

Spring 2021

Bankruptcy Court Liaison Committee Newsletter

A foreword from the co-chairs:

Dear Bankruptcy Colleagues,

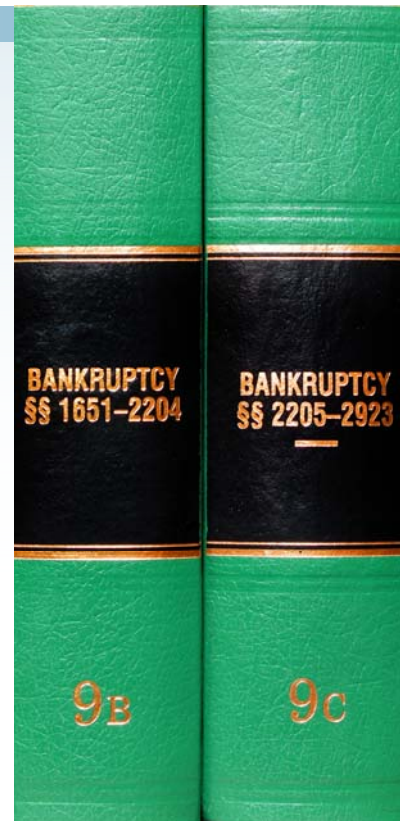
It's hard to believe, but it's been almost a year since the pandemic closed our offices and our courts. However, our community has embraced alternative ways to represent our clients, conduct court proceedings, and simply stay connected with each other as we move through this difficult time. Over the past year, we've adapted to changes in the Bankruptcy Code. We've welcomed new chapter 5 and chapter 7 trustees. We've participated in meetings and appeared before the Court in our kitchens, living rooms, and other makeshift home offices. Some of us might have even shared a video or two of a Zoom gaff and secretly sighed with relief that it wasn't our own misplaced camera, audio, or filter as we learn new ways to use technology. The Liaison Committee has always been committed to promoting communication between our colleagues and the Court to address issues affecting the Court and practice in this district. community of professionals—from attorneys and judges to clerks, courtroom deputies, reporters and all members of the Court—that have communicated and worked together to keep our practices going and the business of the Court running smoothly. On behalf of the Liaison Committee, we hope that everyone stays safe and healthy and we look forward to reconnecting in person soon.

Allison B Hudson and Mark S. Wheeler, Co-Chairs for the Bankruptcy Court Liaison Committee for the Northern District of Illinois

Serendipity—A tribute to Judge Jack B. Schmetterer

By Mark S. Wheeler, Co-Editor

Despite appearing before the Senior Bankruptcy Judge for the Northern District of Illinois perhaps hundreds of times over the last 29 years, I was uncharacteristically nervous to interview him. After all, a person could be quite different personally in an interview setting than they appear professionally. On the day I interviewed him, the door from the courtroom to the Judge's office opened and Judge Jack B. Schmetterer entered with a broad smile and a kind greeting. In a



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Serendipity, a tribute to Judge Jack B. Schmetterer (Continued)

demonstration of social grace that wasn't wasted on me, he insisted on putting on his suit coat. And with that the Judge said "Serendipity", which began a nearly eighty minute narrative on his life events covering the period of 1948 to the present day.

Serendipity is a term defined by Merriam Webster as a noun meaning the occurrence and development of events by chance in a happy or beneficial way. Schmetterer graduated from Oak Park High School in 1948 and applied to just one institution, Yale College. Despite very strong academic credentials, he was denied admission to Yale. He shared that fact with one of his high school teachers who took him to visit a Christian minister at one of the large congregations in Oak Park. After they discussed the issue of his admission, the minister wrote a letter to Yale asking them to change their ruling. Apparently the letter worked because soon after he received notification that he was accepted. At this point, the judge paused briefly in thought and said "Only in America could a Jewish kid from Oak Park get admitted to an Ivy League college on the recommendation of a Christian minister..."

