

Bankruptcy Law

1. What is *bankruptcy law*? What does it cover?

In general, if someone says they practice bankruptcy law they are practicing the law according to creditors and debtors. Half of the practice deals with bankruptcy issues and the other half deals with borrowers and state code remedies. Bankruptcy law is a federal statutory system that provides a mechanism for debtors to eliminate or reduce liability of debts dependent on the claim. When someone files bankruptcy, he is asking to be relieved of all debts. The claims he chooses to file can be extremely broad and may cover all debts and assets depending on the nature of the claims.

2. What does an attorney do who works in *bankruptcy law*?

There are two types of attorneys that practice bankruptcy law:

Creditors → Main purpose is to attain maximum pay-out for client. They represent banks and credit unions. If the client is keeping the collateral, the creditor tries to make sure debtors are paying to maintain it. Creditors also dispute regarding what they are paying and how to handle the claim.

Debtors → Meet with clients and go through their financial situation in order to tell them what kind of bankruptcy to file. Attorneys file lawsuits to relieve clients of their liability from debts. If an attorney is working with a government debtor, he is covered by a federal code called the U.S bankruptcy code.

Bankruptcy law attorneys practice litigation and spend most days drafting, pleading and arguing motions for bankruptcy court.

3. What is an average day like for an attorney who practices *bankruptcy law*?

Most days are busy depending on the work that comes in. A normal day usually consists of submitting requests to object plans or pick up collateral, responding to clients, drafting motions, and asking for things from clients that are needed for court. Most of the practice consists of getting things done timely, accurately, and making sure the overall job is well done for the client.

4. What is the average salary for an attorney who practices *bankruptcy law*?

The entry level for average salaries in the market is dependent on the size and location of the firm. To start, the average salaries range between \$45,000 - \$60,000 a year. On the higher end, salaries range from \$85,000 - \$100,000 a year.

5. Is there currently a demand for *bankruptcy law* attorneys?

Right now there has been a demand for bankruptcy lawyers. Last year Utah had the #1 per capita basis for filing bankruptcies, meaning 1 out of 32 people were filing bankruptcies. Currently, Utah bankruptcy cases are declining; they fell 4% last year leaving Utah 4th in the nation. Despite this, the plethora of recent bankruptcies has still created a lot of work. This might be affected by a recent bill in the process of being passed that will complicate bankruptcies and the requirements entailed.

6. Is there more of a demand for *bankruptcy law* attorneys in one area of the country over another?

Utah has had the highest number of bankruptcies, leading the country per capita. California has also had a large number of people filing bankruptcies. In Delaware, there have been many big businesses filing bankruptcies. Other areas with a high demand for bankruptcy lawyers include New York and Chicago.

7. How difficult is it for students right out of law school to get a job in *bankruptcy law*?

Not any more difficult than any other area of law. It depends if they want to do creditor or debtor work and timing definitely makes a difference. For a while, there will be a demand and it will be easier to walk into things doing debtor work. Doing creditor work is a little harder because clients are usually with firms for longer.

8. In what type of a work situation can an attorney practice *bankruptcy law*? Big firm? Small firm? Government work?

Bankruptcy law can be practiced in all aspects because it affects everybody. People's debts are affected; credit card companies are affected; taxes are affected (e.g. The IRS has bankruptcy attorneys).

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9. What are the most rewarding things about practicing *bankruptcy law*?

Winning cases is rewarding when it involves interesting legal issues. Bankruptcy law is also intellectually stimulating because you are not fixed in any one practice and it is one of the last areas of law that allows you to do that. Being successful and doing your job well is also rewarding. Debtors find their job more rewarding because they help people who are worse off get back on their feet; whereas creditors are more challenged considering their job is simply to get their clients more money.

10. What are the most difficult things about practicing *bankruptcy law*?

Some difficult aspects in bankruptcy law are the time constraints and timelines, filing and responding to motions, finding witnesses for hearings and attending hearings. Timelines can be very demanding because bankruptcy cases try to push things through very quickly. Chapter 7 cases are done within 3-4 months after being filed. The investigation is done within 60 days in order to meet deadlines. Also, a lot of people that are serial filers (file then dismiss) have to go through 3-4 cases before getting things done. Repeat filers are also sometimes frustrating. The pressure from your firm can be difficult to deal with, although it depends on the size of the firm. For larger firms that practice bankruptcy and litigation, things move quickly and there are many days when you don't know when it's time to go home. Sometimes bankruptcy law can be difficult because people abuse the system, while there are others who are just in tough shape because they are disabled and cannot pay their bills.

11. For students who are interested in practicing *bankruptcy law*, are there certain undergraduate classes they should take? Majors that are better? Minors that are better? Yes, a financial background in accounting is extremely helpful. Also, a basic understanding of financial transactions, loan agreements and origination processes is helpful. It is beneficial for any lawyer to be able to read and understand a balance sheet or finance statement.

12. For students who are interested in practicing *bankruptcy law*, would it be better to go to a school that holds itself out as having a specialty in *bankruptcy law* or just the best ranked law school the student can get into? Some firms may give more weight to someone that went to a specialized school; but most attorneys practice more than just one kind of law, so it's better to get into the best school you can and worry about specializing when you're already in law school.

13. For students who are interested in practicing *bankruptcy law*, are there certain law school classes they should take?

Bankruptcy or insolvency law, Uniform Commercial Code Article 9, liens perfected and priority real estate courses are all good classes to take in law school. Also, sales, business corporations, business management, civil litigation or civil practice classes are also helpful too. Since bankruptcy is a general area of the law, pretty much every class you take will be applicable.

14. For students who are interested in practicing *bankruptcy law*, is there anything else they should do to prepare themselves for that field of law?

Taking courses on bankruptcy, working in a bank and dealing with transactions, or getting a job in a law firm are all good preparations. Working around attorneys to get experience in a firm is also helpful to see what it is like to practice law. In general, you don't need to worry about taking specific classes or studying specific things; just concentrate on having a well-rounded education and take some accounting classes or finance classes to get a good foundation. It is also essential to take some classes that teach you to write as well as some philosophy classes.

Information compiled based on interviews with the following attorneys:

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