



Bankruptcy Court Liaison Committee Newsletter

Spring 2016

In This Issue

In re Pajian and Fed. R. Bankr. P. 3002(c) 2

Judge Thorne: Our New Judge.. 2

District Court Honors Bankruptcy Lawyer..... 3

Bankruptcy Community Bids Fond Retirement to Judge Eugene Wedoff 3

Do Something Good for Others: Volunteer! 4

CARE 4

Liaison Committee Baseball Outing – New and Improved for 2016..... 5

Applications for Liaison Committee 2016-2018 5

Judge John D. Schwartz Writing Award Winners Announced at Holiday Party 6

Monette Cope, *Editor*

Local Rule Amendments

By Chief Judge Bruce W. Black

Amendments to the Bankruptcy Court’s Local Rules have been approved by the District Court and are effective as of April 1, 2016. The rules, as amended, are posted on the court’s website (<http://www.ilnb.uscourts.gov/court-info/local-rules-and-orders/local-rules>). Also on the website is a list of the rules that have been amended in this revision. Noteworthy changes include the following:

Local Rules 2002-1 and 2002-2 change notice procedures in chapter 7 cases.

Local Rule 2004-1 is new. It requires that a motion to take a 2004 examination must be served “on all parties entitled to notice, including the person or entity to be examined.”

Local Rule 3007-1 is also new. It requires that objections to claims “must be noticed for hearing as an original motion in accordance with Rule 9013-1 and must identify the claimant and claim number.”

Local Rule 5011-1 is also new. It requires that a motion to withdraw the reference must be filed with the clerk of the bankruptcy court. It should not be filed in the district court.

Local Rule 5082-1 is amended to require that itemizations of services in fee applications in chapter 7 and 11 cases include the hourly billing rate of the person performing the service.

Local Rule 9013-2 is new and governs emergency motions. It replaces Rule 5096-1 that has been deleted. The new rule is substantively the same as the procedure set out in Amended General Order No. 12-1 which has governed emergencies since June 1, 2013.

Local Rule 9013-9 is entitled “Motions Granted Without Hearing.” It replaces the old rule that dealt with “routine motions” and institutes a uniform procedure under which judges may grant certain motions in advance of the presentment date.

Local Rule 9029-4B, Attorney Disciplinary Proceedings, has been amended to allow the chief judge to order an immediate interim suspension of an attorney in appropriate cases while the disciplinary proceeding is being resolved.

Several rules have been deleted. Significantly, Rules 9060-1 through 9060-12 that set forth mediation procedures have been deleted. ■

In re Pajian and Fed. R. Bankr. P. 3002(c)

By Shara Cornell and Christopher Pullman, Law Clerk to Judge Janet S. Baer

The Seventh Circuit Court of Appeals held that the deadline for filing a proof of claim in a chapter 13 case applies to both secured and unsecured creditors. *In re Edward J. Pajian*, No. 14-2052 (7th Cir. May 11, 2015). In *Pajian*, even though the secured creditor received notice of the proof of claim bar deadline, it did not file a proof of claim until approximately three months after the bar date.

The debtor objected to the filed proof of claim. The creditor argued that the deadline under Rule 3002(c) applied only to unsecured creditors and therefore secured creditors can file a proof of claim at any time until confirmation of a chapter 13 plan.

The bankruptcy court agreed with the creditor and disallowed the unsecured portion of the claim but allowed the secured portion. However, on direct appeal, the Seventh Circuit determined that the claims deadline under subsection (c) applies to all proofs of claim unless an enumerated exception applies.

First, the Court articulated that Rule 3002(c) "does not distinguish between the claims of secured and unsecured creditors." Since subsection (a) expressly refers to unsecured creditors, the drafters could have done the same with subsection (c), but chose not to. Therefore, subsection (a) is limited to unsecured creditors, while subsection

(c) applies to all creditors. Second, the Court reasoned that allowing secured creditors to file proofs of claim at any time until a plan is confirmed would be disruptive to the bankruptcy process. And third, the Court noted that the U.S. Judicial Conference's Advisory Committee on Bankruptcy Rules proposed changes to Rule 3002 that "would remove all doubt that Rule 3002, including subsection (c)'s deadline, applies to secured creditors." Thus, a failure to file a proof of claim by the bar date will prevent both secured and unsecured creditors from participating in distributions under a chapter 13 plan. ■

