Special Receiver Appointed in Federal Lawsuit Against Wells Fargo in Texas Case

Micah Dortch, managing partner of the Dallas office of the Potts Law Firm, has been appointed a special receiver in litigation originally brought by the Securities and Exchange Commission against a group of Texas businessmen, the firm announced. That lawsuit seeks to recover funds from what was characterized as a fraudulent investment scheme directed by Thurman P. Bryant III of Frisco and Arthur E. Wammel of Pearland, along with affiliated companies and individuals.

The firm says that evidence in the case revealed that, in less than three years, the defendants were able to withdraw or transfer more than $20 million in cash from Wells Fargo Bank accounts in violation of industry standards and the bank's own policies. Despite numerous five-figure and six-figure cash withdrawals, Wells Fargo management never verified, questioned or restricted any of the activities, according to allegations.

According to the SEC complaint, originally filed in 2017, the defendants raised more than $22 million from more than 100 investors to purportedly fund short-term mortgage loans for later sale to long-term lenders. The SEC says that no such program existed, and that Bryant and Wammel were operating a Ponzi scheme, with limited returns paid to investors from monies raised from other investors.

Dortch has been appointed by the court to investigate the role of Wells Fargo in the matter and to seek financial compensation on behalf of the defrauded investors, filing a complaint alleging that Wells Fargo failed to follow its fiduciary role.

"As stated in the complaint, Wells Fargo either knew about the

scheme or willfully ignored the questionable actions being made in violation of its own internal rules," said Dortch. "I'm honored to take on this role and gain a just resolution for these innocent victims."

The case is *Ecklund v. Wells Fargo Bank, N.A.*, No. 4:18-cv-00452-ALM, filed in U.S. District Court for the Eastern District of Texas in Sherman.