

Preview of ABI's 2009 Winter Leadership Conference, Plus Sideshow

Contributing Editors:

Eric M. Van Horn

Dallas

chapter8humor@gmail.com

Scott K. Brown

Lewis and Roca LLP; Phoenix

sbrown@lrlaw.com

This past April we attended ABI's Annual Spring Meeting (ASM) in National Harbor, Md. Chapter 8 provided extensive coverage of the conference, presentations and tchotchkes. Much to your surprise, our written report was published in the *ABI Journal's* June 2009 issue. Not wanting to miss out on another publishing opportunity, we planned to do a similar report for the ABI's Winter Leadership Conference (WLC), which is Dec. 3-5 in La Quinta, Calif. However, due to constraints in the Chapter 8 budget (and zero balances in our kids' trust accounts), we will be unable to attend this year's WLC.



Eric M. Van Horn

But that won't stop us from providing the conference coverage that our readers want—even if it means having to wildly speculate. As a result, this column is dedicated to the first-ever preview of an ABI conference in which we, upon information and belief—and much meditation—predict what will happen during a few of the presentations and events. *Spoiler Alert:* Please be advised that if you are attending the conference and want to be surprised, the below could ruin your fun.

Opening Reception

WLC will kick-off with its usual receptions. Overall, spirits will be high because the pre-packaged CIT bankruptcy filing caused a wave of small-business bankruptcies across the country that were just beyond the warm embraces of New York and Delaware, and that were just big enough to barely pay bankruptcy professionals.

At the New Member/Ambassador Reception, we predict that the ABI ambassadors will be overwhelmed with the number of new members. Many new members will be seasoned lawyers who

About the Authors

Eric Van Horn is a bankruptcy attorney in Dallas. Scott Brown is a partner in the bankruptcy group at Lewis & Roca LLP's Phoenix office. He is a former co-editor of ABI's International Committee's newsletter and is assistant to the committee's education chair.

are venturing into bankruptcy in order to diversify their practices and capitalize on the "surge" in bankruptcies. As a result, the ambassadors will have to engage in a delicate balancing act of maintaining a festive atmosphere while breaking the bad news to new members that the chapter 11 business, even with CIT's filing, has not been as good as professionals had hoped—unless you live in New York or Delaware.

Chapter 8 Humor

Presentations



Scott K. Brown

Attendees will be energized as the conference program begins with the presentation on "Lessons Learned from GM and Chrysler" that features **Corrine Ball** (Jones Day; New York), lead bankruptcy attorney for Chrysler. Fireworks will flare when she speaks, not because of the Chrysler bankruptcy secrets that she will share, but because whenever she talks she will be interrupted with objections by the never-surrendering Thomas A. Lauria, who represented the Indiana Pension Funds. Ms. Ball will diplomatically reply to the interruptions by thanking Mr. Lauria and the objecting funds, on behalf of the Jones Day partnership, for the expensive litigation, and gently reminding him that neither of their firms are getting paid for his seminar interruptions. Co-panelist **John J. Rapisardi** (Cadwalader, Wickersham & Taft LLP; New York), who represented the U.S. Treasury Department in Chrysler, will try to make

peace by thanking Mr. Lauria and Ms. Ball for paving the way for GM's sale.

Panelists presenting "High Income Debtors: Chapter 11 by and for the People" will discuss the recent filings of former professional baseball player turned stock trader Lenny Dykstra and former Advantage Rent-A-Car owner Denny Hecker. They will note that Dykstra, who filed in July, listed a German Shepherd worth \$10,000. Panelists will speculate that Dykstra must have thought that a \$10,000 dog was reasonable in light of the fact that Hecker spent \$30,000 each on two German Shepherds. We predict that a panelist will be booed for making an inappropriate joke about Michael Vick's bankruptcy schedules and the lack of any animals thereon.¹ Another panelist will speculate that the only pets that billionaires Warren Buffet and Bill

Gates might schedule in hypothetical bankruptcies would be origami animals made out of million-dollar bills or animals carved out of gold. The panel will conclude with the observation that while Delaware bankruptcy judge, the Hon. **Kevin Carey**, shot down a \$1,000 hourly rate for bankruptcy lawyers,² Michael Vick, as disclosed in his schedules, considers \$1,000 "chump change"—even when he gives the money to his mother.³

In the presentation on "Recent Issues and Trends in Real Estate Restructurings" panelists will get the crowd excited when they discuss the hundreds of billions of dollars of commercial real estate loans that will mature in the next five years and the mounting defaults. The excitement will be tempered as the panelists predict that most loans will be refinanced or restructured outside of bankruptcy, and that of the cases filed, most assets will be sold in quick 363 sales or surrendered to lenders.