While at Yale, Schmetterer immersed himself in the culture of the school and became active in the Yale Political Union Liberal Party. Interestingly, one of his classmates was Edwin Meese who many years later would become Attorney General of the United States during the Reagan Administration. Initially, Schmetterer studied Political Science at Yale, but after his junior year switched to a program major called Scholar of the House. In that program he authored a major paper (Similar to a Thesis...) on the development of political forces against the St. Lawrence Seaway, focusing on government and economics. He then emphasizes how enjoyable his final year of undergrad was and it culminated with a Bachelor of Arts in 1952.

Judge Schmetterer's father was a general practitioner in Chicago for many years, so it was only natural that he applied to law school at both Yale and Harvard. He editorializes that he applied to Yale for several reasons including that he was already familiar with New Haven and the campus layout. He had a part time job teaching undergrads Political Science to help pay for law school, and perhaps the most important consideration the quality of the Italian cuisine in that region. This time no Serendipity was needed as he was accepted at both Yale and Harvard. As you probably guessed, he chose to continue his studies at Yale. He met his first wife Joan prior to graduating from law school and relates with great affection what a wonderful person she was. He

shared a story at this point that he took Joan on a date to Ravinia and chuckles that she kept talking while he was trying to hear the performers. Schmetterer graduated from Yale Law School with his LLB in 1955.

In the 1950s the draft was still very much a part of our society, and the judge stated that his draft deferment was running out so he used his last extension to marry Joan before reporting to basic training. Following his basic training he and Joan moved to Ft. Gordon, Georgia. There he attended military police school because with his law degree the Army thought that was the best place for him. The Schmetterer's had very limited means while stationed in Georgia, and he remembers a time when they went without water for a short time due to uncharacteristically cold weather in the region that caused their pipes to freeze. At this point in the interview I couldn't help but feeling what a pampered upbringing many of us had in later generations without having to face real adversity. In 1957 Joan got a teaching job first at a Catholic School, then at a public school in Georgia. Her supervisors at the segregated school said they understood that she belonged to a different religion, but that she was ordered to bring her class down for a school prayer and because she knew that such a directive was unconstitutional, she refused to bring her class to the prayer and told the administrators that if they wanted them they would need to come get them. The school administrators finally relented and dropped the requirement for her class to attend the prayer. Schmetterer reflects, that at that particular point, the really needed the second income and that they were "as poor as church mice."

Schmetterer was discharged from active duty in the Army in 1958 and he and his wife eagerly moved back to the Chicago area. He worked practicing with his dad for 6.5 years when Serendipity struck again. One of Schmetterer's teachers at Yale was appointed as Deputy Attorney General of the United States, so he sent a letter congratulating him on his appointment and the former teacher contacted the U.S. Attorney in Chicago and another career began as a Federal prosecutor. He started in the Civil Division and a man by the name of

Serendipity, a tribute to Judge Jack B. Schmetterer (Continued)

Thomas James who was the head of the Civil Division at the U.S. Attorney (USA) office in Chicago. Ironically, Thomas James and a co-worker in the Civil Division, Erwin I. Katz both later became Bankruptcy Judges in the Northern District of Illinois. Schmetterer eventually became the head of the Civil Division following James' departure. He worked on enjoinder of public workers, but perhaps the most notable case he was involved in happened to be the first Northern school desegregation case, *United States v. School District 151 of Cook County, Ill.*, 301 F. Supp. 201 (N.D. Ill. 1969) when he served as First Assistant U.S. Attorney. The case also had a timely pop culture connection in that the Judge was the Honorable Julius Hoffman, who also adjudicated the Chicago Seven trial that was depicted in a newly released motion picture on the event last year. He was in the USA office during the 1968 Democratic Convention which became notorious for police brutality cases and mob demonstrations. Schmetterer was responsible for prosecuting use of excessive use of force by police officers. Richard Nixon won the 1968 election and Schmetterer stayed on for two years until the new US Attorney was appointed and that signaled his time to leave public service in 1970.

The judge went into a private law firm where he was a partner and they handled civil anti trust cases almost exclusively. However, his absence from public service did not last long when the Cook County States Attorney at the time, Ed Hanrahan, called him and offered him the First Assistant Cook County States Attorney position circa 1972.

