreement, the Trustee and agents, attorneys, or similarly situated persons of the signatories to this agreement, shall not discuss, reveal, disclose, publish, refer to, transmit, inform or otherwise provide information about the matters contained in this agreement to any other person or entity that is not a party to this agreement or is not a director, officer, employee, agent, owner (including all community property owner), attorney, or similarly situated person of a signatory to this agreement, provided, however, no statement is actionable if it was already known by the person receiving the statement or was already a matter of public record. Additionally, this confidentiality provision does not apply to the extent that the Trustee needs to seek Bankruptcy Court approval for this Settlement Agreement.
7. Release of Trustee. Upon the Woodfill's execution of this Settlement Agreement, Woodfill releases the Trustee, the Castillo Bankruptcy estate and the Trustee's professionals from any and all claims, causes of action, liabilities, obligations, demands, suits, counterclaims, defenses, debts, sums of money due or owed, costs, expenses, damages, attorney's fees, accounts, covenants, contracts, agreements, arrangements, promises, obligations, warranties, trespasses, torts, injuries and losses, of whatever kind or character, whether known or unknown, anticipated or unanticipated, suspected or unsuspected, absolute, fixed, conditional or contingent, matured or unmatured, liquidated or unliquidated amounts, due or to become due, and whether arising from contract, tort, or otherwise.

8. Release of Woodfill. Upon the timely payment of each of the Payments and the Trustee's receipt of the full Settlement Amount, the Trustee releases the Woodfill from the any and all claims, causes of action, liabilities, obligations, demands, suits, counterclaims, defenses, debts, sums of money due or owed, costs, expenses, damages, attorney's fees, accounts, covenants, contracts, agreements, arrangements, promises, obligations, warranties, trespasses, torts, injuries and losses, of whatever kind or character, whether known or unknown, anticipated or unanticipated, suspected or unsuspected, absolute, fixed, conditional or contingent, matured or unmatured, liquidated or unliquidated amounts, due or to become due, and whether arising from contract, tort, or otherwise, which arose out of the matters raised or which could have been raised, including but not limited to matters pled, matters which could have been pled, matters arising out of or in connection with those matters, whether known or unknown relating the Rule 11 Agreement or with the IOLTA account, however, the Trustee is not releasing Woodfill; but is specifically excluding from the above recited release (1) any malpractice claim that Amy Castillo may have against Woodfill, (2) any claim for credit or offset that Amy Castillo may have against Woodfill for any liability that Amy Castillo may be liable to the Trustee in Adversary proceeding No. 16-03062 (3) any claim for credit or offset that Amy Castillo may have against Woodfill for any liability that Amy Castillo may be liable to Juan Carlos Castillo for the tort of intentional infliction of emotional distress resulting from the filing of contempt and/or sanction claims against Juan Carlos Castillo in the Cause No. 2012-29264 or maintaining any such claims subsequent to signing the Rule 11 Agreement, (4) any claim of fraud or fraudulent inducement against Woodfill that may hereafter be asserted by the Trustee relating to this Settlement Agreement or (5) from any claim resulting from a breach of this Settlement Agreement.
9. The Trustee's release of the Note extends only to the Trustee's right to recover from Woodfill and is not a waiver or release of any rights the Trustee has against third parties relating to the Rule 11 Agreement. Upon release by the Trustee as directed in this paragraph, the Trustee shall return the original Note to Woodfill marked "paid".
10. Governing Law/Venue. This Settlement is governed by Texas law. Venue for any action relating to this Settlement in the federal or state courts of Harris County, Texas. The prevailing party in any action with respect to this Settlement Agreement shall be entitled to recover attorneys' fees from the non-prevailing party.
11. Authority and Requisite Approval. Each of the Parties represent and warrant with respect only to themselves and none of the other Parties that he is duly authorized to fully and completely resolve all disputes between the Parties that are the subject of this Settlement Agreement and is fully authorized to make this Settlement Agreement.
12. Representations. The Parties hereby declare that the terms of this Settlement Agreement have been completely read and are fully understood and voluntarily accepted for the purposes of making a full and final compromise, settlement and release as set forth herein. The Parties each represent and warrant that they have made no assignment and hereafter will make no assignment of any claim, action, right of action, or any other right released pursuant to this Settlement Agreement. The Parties represent that this Settlement

Agreement has been explained to them by their respective legal counsel, and that each understands all of the provisions hereto. The Parties each hereby stipulate, declare and acknowledge that he is relying on his own judgment and the advice of his own attorneys in executing this Settlement Agreement. Each of the Parties expressly warrants and represents and does hereby state and represent unto each other that no promise of agreement which is not herein expressed has been made to him in executing this Settlement Agreement, and that none of the Parties is relying upon any statement or representation of the other Party or their agents and attorneys.

13. Modifications. This Settlement Agreement may not be modified, amended or terminated orally. No modification, amendment or termination, or any waiver of any of the provisions of this Settlement Agreement, shall be binding unless same is in writing and signed by the person against whom such modification, amendment or waiver is sought to be enforced.
14. No Waiver. The failure of any of the Parties to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way affect the validity of this Agreement or any part thereof or any right of any person thereafter to enforce each and every provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other breach.
15. Severability. If any provision of this Agreement is or may be held by a court of competent jurisdiction (or by any arbitrator or arbitration panel) to be invalid, void or unenforceable, the remaining provisions shall nonetheless survive and continue in full force and effect without being impaired or invalidated in any way.
16. Attorneys' Fees. The Parties shall each bear their respective attorneys' fees and costs relating to the costs associated with the settlement negotiations and implementation of this Settlement Agreement; and
17. Counterparts. The Parties agree that the facsimile and electronic signatures shall have the same force and effect as original signatures. This Settlement Agreement may be executed in counterparts and all counterparts so executed shall constitute one agreement which shall be binding on the Parties hereto.
18. Headings and Construction. Heading in this Settlement Agreement are for the convenience of the Parties and are not to be used in construing this Settlement Agreement. This Settlement Agreement shall not be construed or interpreted against either Party, either by having drafted this Agreement or otherwise.

[remainder of page left blank; signature pages to follow]

By their signature below, the undersigned parties hereby agree to the terms, conditions, and covenants of this Settlement Agreement.

WOODFILL LAW FIRM, P.C.

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Jared Woodfill the owner of Woodfill Law Firm, P.C, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Notary Public in and for the State of Texas

JARED WOODFILL

Jared Woodfill, Individually

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Jared Woodfill, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Notary Public in and for the State of Texas

**RON SOMMERS, TRUSTEE OF BANKRUPTCY
ESTATE OF JUAN CARLOS CASTILLO**

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Ron Sommers, Trustee of the Bankruptcy Estate of Juan Carlos Castillo, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Notary Public in and for the State of Texas