



# IWIRC NEWSLETTER

Vol. 7, No. 2  
Summer 2003

Catherine Bauer, Editor  
Tinamarie Feil, Layout

## FROM THE CHAIR

### DO YOU HEAR THE KNOCKING?

*Janet E. Bostwick, IWIRC Chair*

Greetings to all! I hope this finds you and yours well and prospering.

Several years ago, at a speech given for the Boston Chamber of Commerce, Dean Patricia O'Brien of Simmons School of Management discussed her career development and told the following story (or at least this is how I remember it!):

*An older woman and a young woman were aiming at targets with their arrows. Afterwards, as they approached the targets, the older woman's arrows were perfectly centered in the bull's-eye. The young woman remarked on how successful the older woman had been. And the older woman responded, "My dear, the trick is to draw the bull's-eye after you shoot the arrows."*

And, so it is in life. You may look at someone and think she took the perfect path to her career. But, in fact, it is often a combination of events, including taking advantage of opportunities that may not always proceed as intended. And, one never gets there alone.

Ten years ago, after reading a blurb in one of the bankruptcy journals, I signed up to attend the first IWIRC Fall Conference in Toronto. At the time, I knew little about IWIRC, but decided to give it a try. I found a wonderful event and met terrific women practitioners from across the country and around the globe. Several of the women I met at that conference became good friends, who I still stay in touch with frequently. Others are friends that I eagerly look forward to seeing every year at the Fall Conference. After the conference, I became more involved -- volunteering to start the New England Network, and then volunteering to do the Newsletter.

I have thoroughly enjoyed the IWIRC events I have attended, and every year added new friends and faces to look forward to seeing. I have also found great satisfaction in many of the things I have done for IWIRC, providing a sense of professional pride. And since both firms I worked at had few women (and no other bankruptcy women in the department), it

provided great support for me, with friends across the city, as well as across the country.

The friends and opportunities from IWIRC have definitely helped me draw my own bull's-eye in my career. If you had told me ten years ago that I would start a solo practice, I would have wondered how much wine you had at the bar. And yet, today I find it hard to consider going back. Many of the friends and colleagues I met over the past ten years have been invaluable to my career -- several have referred cases both before and after I started my practice. And, several provided (and continue to provide) advice and guidance from their experience as solo and small firm practitioners. More importantly, all provide moral support and friendship, without which it would be a very lonely choice to be a solo practitioner.

Whether you are trying to enjoying the lazy days of summer in the Northeast, surviving the hot sultry summer of the South, enjoying the ever-present California sunshine, or preparing for winter's cold in Australia, I hope you will take a few minutes this month and think about the opportunities IWIRC can offer you. Join us for our San Diego Conference, on October 14-15, 2003, to meet some new friends, and reunite with old friends. Help a friend, by inviting her to join IWIRC, (and get the opportunity to win a prize.) Start a local network, or volunteer for one of our committees and see where that arrow lands. Or, read through the Newsletter, and see what strikes your fancy.

And also, take a moment and tell IWIRC how it can help members -- what other services and events you would like to see. Send me an email, or drop a note, and let me know how

## IN THIS ISSUE

Letter from The Chair.....	1
Issues in Billing.....	2
International Column.....	4
Recruiting Committee Update.....	5
Upcoming IWIRC Events.....	5
Network Spotlight.....	5
Thanks to Our Sponsors.....	8
Member News.....	8
IWIRC Network Chairs.....	9
IWIRC Board of Directors.....	10



you would like to see us expand. Like you, IWIRC looks for opportunities to grow and to help its members.

I hope you will let IWIRC help you draw your bull's-eye, by answering that knocking at the door.

My best to all,

Janet

---

## ISSUES IN BILLING

---

### AUDITING WORK UNCOVERS BILLING SCHEMES, BUT PREVENTION WOULD HAVE BEEN THE BETTER COURSE

*A Publication from Alan D. Lasko & Associates, P.C.*

Reports of fraud within a company are often vague. A disgruntled spouse or lover may point to an employee, with a statement such as, "John is stealing," but is unable to describe exactly how this alleged crime is being committed. An internal or external auditor may simply sense that there is something an employee doesn't want to say when asked whether he or she knows of any fraud in the company. This, too, can be considered a tip, although it is even more vague, since no actual accusation has even been made. The cases below describe how auditors who had only such vague tips used "their skills" to determine whether the suspected fraud was actually occurring and, if so, worked to resolve the situation, as well as being proactive to prevent a similar event in the future.

#### *Disgruntled Spouse*

An internal auditor at a company received a call from a female employee. She stated that she believes that her husband, who is also employed by the company, has a girlfriend and is stealing money from the company.