In his new position he was tasked with a herculean effort of reviewing and producing an inventory of all the search warrants issued in Cook County. The purpose of his assignment was to engage prosecutors in the process to obtain search warrants, because at the time, the police were obtaining warrants on their own and many of them were defective. In a worse case scenario a murdered was released due to suppression of evidence that stemmed from a bungled search warrant due to the police mishandling it. In the mid 1970s Schmetterer indicated that the Circuit Judges would sign almost anything that was placed in front of them and had no qualms telling anyone who would listen that that was their psychology, they might sign a search warrant one day and find that it was defective the next. He also worked on voter fraud cases. A group of reporters from the Tribune served as election judges and reported a substantial amount of voter fraud. After two years at the States attorney, his boss ran for reelection and lost. Once again, it was time to find the next position his

experience would land him.

Following his two year stint at the States Attorney office, Schmetterer went back into practice at Gottlieb & Schwartz where he was a partner and spent approximately eleven years there. Then he remembers a Thursday night when a fellow partner asked him out for a drink and was informed that there were a number of partners that he considered friends that had been plotting a firm reorganization without his knowledge and those plans including throwing out several partners and taking the firm in a "different direction". He indicated to the partner who revealed the plan that he opposed it and his vote was no. When he arrived home that night he ran into an old friend-Serendipity. He pulled out an application for a bankruptcy judge opening he had been thinking about and the deadline was the very next day.

Schmetterer sought a short extension of time to gather his application materials. Also at the time, around 1984, Schmetterer was appointed to serve out the balance of a term for the Northbrook Village Board to replace a trustee who was elected to another position. He enjoyed serving on the Board a great deal and was asked to run for the seat he occupied permanently, however he was then notified that he would be appointed to the Bench as a Bankruptcy Judge. During these career changes, Judge Schmetterer and Joan managed to have three children Laura, Mark and Ken. Joan continued teaching for 25 years and her last position was with Northbrook Public Schools. In 1998, about two years after her retirement, Joan succumbed to lung cancer despite not smoking her entire life. Judge Schmetterer met his second wife Barbara on New Years Day 2000, and 18 months later they were married. He repeats what wonderful women he had married in his life. He was reappointed to a second 14 year term in 1999, then retired from the bench in 2011. He was later recalled where he continues to work even hearing a full Chapter 13 call every week. He also expresses his deep appreciation to his Judicial Assistants, Courtroom Deputies and Secretaries that faithfully served him over the years including Dorothy Clay, his current Judicial Assistant and Matthew Utter, his Courtroom Deputy. He also reflects on the fondness he had for his colleagues

Serendipity, a tribute to Judge Jack B. Schmetterer (Continued)

By Mark S. Wheeler, Co-Editor

leagues like Judge Robert Ginsberg, who he indicates was a genius and possessed a photographic memory. He also mentions the strong leadership of the Court that spanned years under Judge John Schwartz. Judge Schmetterer reflects on the entirety of his life with nothing but positivity, a trait that is both unusual and refreshing. His honesty and refusal to embellish his story indicates that he has always been confident and comfortable in his own skin.

On November 8, 2018 Judge Schmetterer was recognized by the Decalogue Society with the Inaugural Ilana Diamond Rovner Lifetime Achievement Award. This was a truly fitting culmination to an outstanding career that was assisted by Serendipity, but Serendipity didn't earn a law degree or serve in the Army, or have a work ethic that allowed it to find opportunities time after time to better positions with more responsibility.

I enjoyed writing this piece a great deal and my appreciation of the past or almost anything that reminds me of my youth continues to increase with age. I've come to view that as a good thing. I have always greatly respected Judge Schmetterer for his fairness and a personal level in completing this project because while I have always held Judge Schmetterer in the highest regard, I found myself appreciating him as a normal person. A normal person with an extraordinary story, amazing life, outstanding career and exceptional moral fiber. There is no doubt that I discovered something good that day that occurred by chance and ended in a way that was both happy and beneficial. In other words, it could also be described as Serendipitous.

Meet the New Chapter 7 Panel Trustees

By: Mazyar M. Hedayat, Co-Editor

2021 saw the installation of five new Chapter 7 Trustees in the Northern District of Illinois. Let's meet the Trustees.



