

Wild About Harry's files for bankruptcy protection

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A failed partnership with restaurateur Phil Romano of Eatzi's and Il Mulino fame has forced [Wild About Harry's Inc.](#) to file for Chapter 11 bankruptcy protection.

Launched by Harry M. Coley in 1998, Wild About Harry's makes and sells frozen custard -- a rich ice-cream-like dessert that's popular on the East Coast and in the Midwest.

In 1999, Coley and Romano formed WAHI Inc. to create retail locations to sell the custard. When two restaurants in Plano and Richardson failed, Romano sued Coley and WAHI in state district court and won a \$517,500 settlement, documents filed in the U.S. Bankruptcy Court in Dallas show. When Coley failed to make payments, Romano filed a second lawsuit in January.

Burdensome settlement payments -- \$5,500 per month -- caused Wild About Harry's to "become insolvent and unable to meet its debts as they become due," court records in the bankruptcy case said.

Wild About Harry's listed liabilities of \$1 million to \$10 million and assets of \$100,000 to \$500,000.

The company listed between 16 and 49 creditors, according to bankruptcy records.

It listed two secured creditors, SouthTrust Bank and North Texas Credit Co., both with Dallas addresses. SouthTrust issued a \$350,000 loan in 2002 that matures in 2012. As of June 2, Wild about Harry's still owed \$281,000 in principal on the loan, according to court records.

SouthTrust also issued a \$50,000 revolving line of credit in 2002. The frozen custard shop's line of credit was renewed in the amount of \$40,000 in October 2004 with a February 2005 maturity date. As of the date of the bankruptcy filing, nearly \$40,000 in principal remains due. Wachovia bought SouthTrust last summer, and the bank is in the process of changing its name to Wachovia.

Wild About Harry's 20 largest creditors holding unsecured claims include a disputed \$132,000 trade debt involving U.S. Foodservice of Dallas. Nearly all of the company's unsecured claims were listed as disputed, including \$65,000 owed to the Internal Revenue Service. Wild About Harry's also owes the state \$25,000 in sales taxes, according to court records.

Stephanie D. Curtis, attorney for Wild About Harry's, said the store at 3113 Knox St. in Dallas will continue operating during bankruptcy proceedings. The company has no other stores.

Curtis said Wild About Harry's is "asking the bankruptcy court to void the entire (Romano) settlement transaction and recover the amounts paid to Romano."

Efforts to reach Romano for comment were unsuccessful.

By using cash collateral, the store seeks to keep employees and vendors on board for the peak summer business season, documents show.

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