

Winstead Represents Wells Fargo and Trustmark National Bank in \$72 Million Loan Dispute

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Winstead PC Shareholder [Yasmin Atasi](#) represented Wells Fargo and Trustmark National Bank in a \$72 million loan dispute with the CEO of Lockwood International Inc. and affiliated companies. Atasi achieved a significant victory for the client, which was reported by Law360. An excerpt is below.

“A Texas federal judge ordered the CEO of several petrochemical companies on Wednesday to pay Wells Fargo Bank and Trustmark National Bank about \$58.7 million after he defaulted on a \$72 million revolving line of credit he personally guaranteed.

U.S. District Judge Jeffrey Brown rejected arguments from Michael F. Lockwood, CEO of Lockwood International Inc. and affiliated companies, that he was fraudulently induced to sign the guaranty and did so under duress. He must pay the lenders the outstanding amount of the loan, plus interest, the judge said.

Lockwood had argued that when he signed the guaranty, the lenders told him he would remain in control of the business, but four months after he signed, the lenders ordered him to cede control to a chief restructuring officer. Had he known that he would have “no real authority over the business,” he never would have signed the agreement, he argued.

The lenders told the court that the guaranty included a broad waiver and release clause — waiving any defense to payment — and that Lockwood ratified the guaranty's terms by signing “two subsequent forbearance agreements” after he defaulted.

Judge Brown agreed, holding that there was no fact issue as to whether the deal was secured by fraud.”

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