Aja Carr Favors

Ms. Favors is a bankruptcy, business, and privacy attorney. She served as Associate General Counsel for a mainstream religious denomination, staff attorney for the Office of the Standing Chapter 13 Trustee, and established Favors Law, LLC. Aja earned her B.A. from the University of Illinois at Urbana-Champaign, M.A. from Northwestern University, Her Master's in theology and ethics from Garrett Theological Seminary, and her J.D. from Valparaiso University Law School.



William S. Hackney III

Mr. Hackney is a member of Smith Amundsen LLC's Financial Services Group, concentrating in insolvency, restructuring, and creditors' rights. Bill has significant experience representing debtors, lenders, secured creditors, creditors' committees, trustees, and other parties in chapter 11 and chapter 7 cases as well as out-of-court workouts and restructurings, and related litigation. He also represents lenders of all kinds in collection and enforcement actions. He also advises financial institutions and cannabis-related businesses on the interaction between state cannabis laws and federal banking and bankruptcy regulations. He is also outside bankruptcy counsel to a number of business entities and provides general business counseling in distress situations.



Ariane Holtschlag

Ms. Holtschlag is partner with FactorLaw in Chicago. Her practice is focused primarily in the field of consumer bankruptcy and is equally divided among representing debtors, trustees, and creditors in Chapter 7 and 13. Ms. Holtschlag also represents individuals and small businesses in Chapter 11. Ms. Holtschlag obtained her undergraduate degree from Illinois Wesleyan University in 2004 and her law degree from the University of Iowa in 2007.



Reed Heiligman

Mr. Heiligman is a member of Hiltz Zanzig & Heiligman LLC where he represents debtors, creditors, trustees and committees in all stages of reorganization and liquidation proceedings, serving both the transactional and litigation sides of business bankruptcy. Reed guides his clients through both bankruptcy proceedings and out-of-court workouts, routinely prosecuting and defending actions involving director and officer liability, fraud and impermissible transfers of assets. Reed has extensive experience in Chicago and across the country. Reed began his career at Frank Gecker LLP, where he worked for more than a decade. He also served as a law clerk to Justice Terrance O'Donnell of the Ohio Supreme Court. Reed also teaches legal writing at UIC John Marshall Law School and maintains an active *pro bono* practice. Reed lives in Evanston with his wife and son, and enjoys traveling and spending time with friends and family.



John W. Guzzardo

Since 2018, Mr. Guzzardo has been a partner in Horwood Marcus & Berk's Bankruptcy, Reorganization and Creditor's Rights Group and Chair of the firm's Litigation Group. With an undergraduate degree in theater from Northwestern, John was an actor and scenic carpenter in Chicago and Los Angeles for over 7 years before going to law school. (Performing in Steppenwolf, Northlight, Organic, and About Face productions, among many others.)

John graduated from Chicago Kent College of Law and worked at associate at Skadden Arps, almost exclusively on the Delphi Bankruptcy. John then worked as an associate and became Of Counsel at the former Shaw Fishman Glantz & Towbin. He is honored to have worked with and for some of the best trustees in this district on complex and significant legal and commercial matters. Since the Pandemic has forced him to work from home, John's wife and son cannot wait for him to go back into the office. Finally, John begrudgingly admits he recognized every single cultural reference in the book Ready Player One.

Chicago vs. Fulton—Chicago Goes to the Supreme Court (Again)

By: Israel J. Moskovits, Supervising Attorney, The Semrad Law Firm, LLC

Consumer bankruptcy practitioners around the country eagerly awaited the Supreme Court's decision in *Chicago v. Fulton*, 2021 WL 125106, at *5 (Sotomayor, J., concurring) – the latest salvo in a battle that began more than 10 years ago between competing interests related to the issue of whether vehicles repossessed pre-petition (See *Thompson v. GMAC, LLC*, 566 F. 3d 699 (7th Cir. 2009) should be returned to Debtors merely by virtue of the filing of a Petition. That issue was revisited and expanded to include the question of whether vehicles seized by the City of Chicago for parking violations through enforcement of a possessory lien could properly be retained notwithstanding the ruling in *Thompson*. Unfortunately, despite the Supreme Court rendering its decision in *Fulton*, this body of law remains as cloudy as ever.