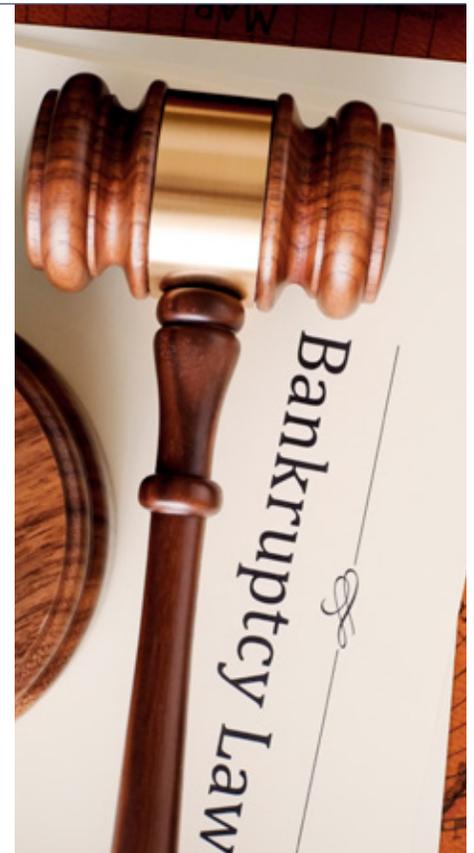
Judge Thorne: Our New Judge

By Monette W. Cope, Weltman, Weinberg & Reis

Judge Deborah L. Thorne began her career as a middle school history teacher. Five years later, she decided to go to law school. While in law school she was an extern for Chief Bankruptcy Judge Eisen (Judge Baer was Judge Eisen's law clerk at the same time). After graduating from law school she worked for the City of Chicago Law Department representing the City in all bankruptcy matters. She represented the City in *Johns Manville*, *Eastern Airlines*, *Air Florida*, *UNR* and many other major cases. After working for the City, Judge Thorne practiced in several Chicago firms, representing middle-market debtors in chapter 11 cases. Her practice expanded over the years to include representation of creditors, including lenders and unsecured vendors. For the last 13 years she was a partner at Barnes & Thornburg LLP. During the last 10 years she acted as a federal equity receiver in commodity fraud cases.

Judge Thorne is enjoying learning the consumer side of bankruptcy. Recognizing the deep divides in the United States, she believes that courts have an important role in our country. Bankruptcy court may be the only exposure many citizens will have to their government and it is crucial that they leave the courtroom feeling that the court has listened and respected them whether they win or lose.

In her free time, Judge Thorne is on a rowing team. Her team is currently getting ready for the water season after spending the winter inside on ergs. Before she began rowing, she ran marathons and competed in triathlons. She enjoys reading, traveling, attending theatre, the symphony and opera with her husband, a Cook County Circuit Court Judge. She and her husband have two grown children. ■



District Court Honors Bankruptcy Lawyer

By Judge Thomas M. Lynch

On May 14 of last year, bankruptcy attorney Brian Hart received the District Court's 2015 Award for Excellence in Public Interest Service at the court's Sixteenth Annual Awards Program. Chief Judge Castillo presided over the ceremony that recognized attorneys from across the district for their outstanding *pro bono* contributions and public interest service. The District Court's Selection Committee chose Brian and his fellow honorees from numerous individual attorneys, law firms, law school programs and academics who were nominated by the district, magistrate and bankruptcy judges and members of the bar. The Chicago and Rockford Chapters of the Federal Bar Association co-sponsored the event which was held in the court's Ceremonial Courtroom at the Dirksen United States Courthouse. Matthew B. Moreland, the President of the Federal Bar Association gave the keynote address.

Prairie State Legal Services and Judge Lynch nominated Brian to recognize his longstanding and exceptional public interest service to the bankruptcy court. Judge Lynch singled out Brian's contributions to the development and launch of the Western Division's Bankruptcy Help Desk. With the assistance of other volunteers and members of the Bankruptcy Clerk's office, Brian prepared materials for volunteers, organized and co-taught at the training programs for our volunteer paralegals and helped organize and lead orientation programs for new attorneys. Brian, who practices in Rockford and Chicago, also served as a coordinator for the program's week-to-week operations and has been frequently found on the "front line" as one of its regular panel attorneys since the program's launch in December 2014.

Once again, congratulations Brian! ■



Bankruptcy Community Bids Fond Retirement to Judge Eugene Wedoff

By Judge Janet S. Baer



On Monday, October 12, 2015, the Bankruptcy Court Liaison Committee, with the American Bankruptcy Institute and Jenner & Block, held a retirement party for Judge Gene Wedoff. The party was in conjunction with the ABI 7th Circuit Consumer Conference of which Judge Wedoff was a founding father. The party was held at the Jenner & Block Conference Center after the ABI Conference and was well attended by well wishers from the Chicago area Bankruptcy Bench and Bar. Among the highlights, ABI put together a video presentation of wonderful Wedoff photos and well wishes from lawyers and judges around the country. In the Judge's honor, the ABI also officially renamed the Conference to be forever

known as "The Eugene Wedoff 7th Circuit Consumer Conference." The Liaison Committee was pleased to present the Judge with a copy of the photo from the White Sox Scoreboard at this year's Liaison Committee baseball outing which appropriately stated: "Thanks Judge Wedoff. He gone!" Thanks to Kirkland & Ellis, the Committee also presented the Judge with his very own "United Airlines" model airplane – a symbol of the successful conclusion of the United Chapter 11 case over which, of course, Judge Wedoff presided.