The husband is a product design engineer. He does not himself receive nor have final approval over any vendor invoices. Even though it is not immediately apparent how the husband could be stealing, the internal auditor feels he must take this tip seriously and investigate. The auditor hypothesizes that if the husband is defrauding the company, it is probably through some kind of billing scheme that has led to fraudulent disbursements. Since the husband plays no role in disbursing company funds himself, then the theory is that the husband must be working with someone who is involved in disbursements.

Proceeding on the theory of fraudulent disbursements, and having no idea how long the billing scheme might have been

in place—if such a scheme even exists—the auditor examines the company's line-item costs over the past three years, looking for any potentially suspicious increases. He finds that starting about 18 months ago, there was a small increase in consulting expenses.

If the husband and his likely accomplice are submitting phony invoices for consulting services, the auditor knows he is going to have to find those invoices and demonstrate their fraudulence. The auditor's work begins on to a close look at all vendors of consulting services over the past 18 months.

The billings from one vendor, KRJ Enterprises, immediately seem high. KRJ had been added as a vendor about 20 months ago by an employee of the accounting department. KRJ's billings then had mushroomed over the past 12 months. In addition, KRJ was sometimes billed and paid more than once a month. These are red flags to the auditor; since it's unusual for a consultant to increase his bills so rapidly or to bill more than once a month.

The fact that KRJ has a name that consists of initials of the husband and the employee of the accounting department is notable as well. A number of company employees who are involved in this type of scheme use initials to name their phony companies.

Examining the file of invoices from KRJ Enterprises, the auditor also notices that the bills were nonspecific about the services rendered. He also notes that they were typically for amounts just under \$5,000, the level at which expenditures had to be signed off on by higher-level managers. Fraudulent bills are often for services that are described vaguely, i.e., "consulting services." Numerous invoices of this type are often for amounts just below a triggering threshold so that another level of review does not take place before payment is made.

Continuing with his review, the auditor also finds that KRJ Enterprises has no telephone listing. He then compares the mailing address for KRJ with the address of the female member of the accounting department and finds that they are one and the same.

The internal auditor also has an idea and goes to the courthouse to see if the husband/employee has any assumed names and certificates on file that are a matter of public record. The auditor discovers that almost two years ago, the husband had obtained a certificate under the name KRJ Enterprises. The certificate was used to open the KRJ Enterprises bank account.

The auditor writes up his findings and presents the evidence to the company's lawyer. The couple is interviewed and each confesses. Some \$500,000 is returned to the company. The



employees are both fired. The company subsequently prosecutes and each gets probation since they are first time offenders and the fact that the monies were paid back.

### *Prevention*

Both the commencement and continuation of this billing scheme were possible only because of the lax procedures and controls at the company.

Some of the methods that might have been used to prevent or detect this scheme other than a fortuitous phone call from an unhappy wife are as follows:

With respect to policies and procedures, those with authority to add new vendors to the company's accounts payable roster should also not be disbursing funds. Crimes, including employee-billing schemes, are committed when a person with a weakness for criminal behavior has motive and opportunity. The opportunity to add a phony vendor and then disburse funds to that vendor is such an opportunity. Employees who have a motive will almost certainly succumb to this temptation to do so. But if there is no opportunity, the crime won't happen.

Other preventive procedures that a company could employ prior to adding vendors to the list would be to perform a credit check on the vendor. A credit check would have shown that KRJ Enterprises had no history of any kind, which is highly suspicious and should be investigated further before the vendor is added to the company list. Looking at a phone book or the Internet Yellow Pages are other procedures to verify if the vendor had no telephone listing. Also, seeing if the vendor has a website could be performed at this time.

Another practice that would have indicated that there was a problem with the vendor is comparing any new vendors' addresses to the addresses of employees. Last, the fact that the name of the phony company consisted of initials should have been noted by the individual charged with adding vendors. While it's certainly not a giveaway, it's at the same time true that many employees who practice billing schemes use their initials in their fake companies' names.

In sum, reasonable preventive measures would most likely have aborted this scheme before the perpetrators had stolen company funds.

### *An Employee Appears Troubled*

One often-effective way to uncover whether there is fraud at a given company is to ask employees about it. After one company had suffered a loss of several hundred thousand dollars through employee fraud, it hired an internal auditor to see if there were any other fraudulent activities among

employees. The new auditor interviewed a number of employees individually in her office. While interviewing one woman who worked in the accounting department, the auditor asked several questions. While the employee responded with a "No" to the questions, one of the questions seem to cause concern. The auditor felt something was being concealed.

The auditor began to carefully read the job descriptions for each of the accounting clerks. There was nothing of note until she came to the job description for another women employee. The employee's main job was processing invoices for payment, but she was also in charge of handling any checks for refunds of overpayments to vendors. The auditor perceived this as a red flag indicating a serious weakness in fraud prevention.