When Must the Court Weigh In?

Decisions such as *Thompson* and *Fulton* address what actions a Creditor can take to recover property taken prior to the Debtor's filing. The typical fact pattern involves a vehicle seized by a secured creditor/lienholder pre-petition due to non-payment or impounded by the City of Chicago due to the accumulation of parking and permit violations. Both fact patterns assume that actions taken by the creditor or city prior to repossession were proper within the context of existing law. For Chapter 13 Debtors the answer to the question of whether the city must relinquish the vehicle lies in how the property (vehicle) is characterized by the Court as being vital to their reorganization: and typically the answer to that question is yes. The Automatic Stay imposed by 11 USC §362 prohibits most collection activity, including the taking of a vehicle without court permission while 11 USC §542 provides the mechanism for the Debtor to recover the vehicle. Read together, these provisions empower Debtor's Counsel to seek recovery of the vehicle by way of a Motion for Turnover or Adversary proceeding.

Two Schools of Thought

As pre-filing vehicle seizures have been litigated around the country, a split of authority emerged. The first maintains that the Automatic Stay alone is sufficient to compel Creditors to return seized vehicles following receipt of proper notice of a Bankruptcy filing, while the second holds that the Automatic Stay merely maintains the *status quo ante*, so that creditors may retain seized collateral until the Debtor brings an Adversary proceeding or

Motion for Turnover to be heard on the merits.

In re Thompson

In 2009, the 7th Circuit held in *Thompson vs. GMAC* that even passive retention of a seized vehicle following a bankruptcy filing constituted “exercising control” in violation of the Automatic Stay. The holding gave rise to an affirmative duty on Creditors to return seized collateral. And, while *Thompson* was successfully used in the exclusive context of vehicles against vehicle financiers, it actually took center stage when the City of Chicago started to aggressively impound vehicles for parking violations. Utilizing the reasoning in *Thompson*, Debtors' Attorneys were able to force the City to return vehicles impounded prior to a Chapter 13 filing.

Thompson Reaffirmed

With an influx of Bankruptcy filings expected in the near future and its hands tied by the 7th Circuit's holding in *Thompson*, the City of Chicago resorted to legislative maneuvers to get around the implications of *Thompson*; such as amending its municipal code to create possessory liens on impounded vehicles and take advantage of the §362(4) “possessory lien exception” to the Automatic Stay. After years of jousting, however, in 2019 the matter came to a head when the 7th Circuit heard four consolidated cases in which the City of Chicago impounded vehicles due to parking tickets and refused to release them following their receipt of notice of a Bankruptcy filing. Faced with the question again, the 7th Circuit reaffirmed *Thompson* and held that, by retaining possession of the vehicle after the Debtor declared Bankruptcy, the City had “exercised control over” property in violation of §362.

Chicago vs. Fulton (Cont'd)

By: Israel J. Moskovits, Supervising Attorney, The Semrad Law Firm

Thompson Reversed by the Supreme Court

When *Chicago v. Fulton* challenged *Thompson* and its progeny, the United States Supreme Court reversed, finding specifically that:

- (a) Maintaining passive control over collateral did not constitute an affirmative act within the meaning of the Code; and
- (b) The legislative intent of §362 illustrated that its purpose was merely to preserve the status quo, not create a new affirmative duty on creditors. Despite its sweeping implications, the *Fulton* Court was careful to emphasize the very narrow scope of its holding and suggested that in some cases omissions could qualify as acts and “control” could mean “having power over.” The Court went on to observe that §542 would be rendered superfluous if the Automatic Stay were interpreted as a broad turnover mandate; and it was unwilling to bestow §362 with such generous powers when §542 appeared to be Congress’ intended apparatus. The decision also looked to the history of the drafting of the Code, noting that the phrase “exercise control” as a prohibited act was a later addition to §362, and that if Congress had intended that language to affect a major overhaul of the Bankruptcy Code, it would have done more to make that intent clear. Justice Sotomayor wrote a separate concurring opinion that emphasized that the Court’s narrow holding did not touch the other elements of §362 that might require a Creditor to return property of the Estate, such as “any act to create, perfect, or enforce any lien against property of the estate” and “any act to collect, assess, or recover a claim against [a] debtor”, an apparent nod to the City’s use of possessory liens, an issue that was not raised before the Supreme Court. Reading the main and concurring opinions together, it becomes clear that the Court wanted the holding to be read very narrowly, but also made it very clear that many issues were not resolved by its decision. Passive retention by itself is not an “act” that violates §362, though it is suggested that there are situations where it could be. Though passive retention is not an “act”, other elements of §362 likely exist that create affirmative obligations upon creditors immediately after a bankruptcy is filed.

