

CAREER DEVELOPMENT OFFICE JOB GUIDE

BANKRUPTCY

Description

Bankruptcy practices (sometimes referred to as financial reorganization or insolvency practices) concern negotiations and legal proceedings to obtain financial relief for a corporate or individual debtor that is experiencing serious financial difficulties. The federal Bankruptcy Code (Title 11) allows debtors to either eliminate or restructure their debts under the protection of the bankruptcy courts. Specific state laws addressing debtor-creditor relationships often do the same, either under the guidance of a court-appointed receiver or administrator, or through litigation and enforcement of judgments.

Bankruptcy attorneys generally specialize in either corporate or consumer issues, but usually not both, and often limit their representation to the debtor side or the creditor side due to inherent conflicts of interest. Because federal bankruptcy and state insolvency proceedings are available to individuals and corporations, a bankruptcy and insolvency practice touches upon a number of areas of law, including corporations, secured transactions, consumer law, and tax law.

Bankruptcy practices are highly cyclical, often lagging several years behind the ups and downs of the U.S. economy. Recent developments in bankruptcy court jurisdiction and the high administrative costs of commercial reorganizations have led a trend away from reorganizations in bankruptcy courts, resulting in many more state court receiverships, assignments for the benefit of creditors or out-of-court workouts between debtors and their creditors.

Qualifications

No specific undergraduate degrees or courses of study are required for a bankruptcy practice, although it is beneficial to have a basic understanding of finance and accounting. A corporate bankruptcy practice involves every aspect of the operation of a business, from labor and employment matters, to franchising, corporate structure, securities law, secured transactions, commercial real estate, taxation, and environmental issues. Consumer practice often implicates issues such as domestic relations, consumer finance, inheritance, tax, employment discrimination, and personal injury. An attorney practicing in this area must have at least some knowledge of these areas of law in order to identify issues that may impact property of the debtor's estate and the debtor's ability to reorganize.

Types of Employers

Law Firms:

Law firms that provide bankruptcy services typically fall into three categories:

<u>High-Volume Consumer Bankruptcy Firms</u>. Solo practitioners and small firms sometimes handle only individual bankruptcies for persons with small estates. The objective of such a practice is to handle a large number of small cases.

<u>Boutique Bankruptcy Firms</u>. Some of the smaller firms that focus primarily or exclusively on bankruptcy, referred to as "boutiques," will handle small to mid-sized corporate reorganizations, along with individual cases.

<u>Large Firms</u>. The larger, full-service law firms typically have bankruptcy practice groups handling only large cases. These firms often elect to represent only corporate debtors or only creditors of such debtors, because of the potential for conflicts of interest.

All of these types of law firms hire entry-level lawyers, with the larger firms tending to have higher minimum GPA requirements than many of the smaller firms.

U.S. Trustee's Office:

The Office of the U.S. Trustee (part of the Department of Justice) is responsible for overseeing administration of bankruptcy cases in the federal courts. This Office monitors the conduct of the bankruptcy parties, trains and supervises private trustees, and acts to ensure compliance with applicable federal laws and regulations. The Office also coordinates with the FBI, U.S. Attorneys and other law enforcement to investigate bankruptcy fraud and abuse.

Chapter 7 Panel Trustees:

The Office of the U.S. Trustee (part of the Department of Justice) approves a group (or "panel") of private citizens for each judicial circuit, and then bankruptcy courts pull from the panel when appointing someone to serve as trustee of a Chapter 7 bankruptcy estate. The trustee represents the estate, not the debtor or creditors, and is responsible for liquidating the debtor's estate and distributing assets in accordance with the priorities set by the Bankruptcy Code. The trustee is often a lawyer, but other professionals like accountants also serve in this capacity. For many lawyers on such panels, this is not full time work, and they maintain their own private practices at the same time.

Standing Chapter 13 Trustees:

A Chapter 13 trustee represents the bankruptcy estate of a debtor, not the debtor or the creditors. The trustee is responsible for collecting plan payments from the debtor and disbursing those funds to creditors pursuant to individual repayment plans approved by the bankruptcy court. There will typically be a Standing Trustee's Office established for each judicial district, and that office may employ a number of lawyers to serve in this capacity. These positions are typically full time.

Bankruptcy Courts:

Bankruptcy judges often hire new graduates as term or permanent law clerks to assist in researching issues before the court, writing opinions and managing the court's docket. While these clerkships are slightly less competitive, grades-wise, than some other federal clerkships, candidates must display a demonstrated interest in bankruptcy law.

