



A Career in Bankruptcy Law

[by Anayat Durrani]

Choosing what area of law to specialize in is often a difficult decision to make for law students. But for those leaning toward specializing in bankruptcy law, early preparation and understanding of what the practice entails is key to what could prove a promising career in that field.

Bankruptcy is a legal process that seeks to benefit both debtors and creditors. It allows debtors “fresh starts” on their financial obligations by relieving them of most debts they cannot pay. It also provides that the creditor gets paid through a fair method of compensation.

“I like bankruptcy law because it is as precise as any area of the law can be. The Bankruptcy Code rules all decisions. As judges often ask, ‘Where is that in the Code, Counselor?’” said Timothy J. Trott, a bankruptcy attorney and partner in the law firm of Crane, Teti, Cox, Trott, Bishay and Fisher, LLP, in Pennsylvania.

Bankruptcy law is federal statutory law outlined in Title 11 of the United States Code. Congress passed the Bankruptcy Code under its Constitutional grant of authority to “establish . . . uniform laws on the subject of Bankruptcy throughout the United States.” The proceedings are supervised by and litigated in the United States Bankruptcy Courts, according to the Legal Information Institute.

Mr. Trott has been in practice since 1992 and is the only bankruptcy lawyer among six other lawyers at his firm. Mr. Trott represents consumer debtors and said he enjoys the bankruptcy practice because it allows him an opportunity to assist people who have fallen on difficult times.

“Debtors are not cheaters or deadbeats. People get laid off or become ill. I’ve placed elderly people in bankruptcy who drove up

credit cards buying expensive medicine. It’s a chance to level the playing field and to give debtors a fresh start,” Mr. Trott said.

Karen Gross, Professor of Law at New York Law School, has 25 years of legal practice and scholarship and is renowned as a scholar dedicated to the human impact of consumer finance and bankruptcy law. She calls the field of bankruptcy a “crisis field.” “Rarely do clients see you when they are happy. Whether they are debtors or creditors, something has gone really wrong, and that is why they need your help.”

Ms. Gross said because of the nature of the practice, practitioners do not have too much control over their time and must travel quite a bit since cases and clients can be located anywhere and sometimes even abroad. She said an additional feature of the bankruptcy field is that the subjects of the bankruptcies change, and practitioners are able to learn about the underlying businesses as well. “That enables practitioners to learn about different industries and their habits and course of dealing. And most practitioners develop a specialty in certain market segments: retail, airlines, hospitals, manufacturing,” Ms. Gross said. “For those doing personal bankruptcies, the human interest stories are at once sad and hopeful; there are opportunities to help people get back on their feet and restart their lives.”

While in law school, taking the right courses is important when pursuing a career in bankruptcy law. Mr. Trott advises taking a course on bankruptcy, and he said because

bankruptcy is code-driven, it is something that actually can be learned from a book. He recommends working in a legal-aid environment to get good experience.

Ms. Gross also suggests a basic course on bankruptcy and that a course in Chapter 11 Corporate Reorganization should be taken, assuming students have taken Commercial Transactions with a focus on Article 9 of the UCC. She also suggests a course in Consumer Finance and Collection if a student plans to focus on consumer bankruptcy. “Since bankruptcy is a cross-over field where practitioners both litigate and ‘do deals,’ it is also important to have a good trial advocacy course and a good course in the art of the deal or some advanced corporate or business planning course.”

Ms. Gross added that a course in drafting commercial documents can also be useful, as well as an accounting course. She said a course on tax is also important but that most go to a bankruptcy tax expert for resolution of issues.

Kathleen Walls, P.L.C., is a sole practitioner who specializes in bankruptcy cases, mainly debtor work in Vermont, and has been practicing for eight years. “It’s crazy sometimes, but I feel pretty satisfied that I am helping people get a handle on their financial situations and preventing creditor abuses,” said Walls.

Ms. Walls said that those wishing to practice bankruptcy law should keep a few things in mind. She advises that anyone who seeks to



represent debtors should make sure that the petition is complete and accurate. She said tax returns, bank statements, pay stubs, retirement account information, mortgage deeds, and all other documents should be obtained. "The more information you have, the more accurate you can be. These documents will frequently alert you to issues which were not disclosed to you by your client for whatever reason. Disclosure is critical," Ms. Walls said.

She also added that creditors' and debtors' counsels should familiarize themselves with the Federal Rules of Bankruptcy Procedure and be aware of local rules for the district in which they seek to practice. "These rules can differ significantly from state court rules in the same jurisdiction. Your attention to these matters will be appreciated by the trustees and the court."

Mr. Trott's advice for those interested in growing a practice as a consumer debtor's lawyer is to make sure to maintain a steady flow of cases.

"For a consumer debtor's lawyer, one needs a volume of cases to make a bankruptcy practice financially viable. Fees for debtors' lawyers are regulated by the court, so efficiency is key," said Mr. Trott.

An interesting feature of bankruptcy law is that it overlaps with all areas of the law. And in the world of bankruptcy law, the sign of a good lawyer is one that is knowledgeable in a number of fields.

"Many people view bankruptcy practitioners as the last generalists in the law, since a bankruptcy case involves all aspects of law," said Ms. Gross. "That observation is correct, and a good bankruptcy lawyer knows a great deal about a number of topics beyond the Bankruptcy Code."

Getting a head start on course work tailored

to bankruptcy law, as well as relevant work experience, can set students on their ways to careers in the bankruptcy field.