The Implications of Fulton

The short-term practical takeaway for Chicagoland practitioners appears to be a return to the pre-*Thompson* days, whereby debtors will have to seek court orders for the return of property seized prior to filing. The Supreme Court’s decision leaves open whether this is to be done through use of an adversary proceeding or through a motion for turnover under §542. We can only expect to see more litigation around this issue as debtors and creditors attempt to grapple with the Court’s latest decision.

NextGen CM/ECF

By: Simone McLarty-Carter, Training Specialist, U.S. Bankruptcy Court, Northern District of Illinois

Of course, NextGen CM/ECF is not a sudden development. The Administrative Office of the U.S. Courts began overhauling CM/ECF more than 10 years ago by gathering input from multiple stakeholders and drawing up detailed plans to upgrade the system for the benefit of all Federal Courts (Appellate, District, and Bankruptcy). Following those far-reaching and comprehensive discussions, a detailed plan was devised to meet several aims: update CM/ECF software in line with current technological standards, improve functionality for Court users, and, ultimately, to make the enhancements called for by Attorney and non-Attorney e-filers.

Innovations: Single Sign-On

The major innovation of NextGen CM/ECF is the creation of a one-time or "single" sign-on feature known as Central Sign-On (CSO). CSO will give every e-filer access to all the Federal Courts in which they have filing privileges, including but not limited to the ability to look up case information. Once implemented, NextGen will provide these features and more.

To take advantage of CSO, e-filers must have an upgraded individual PACER account or accounts issued after August 2014) and know their ILNB e-filing login and password. E-filers who do not have an account, or whose account has not been upgraded, may navigate to the PACER website to create one or upgrade.

It is recommended that the upgrade or creation of a PACER account be completed before the Go Live date On May 24, 2021, the Bankruptcy Court for the Northern District of Illinois will implement the latest iteration of the long-standing Federal Case Management/Electronic Case Filing System (NextGen CM/ECF). In doing so, our Court joins 44 others already live on NextGen CM/ECF. of May 24, 2021. After that, all e-filers will be required to link their individual PACER account with their ILNB CM/ECF account to create their Central Sign-On.

Logging Into NextGen CM/ECF

Once the system is live, e-filers can log into all NextGen Courts from the PACER website or CM/ECF

link on the website maintained by any Court in which they have filing privileges. That Court's website will also let users log directly into NextGen CM/ECF by providing a link from which they will be taken to their Central Sign-On page. Once logged in, the PACER case search feature will be available and charges will be applied as displayed.

Supplemental Features

Additional features of the upgraded PACER account will permit the management of an e-filer's account, including:

- (1) changing username/password;
- (2) setting security information for the "forgot password" feature; and
- (3) managing and storing up to 3 credit cards with which to pay for PACER-related or CM/ECF fees.

For more information about PACER and NextGen enhancements, visit www.pacer.uscourts.gov.

More Information

The Bankruptcy Court for the Northern District of Illinois will be providing more information concerning implementation of NextGen at www.ilnb.uscourts.gov. In addition, weekly webinars will be offered to provide all e-filers with the necessary information to prepare for the "Go Live" date of Monday, May 24, 2021. Finally, the ILNB help desk is available Monday-Friday 8:30 a.m. -5:00 p.m. to answer questions, listen to concerns, and help with obtaining filing credentials. Reach out to our office by phone at +1 (312) 408 7765, or by email at ecf_train@ilnb.uscourts.gov.