Happy Retirement to Judge Wedoff. He will be missed! ■

Do Something Good for Others: Volunteer!

By Kari Beyer, Senior Attorney, Consumer Practice Group

Use your unique set of skills to help those in need of bankruptcy advice and representation. Here are some opportunities in the Northern District:

Bankruptcy Assistance Desks

The Northern District has two bankruptcy assistance desks where volunteer attorneys advise *pro se* debtors and creditors.

Dirksen Building – The bankruptcy assistance desk in the Dirksen Building advises *pro se* parties on Mondays, Wednesdays, and Fridays starting at 9:30 a.m. Generally, two attorneys are scheduled to advise ten *pro se* parties on a first come, first serve basis. No experience with consumer bankruptcy is necessary. The bankruptcy assistance desk is also seeking paralegal volunteers. LAF (formerly the Legal Assistance Foundation) offers training, support, and malpractice insurance coverage to volunteers. To volunteer or



for more information, please contact David Yen at dyen@lafchicago.org.

Rockford – The bankruptcy assistance desk in Rockford seeks volunteer attorneys who are familiar with bankruptcy law to advise *pro se* debtors. The bankruptcy assistance desk volunteers advise *pro se* debtors on Monday afternoons from 1-5 p.m. by appointment. Prairie State Legal Services screens the clients, sets the

appointments, and provides malpractice insurance coverage for volunteers. To volunteer or for more information, please contact Wendy Crouch at wcrouch@pslegal.org or Jaime Dowell at jdowell@mckenna-law.com.

Volunteer Attorney Panel

The volunteer attorney panel program is seeking volunteers to represent *pro se* parties in adversary proceedings and contested matters. *Pro se* parties are referred to the program by judges who have identified a need for the *pro se* party to obtain representation. The program is voluntary and panel members are not required to accept cases if they join the panel. To volunteer or for more information, please visit the Volunteer Attorney Panel link on the court's website: <http://www.ilnb.uscourts.gov/us-bankruptcy-court-volunteer-attorney-panel>. ■

CARE

There is exciting news coming out of the Chicago CARE (Credit Abuse Resistance Education) program. In the fall semester, 38 volunteers reached over 1500 students and others with our presentations, including six venues new to our group. Among those new venues are Chicago Health Corps, in which we talked with college graduates planning to go to medical school and Oak Lawn Public Library, in which we spoke to teens and adults. We have also recently partnered with TransUnion, the credit reporting agency. Its employees have done presentations with us, adding a fresh perspective. We continue to update and revise our presentations as we find what works best with students and other audiences. As always, you can find us at www.CAREchicago.org.

We have also started making some important plans for the future. We are

thrilled to welcome the Honorable Janet Baer as our new judicial leader. She has already jumped in with both feet to find ways to improve our organization and bring new volunteers on board.

An ad hoc steering committee is working on creating stable leadership for the

years to come. We are also working with national CARE to determine how the national organization can support us. We look forward to a busy and productive spring semester in the short term and to even greater successes in the long term. Join us and show us that you CARE! ■



Liaison Committee Baseball Outing – New and Improved for 2016



Though it certainly does not feel like it yet, spring is upon us, which can only mean one thing—time to prepare for the Committee’s Annual Baseball Outing. Whether you are fan of the White Sox (who remain in pennant contention as of the date of publication) or just want to socialize, we hope you can join us at U.S. Cellular Field on the evening of Thursday, August 25.

We have reserved a limited number of tickets which will be sold on a first come, first serve basis. In addition, we have upgraded this year’s event at U.S.

Cellular Field from the typical pregame Patio Party and Sox game, to the Fan Deck experience. Among other benefits, the 2016 Outing includes:

- Exclusive access to the Fan Deck, located just beyond center field, both before and during the game. Attendees will enjoy a designated area with ample room to mingle or sit. The Fan Deck layout should greatly enhance the opportunity to socialize with other members of the bench and bar.

- Unlimited food, beer, soda and water from the start of the event (approx. 5:30 p.m.) until approximately the 7th inning. Unlike years past, service does not end at game time!

To purchase tickets, please contact either **Robin Maatman** (rmaatman@ag-ltd.com) or **Erich Buck** (ebuck@ag-ltd.com).

Date: Thursday, August 25, 2016

Vs.: Seattle Mariners

Cost: \$97 per ticket (includes food, drink and game) ■

Applications for Liaison Committee 2016-2018

The Liaison Committee is seeking new members to serve two-year terms beginning in July 2016. Members assist in improving local practice before the Bankruptcy Court for the Northern District of Illinois. The Committee consists of practitioners from all corners of the bankruptcy bar (Eastern Division and Western Division), a representative of the United States Trustee’s office, representatives of the Court Clerk’s office,

and typically three Bankruptcy Judges.