Job Search Strategy

As you plan your path to a career in bankruptcy law, consider the following advice:

- Credential yourself in the field. Take the relevant law school courses, and choose a relevant topic for your law review or journal note or advanced writing requirement.
- For your 1L and 2L summers, do your best to secure a position for at least part of the summer that will give you relevant experience. Law firms and bankruptcy courts may provide the most opportunities for summer jobs.
- Many smaller firms do not have the resources to recruit on-campus, so you may need to make more outreach to the firms through unsolicited letters and networking. Your CDO Counselor can help you search for good targets of opportunity and draft appropriate cover letters.
- Look for summer internship positions in Symplicity or at external job posting sites listed below. You should also talk with 2Ls and 3Ls who had such internships in the past. You can get lists of summer positions held by our students during the most recent summer from your CDO Counselor.
- Few bankruptcy-specific career fairs or job posting sites exist for entry-level bankruptcy attorneys. The best way to begin a bankruptcy practice is often to use networking to meet current practicing bankruptcy attorneys and judges. Attending seminars and social events hosted by state and local bankruptcy sections of bar associations or professional organizations is a great way to meet attorneys practicing and judges. Those organizations' websites will also often have membership or speaker lists and information.

Other paths that have proved successful to beginning a bankruptcy practice include (1) clerking for a bankruptcy judge for a couple of years; (2) doing consumer or commercial litigation for a law firm; and (3) doing finance and lending work for a law firm. Law clerks for bankruptcy judges will have the opportunity to learn the Bankruptcy Code and rules well and will gain exposure to practicing attorneys appearing in cases before the court. In private practice, many corporate or litigation clients will encounter bankruptcy issues from time to time and may allow a young associate to gain experience or expertise.

Relevant Courses

Current bankruptcy and insolvency related course offerings at Georgia Law include:

Bankruptcy
Accounting and Finance for Lawyers
Business Reorganization in Bankruptcy
Consumer Law
Corporations
Corporate Finance
Life Cycle of a Corporation
Poverty and Financial Law
Secured Transactions

Also, check the Law School's <u>Course Offerings page</u> for an updated list of courses offered and the applicable semester class schedule.

Relevant Law School Activities

The Homer W. Drake, Jr., Georgia Bankruptcy American Inn of Court

Corporate Counsel Externships

Bar and Professional Organizations

Georgia Bar Association Bankruptcy Section

Atlanta Bar Association Bankruptcy Section

American Bankruptcy Institute

Southeastern Bankruptcy Law Institute

Coastal Bankruptcy Law Institute

External Job Posting Sites

The following are sites that specifically list bankruptcy jobs, although most require at least a few years of experience:

<u>Indeed.com</u> (compiles open positions listed by recruiters and other sources nationwide and includes non-attorney positions in bankruptcy-related industries)

Law Crossing

Glassdoor

Recent Jobs

Bankruptcy court judges often hire our students as summer or academic year interns. You can find a list of all the bankruptcy judges in Georgia and their contact information at the Northern District <u>website</u>, the Middle District <u>website</u>, and the Southern District <u>website</u>. If you want to work at a particular court, CDO Counselors will be happy to help you develop a strategy for contacting the judge. In the past several years, we have had students intern, or obtain post-graduate work, with the following judges in the Southeast:

	Court	Location
Chief Judge Susan D. Barrett	Southern District of Georgia	Augusta, GA
Judge Paul W. Bonapfel	Northern District of Georgia	Atlanta, GA
Judge Wendy L. Hagenau	Northern District of Georgia	Atlanta, GA
Judge James Massey	Northern District of Georgia	Atlanta, GA
Judge Joyce Bihary	Northern District of Georgia	Atlanta, GA
Judge Barbara Ellis-Munro	Northern District of Georgia	Atlanta, GA
Judge Michael Williamson	Middle District of Florida	Tampa, FL
Judge Shelley D. Rucker	Eastern District of Tennessee	Chattanooga, TN

It is difficult for CDO to track our students and graduates who are doing bankruptcy work within law firms. We may know an alum has gone to a particular firm, but we will not often know the precise kind of practice that the alum may have. If you are looking for a small firm that specializes in this practice, the best approach might be to search for those firms at a site like FindLaw.com or Martindale.com. You can search by city and state. Then check with a CDO Counselor to get help in identifying contacts at the firms.

Other Resources

Bankruptcy Lib Guide, UGA King Library