Simone McLarty-Carter
Training Specialist

Chapter 7 Zoom Pilot Program

By: Gretchen Silver, Trial Attorney, Office of the United States Trustee

The Pilot Program

In December 2020, the U.S. Trustee for the Northern District of Illinois (UST) began testing the use of Zoom in connection with Chapter 7 Creditors' Meetings; with the first four participating Trustees sitting in Cook county and the Collar counties. The UST has since received feedback from participating Trustees, as well as members of the bar, who volunteered their opinions and recommendations.

The Process

The use of Zoom in connection with 341 Meetings will proceed as follows:

Instructions

Shortly after cases are filed, Trustees provide Debtors and their Counsel with instructions about how to register for, and participate in, Creditors' Meetings via Zoom.

Zoom Link

A few days before each Meeting, the Trustees send an email to the Debtor and Counsel that contains a Zoom link. On the day of the Meeting, Debtors and their Attorneys log in, identify themselves, and are placed in a "waiting room." When the Trustee is ready to hear the case, the parties are moved into the main "meeting room."

Debtor Identification

Trustees have discretion as to when and how Debtors

present identification. Some prefer to receive documents prior to Meetings, while others will review them during the Meeting. Note that audio from the Meetings will continue to be recorded, but there will be no video records.

Technical Issues

Inevitably, there will be technical hiccups from time to time such as weak Internet connections, excessive background noise, etc. The instructions to be provided by the Trustees will address such issues, as well as others, to ensure a smoother experience for all.

Exiting the Pilot Stage

The UST will soon determine whether to expand the Pilot Program to the full Chapter 7 Trustee panel in the Northern District. If it does, the use of Zoom for Chapter 7 Creditors' Meetings will remain in place only until in-person Meetings are resumed.

Feel free to contact Assistant U.S. Trustee Adam G. Brief at adam.brief@usdoj.gov with your questions, comments, or recommendations.

New Fee for Chapter 7 Trustees

By: Jeffrey Allsteadt, Clerk of the U.S. Bankruptcy Court, Northern District of Illinois

The 2020 Bankruptcy Administration Improvement Act ("BAIA") establishes a new payment to Chapter 7 Trustees; in effect giving them a raise in each fiscal year, beginning with 2021. The Department of Justice ("DOJ") will transfer to the Administrative Office of the Courts ("AO") the amount necessary to pay up to \$60/Trustee/case, and the AO will transfer the required amounts to Courts around the country to distribute to Trustees.

The exact amount of the payments will be determined by the AO, but in any event is limited by the availability of funds in the DOJ's fee account. Furthermore, only amounts exceeding those necessary to fund the appropriation of the Executive Office for U.S. Trustees ("EOUST") will be available to do so. If that amount is less than necessary to pay each Trustee the full \$60, then each one will receive a pro rata share of available funds.

Work is already underway on the process by which to pay the new fees, including the drafting of regulations for the administration and distribution of the new payments, as well as how to make the necessary modifications to case management and financial systems. This new payment will be in addition to the \$60/case each Chapter 7 Trustee currently receives pursuant to 11 U.S.C. §330(b). The new fee will be paid after the end of each fiscal year and will typically be a lump sum.

In Memoriam: Thomas E. Vaughn, Trustee 1951-2020

By Mark S. Wheeler, Co-Editor

The bankruptcy community lost a family member on Thanksgiving Day, November 26, 2020. Thomas Edison Vaughn was born in Arkansas on April 9, 1951. He told me that as a six year old child he remembered watching the black high school students escorted to Little Rock Central High School on the family's black and white TV. He later became a good friend of Dr. Earnest Green PhD who was one of the 9 students who were assisted by the soldiers that day and during our many talks on the subject, he said the he never allowed experiences like that to dull his resolve to be successful. He had an extraordinary work ethic that matched his parents expectations for him and the goals he established for himself. He first studied at Arkansas Pine Bluff and enjoyed participating in the ROTC there where he established friendships that endured throughout his life. Tom became a commissioned officer (Finance) while serving in the U.S. Army during the Viet Nam era. Tom continued his studies at his beloved Kansas University where he obtained a joint degrees, both a Masters in Business Administration and Juris Doctor in 1978. Tom was a Past President of the Black Students Association. He was active in the Kansas University alumni association which has over 350,000 members and hosted alumni visitors at our office from time to time. Tom mentored many young men who were students at Kansas, including Chris Harris Jr. an All Pro Safety with the Denver Broncos and currently a member of the L.A.. Chargers.