The last day of the program will begin with the much-anticipated panel

¹ An audience member will also tastelessly suggest that Vick did not file under chapter 7 for fear of losing a §727(a)(2) discharge challenge. That member will be "escorted" from the room when other attendees become angry after consulting their Codes. "Kudos" to Scott's associate Stefan M. Palys for making us aware of that potential discharge issue.
² See www.bloomberg.com/apps/news?pid=20601087&sid=a91vtqCh_ZQ&refer=home.
³ Seriously: www.thesmokinggun.com/archive/years/2008/1113081vick3.html.

that includes **Irving H. Picard** (Baker & Hostetler LLP; New York), the trustee liquidating Bernard L. Madoff Investment Securities LLC, and Ralph K. Janvey, the receiver of the Stanford Financial Group. We speculate that one of the panelists will not be able to be present in person. Our prediction: Mr. Picard will have to cancel citing “emergency Madoff-related issues.” Instead, in a shrewd marketing scheme, he will appear by video conference from one of the Madoff properties that he has yet to sell. During his part of the presentation, Mr. Picard will tour the estate and subliminally market the property with messages like “the beautiful view of the ocean from this tastefully-appointed outdoor-living space sheds a whole new light on one of the major legal issues in the case.” Watch for Mr. Janvey to be quietly cursing himself for not thinking of this idea to sell the \$3.9 million yacht that he just recovered. As the panel presentation concludes, we expect that presenter Stephen P. Harbeck (Securities Investor Protection Corp.; Washington, D.C.) will join Mr. Janvey in thanking the La Quinta Resort & Club’s security staff for providing them with 24/7 protection from the disgruntled Stanford investors attempting to crash the conference.

Special Announcements

ABI will announce a new charity named “The Chapter 8 Endowment Fund,” which funds serious research into the ways that comic relief can provide real bottom-line results in large business bankruptcy cases. Instead of the boring old way charities are usually funded, this one will be capitalized with donations into an innovative structured investment vehicle that will issue bonds securitized by the humor-based intellectual property created after the official study demonstrates the exponential investment returns from paying for comic relief in business cases. Be one of the first 10 lucky investors philanthropists to donate, and you will receive a bound volume of all Chapter 8 columns signed by us. Since this is sponsored by the ABI, prospective donors need not worry that this is anything but

legitimate. ABI conducted its due diligence and concluded that this was not a Ponzi scheme—whatever that is. Just to be sure, Mr. Picard has offered to be the first donor.

ABI will also ask for volunteers to help judge Chapter 8’s now-famous ABI Conference Tchotchke Competition. In the June issue, Chapter 8 published the winners of the first tchotchke contest at ASM. As a result of this new contest, we expect that the exhibition vendors will have significantly enhanced their offerings. For this conference, we predict that a vendor will offer a combination of our three favorites from the spring: A light-up insulated grocery bag with built-in electric hand fan and binoculars. All foam items will be omitted, since they make a mess in the yard when dogs chew them up.

Entertainment Events

Evening entertainer and comedian Louie Anderson will have the crowd rolling, but loyal readers will know that most of his bankruptcy material came from Chapter 8 columns. Watch for the following line that he will borrow from this issue, which will be included in the conference goodie bag: “While CFOs like their coffee the same as their financial statements—black and strong—I understand that bankruptcy professionals like their steak the same as their troubled companies—red and bleeding.”

Next year, providing that the Chapter 8 Endowment Fund has sufficient capital for travel expenses, the Chapter 8 authors will offer their own comedy program that will probably take place in the conference hotel’s parking lot. It will be a BYOB event.

The renowned ABI band, the Indubitable Equivalents, will rock into the night, but will surprise the audience by sharing the stage with special guest performers. Just as Aerosmith and legendary hip-hop group Run DMC made music history with their hit collaboration on “Walk This Way,” the Indubies will introduce ABI’s new hip-hop trio named Loan DIP. The two groups will make bankruptcy history by performing a bankruptcy take on the original entitled “Lend This Way.”

Keeping it real by staying true to their super-priority roots, Loan DIP will steal the show and leave the Indubies to better understand their real-life lending clients’ frustrations of being primed in bankruptcy.

Conclusion

While we are disappointed that we cannot attend the excellent presentations and events at WLC, we expect that donations will flow into the Chapter 8 Endowment Fund faster than cases into the Southern District of New York so that we can attend next year. In the meantime, we will be working on our material for our unofficial comedy program. See you in a hotel parking lot next December!

The Sideshow: WLC’s Must-Have Accessory

If you made it this far, then you are probably a loyal reader and will remember that in the June issue we promised to hand out Chapter 8 ribbons at the 2010 ASM for attendees to attach to their nametags and feel like a VIP. We also disclosed that future columns may include life-sized ribbons for readers’ children, the future bankruptcy lawyers of America, to cut out and wear at home.

We are pleased to announce that the wait is over for the highly anticipated Chapter 8 Reader ribbons. Below is a pre-colored ribbon for quick cutting and wearing at the conference or at home,⁴ as well as a white template for readers or their children to decorate. While we encourage artistic experimentation with the template, we must disclose that ABI will retain all intellectual property rights in any derivative works created.

We look forward to ideas for improving the ribbon for next year’s spring conference, and we encourage ribbon-wearing attendees at WLC to ~~crash~~ join photos taken by ABI’s official photographers. Any attendees who appear in a published ABI photo with their ribbon will win a seat at Chapter 8’s table during next spring conference’s evening entertainment event.⁵ ■

⁴ Courtesy of Eric’s daughters Ashtyn and Emersen. Most of Scott’s kids are colorblind, thanks to his father-in-law, so he deferred to Eric’s daughters.
⁵ Provided that all of the seats are not taken by Scott’s six kids.

Official Chapter 8 Reader Ribbons

