

Winning Women 2014



KAREN HART OF BELL NUNNALLY & MARTIN

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by **BRENDA SAPINO JEFFREYS**

With five court victories over five years, Dallas lawyer Karen Hart helped a receiver in a U.S. Securities and Exchange Commission fraud suit sell a Dallas property to benefit a group of elderly investors who lost money through the alleged fraud.

“It was fun because we were representing the receiver. We were truly wearing the white hat there,” said Hart, a partner in Bell Nunnally & Martin.

In that litigation, Hart represented receiver Robb Evans in *Robb Evans v. Long Beach Mortgage Co.* The trustee filed a petition in state district court in Dallas County in 2005 seeking authority to sell a residential property in Dallas worth about \$1 million. The sale was related to a SEC fraud action in California filed in 2000.

Hart won a summary judgment on behalf of the receiver in 2007, when the court found a lis pendens filed by the trustee on the property was filed before a deed of trust filed by Long Beach Mortgage. The Fifth Court of Appeals in Dallas affirmed the judgment in 2009. Hart won again when the Texas Supreme Court denied a petition for review in 2009, and won again when the U.S. Supreme Court in 2010 denied a petition seeking review that was filed by a mortgage lien holder on the Dallas property.

For the fifth win in the case, Hart filed a motion asking the Dallas appeals court to modify the judgment to provide for an award against a surety bond to ensure the receiver would be paid its



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attorney fees. In 2010, the trial judge signed an order releasing the surety and the portion of the judgment relating to attorney fees.

“The court reached the right result,”

Hart said, noting that the receiver was able to sell the property to benefit the investors.

Hart’s effort in many courts over many years in *Evans* is an example of her dogged effort and focus.

“She is as tenacious and committed to the clients’ cause as any attorney I know,” said Randall Lindley, a partner in Bell Nunnally who works closely with Hart.

Hart, 39, said she enjoys practicing at Bell Nunnally because she has opportunity to work on a variety of litigation and isn’t pigeonholed into one area like she might be at a larger firm. She does commercial litigation in real estate, contract-payment disputes and in the landlord-tenant area.

“It’s a very wonderful firm and really stretches my legs here,” she said.

For instance, Hart said, she worked on litigation that made law in the garnishment area.

Hart represented Dallas Market Center in a state court suit in Dallas in which she secured a judgment against Art & Frame Direct/Timeless Industries of Georgia Inc. for about \$250,000. Hart won a summary judgment allowing the garnishment of funds transferred among accounts through a zero balance account agreement that tapped Art & Frame’s primary account at a bank.

However, in 2012, the Fifth Dallas Court of Appeals in *Art & Frame Direct Inc. v. Dallas Market Center Operating L.P.* reversed and remanded the portion of the final judgment that allowed the garnishment using the zero balance agreement. A three-judge panel found the summary judgment evidence did not prove Dallas Market Center was entitled to the ownership of the funds based on the zero balance agreement, the way the account was handled or the level of access the debtor had to the account. The panel reversed the judgment and remanded it back to the trial court for further proceedings.

Hart said her client settled the litigation following the remand and before a trial, but the appeals opinion made law in garnishment law, an area not typically the topic of ground-breaking opinions.

“It was cutting edge, the legal issues that were in play, and I believe Karen’s arguments helped develop that area of the law,” said Lindley, who worked on the litigation with Hart.

“She is as tenacious and committed to the clients’ cause as any attorney I know,” said Randall Lindley, a partner in Bell Nunnally who works closely with Hart.

Hart took a job at Bell Nunnally in 2002 because she knew she wanted to practice at a mid-sized firm, and also because of the firm’s reputation for “really strong women partners.” She made partner in 2009.

Hart, an El Paso native, attended the University of Texas El Paso. During high school and college, she played guitar in a mariachi band, noting that she was the “white girl” in the traditionally Hispanic ensemble. After growing up in a multi-cultural city, she said Austin was a “cultural shock” when she moved there to attend the University of Texas School of Law.

After graduating from law school in 2001, Hart did a judicial clerkship in Corpus Christi with the recently retired U.S. District Judge Hayden Head of the Southern District of Texas. It was an experience that Hart said has been

beneficial for her career.

“You kind of got to see the good, the bad, and the ugly come through a courthouse,” she said.

Sherri Alexander, a former Bell Nunnally partner, recalls a time when Hart won an arbitration in Philadelphia in front of a former federal judge. During that proceeding, Alexander, now a shareholder in Polsinelli, said, Hart showed

a lot of skill in “dissecting” the issue, analyzing the strengths of their client’s case and showing a position of strength.

Alexander said that while male lawyers will often try to rattle younger women lawyers, Hart doesn’t seem to let anything bother her.

“I probably worked with Karen on different projects for 10 years and she is very aggressive and very composed, which is why I loved working with her. She is very focused on the result that she wants and pleasing the client,” Alexander said. 