After graduation Tom and his wife Corliss had three wonderful children Brandon, Christopher and Erin who were all outstanding students. All of his children are now licensed attorneys. Tom believed that education was the most important tool anyone could possess in order to secure there place at the table of success.

In 2008 Tom was honored by Kansas University as one of the 20 most influential African American alumni of all time. As was typical of Tom that he didn't publicize this accomplishment.

Tom's level of devotion to his children and wife were unmatched. Regardless of what they needed he made it a point to be available to them. He enjoyed taking his sons on an annual fishing trip to a lodge 600 miles northwest of Vancouver B.C. and took his daughter to the U.S. Open at Flushing Meadow, NY several years ago as they were both enormous tennis fans.

He enjoyed travelling with his entire family and would often bring back souvenirs to me and other staff members like an NCAA Final Four cap or silk tie. He was an impeccable dresser and often wore a classic fedora when the climate required it.

On a personal level Tom and I shared many good times including attending the 2003 MLB All-Star game in Chicago. One time he wore a Cubs jersey to the office on a Friday and sent an email to staff saying that he did it just to irritate me...I'm a bit of a White Sox fan. We could literally discuss any subject matter without getting angry and I consider his support to me legendary. There are a handful of times in a person's life where they meet someone who changes their values and belief system in simply leading by example. For me, this happened once. He will be missed terribly.

ANNOUNCEMENTS

The Editors would like to thank the Clerk of Court and Beverly Griffeth-Bryant for their generous assistance in publishing this newsletter during the COVID-19 crisis and on very short notice.

Stay in touch! Follow the Liaison Committee on **LinkedIn** to receive all the latest news and announcements:
<http://www.linkedin.com/company/ilnb-bclc>

The BCLC formed a diversity committee last year and will be seeking to increase the diversity of our committee with the new members beginning their terms in August 2021. With that in mind please consider applying or nominating someone you know beginning June 1, 2021. You may send a letter of application and resume or CV to any of the attorney members via email who will pass it on to either of the co-chairs.

Mission Statement

The Bankruptcy Court Liaison Committee for the Northern District of Illinois was formed to assist the Bankruptcy Court and its practitioners to create a more efficient and collegial environment throughout the entire Northern District of Illinois. To further that purpose, the Liaison Committee publishes a periodic newsletter, develops local practice questionnaires, and sponsors educational programs and social events to encourage interaction among judges and practitioners. Additionally, section 2.01 of the Committee's bylaws provides that practitioners may relay issues, concerns, or complaints about bankruptcy judges or the bankruptcy court to the Committee – anonymously – through the co-chairs or any other committee member. The information will then be anonymously presented to the appropriate bankruptcy judges for review and consideration under 28 U.S.C. § 154(b), which provides that the chief judge of the bankruptcy court “shall ensure that the business of the bankruptcy court is handled effectively and expeditiously.”

Practitioners wishing to share any issues, concerns, or complaints with the Committee may contact any of its Members anonymously via mail, email, phone, or on the Bankruptcy Court's website at: <http://www.ilnb.uscourts.gov/bankruptcy-court-liaison-committee>.

United States Bankruptcy Court For The Northern District of Illinois

Chief Judge A. Benjamin Goldgar

Judge Janet S. Baer

Judge Timothy A. Barnes

Judge Donald R. Cassling

Judge David D. Cleary

Judge Jacqueline P. Cox

Judge Carol A. Doyle

Judge LaShonda A. Hunt

Judge Thomas M. Lynch

Judge Jack B. Schmetterer

Judge Deborah L. Thorne

2020-2021 Bankruptcy Court Liaison Committee

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Honorable Janet S. Baer

Honorable David D. Cleary

Honorable Thomas M. Lynch

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