If you are interested, please send a letter describing your professional background and your interest in serving on the Committee. You may also send any other information that you think may be helpful to the Committee in the selection process. If you have any questions about the Committee’s functions, please contact any member of the Committee. You

can find the contact information for Committee members under the “Liaison Committee” link on the Court website: <http://www.ilnb.uscourts.gov/bankruptcy-court-liaison-committee>.

Please submit your letter and any other information to Bankruptcyliaisoncommittee@gmail.com no later than **June 3, 2016**. ■

Judge John D. Schwartz Writing Award Winners Announced at Holiday Party

By Francis X. Buckley, Jr., Thompson Coburn LLP



At the Liaison Committee Holiday party on December 11, 2015, the winners of the inaugural Judge John D. Schwartz Memorial Law Student Writing Competition were announced.

The competition was open to all students who were currently enrolled at area law schools, including the University of Illinois, Loyola, Northern Illinois, Northwestern, DePaul, IIT-Kent, University of Chicago, John Marshall and Southern Illinois. The criteria was to submit a scholarly paper, 5000 words or less, on any subject relating to bankruptcy law or procedure. We encouraged students to focus on bankruptcy cases or developments in the Seventh Circuit to try to make the topic as relevant as possible to what we do. The submissions were evaluated by a blue ribbon panel of Cathy Steege of Jenner & Block, Rick Mason of McGuire Woods and Joe Schorer of Kirkland & Ellis.

The first prize winner is Paul Geske (pictured above). Paul was a student at Chicago-Kent College of Law, who graduated in May, 2015. Paul's paper is entitled "Seventh Circuit Holds that Bankruptcy Trustee's 'Strong-Arm' Powers are Not Strong Enough for the

IRS", which related to the *Equipment Acquisition Resources* case.

The second prize winner is Eliot Tracz, Eliot is a third-year J.D. candidate at DePaul University. Eliot's paper is entitled: "Discharging the Dinosaurs: Is the Time for the Brunner and Totality of Circumstances Tests Past?"

Our third prize winner, Jennifer Hunter graduated from John Marshall Law School. Her paper is entitled, "Say Goodbye to Section 523(a)(8): How Income Contingent Repayment Plans are Taking Student Loan Discharge Decisions Away from the Bankruptcy Court."

The Schwartz Writing Competition would like to thank its sponsors whose generous donations made this year's program a reality:

- Nixon Peabody
- Thompson Coburn
- Adelman & Gettleman
- Arnstein & Lehr
- Coman & Anderson
- Hiltz & Zanzig
- Jenner & Block
- Kirkland & Ellis

- McGuire Woods
- Perkins Coie
- Shaw Fishman Glantz & Towbin
- Seyfarth Shaw

The Liaison Committee created the Competition to promote the advancement of our bankruptcy practice in the District. We thought that one way to accomplish this goal was to generate interest in bankruptcy law to law students—the idea was to create interest in bankruptcy law for the next generation of bankruptcy lawyers. This writing competition honors the memory of Judge Schwartz and the scholarly approach he took in the administration of bankruptcy cases before him. Judge Schwartz was a positive influence to the bench and bar during his long and distinguished tenure as a bankruptcy judge in the Northern District of Illinois. He strongly believed that the quality of bankruptcy practice was enhanced through scholarship and collegiality, and it is fitting that we will provide participating students—future lawyers and colleagues—the opportunity to network with the judges and attorneys in this district, and vice versa. ■

United States Bankruptcy Court, Northern District of Illinois Judges

Chief Judge Bruce W. Black
Judge Janet S. Baer
Judge Timothy A. Barnes
Judge Donald R. Cassling
Judge Jacqueline P. Cox
Judge Carol A. Doyle
Judge A. Benjamin Goldgar
Judge Pamela S. Hollis
Judge Thomas M. Lynch
Judge Jack B. Schmetterer
Judge Deborah L. Thorne



2015-2016 Bankruptcy Court Liaison Committee

Honorable Bruce W. Black,
Chief Judge
Honorable Janet S. Baer
Honorable Donald R. Cassling
Honorable Thomas M. Lynch



Jeffrey P. Allsteadt
Clerk of Court
Jean M. Dalicandro
Operations Manager
Roger L. Kitchen
Assistant Systems Manager



Erich Buck (*Co-Chair*)
Frank Buckley (*Co-Chair*)

Kimberly Bacher
Kari Beyer
Monette Cope
Shara C. Cornell
Ryan Dahl
John Guzzardo
John F. Hiltz
Jocelyn L. Koch
Kevin H. Morse
James B. Sowka
Lauren L. Tobiason
Stephen G. Wolfe