The procedure employed to test this weakness dealt with the possible overpaying of some vendor invoices and then having the ability to pocket the refund checks that vendors returned when they were in fact overpaid. Further investigation reflected the processing of certain invoices twice. The invoices from one of the company's large suppliers were very simple, just black ink on white paper, so it was very difficult to tell an original from a good photocopy.

This employee was then confronted and admitted her crime. She said that when an invoice came in she would make a copy of it before stamping it received and sending it for payment. Then a few days later she would stamp and submit the copy for payment always being sure to put it in a stack with others so that it would be less likely to draw any attention. She had been doing this for two years. When the refund checks arrived for the overpayments, she gave them to her sister who forged the company's endorsement and deposited them in her business bank account.

The embezzlement came close to \$300,000.

The company, in response to this scheme, added software to the accounting system that flagged attempts to process the same invoice number or pay the same invoice amount twice. Now, before a check is printed the system scans previous payments to see whether any were issued for the same bill. Any questionable items are held up until they are reviewed and manually approved and must be approved by a supervisor. Last and just as important, the job functions of processing invoices for payment and depositing refund checks from vendors were separated.

### *Conclusion*

In conclusion, effective internal controls require a proper segregation of duties over certain types of job functions. As reflected in the above cases, collusion between individuals can sometimes override controls that are in place. A company



needs to periodically review the internal controls over cash and payables in order to minimize the potential for collusion to take place by its employees.

---

*Alan D. Lasko & Associates, P.C.*  
Certified Public Accountants  
29 South LaSalle Street, Suite 1240  
Chicago, Illinois 60603  
Email: [alasko@adlassoc.com](mailto:alasko@adlassoc.com)  
Website: [www.adlassoc.com](http://www.adlassoc.com)

---

## INTERNATIONAL COLUMN

### DIRECTORS' LIABILITY TO CREDITORS – A CANADIAN PERSPECTIVE

By Shahana Kar, International Editor

Directors' duties to creditors is currently a "hot" topic in Canada.

Corporate directors have traditionally owed duties of care to the company whose destiny they control and these duties have been reflected by corporate legislation in many jurisdictions. But what happens when management's rosy financial predictions fail to materialize? What happens if the company approaches or actually crosses the line into an actual or impending insolvency? Several jurisdictions, including the United States, England, New Zealand and Australia, have developed the theory that when the shareholders have no economic interest in the company's affairs, the duties of the directors expand to include responsibilities to the next class up the food chain that has an economic interest in the destiny of the company, i.e., the company's creditors. The United States has probably taken this concept further than any other jurisdiction in considering that directors have fiduciary duties to creditors where their company has entered the "zone of insolvency", i.e., when the company is in or near the financial situation where liabilities exceed assets.

Canadian courts have made occasional comments about the potential existence of a duty of directors to creditors of an insolvent company. In 1998, a Quebec court held that directors of a company were responsible to its creditors for failing to exercise due care and responsibility to them. Recently, however, that decision was reversed by the Quebec Court of Appeal. In the case, a parent company owed its subsidiary about \$4 million. The subsidiary went bankrupt (as did the parent) and its bankruptcy trustee sued the parent's directors for breach of the duties they owed to the subsidiary creditor. The Court of Appeal concluded that the directors did not breach their duties as directors and that their actions were, at most, the result of an honest but mistaken business judgment. The Court of Appeal held that the directors were motivated only by the desire to solve the

problems of their company. It ruled that they did not breach any fiduciary duties because they acted in a manner that they believed was in keeping with the corporate objects of the company and that they did not exhibit "negligent incompetence" for which they could be held liable.

The Court of Appeal essentially seemed to say that if it was time for Canada to have a standard under which directors would have liabilities to creditors in the "zone of insolvency", that duty would have to be created by legislation as it was not the function of the Courts to legislate standards of care relating to directors. The trustee has brought an application for leave to appeal the decision of the Quebec Court of Appeal to the Supreme Court of Canada.

By way of contrast, an Ontario Court recently determined that in certain circumstances, a director *may* owe a duty of care to creditors in the "zone of insolvency". In that case, the bankruptcy trustee had sued the directors of the bankrupt company for, among other things, failing to observe their duties to the creditors of the company.

The trustee argued that the directors were negligent and breached their duties to the company's creditors by participating in the sale of the company's shares in a transaction which resulted in the company's bankruptcy four months later. The trustee also claimed that the directors assisted the purchaser in gaining control of the bankrupt and thereby enabled the purchaser to divert the bankrupt's assets to the detriment of its creditors. On a preliminary motion, the directors sought to dismiss the trustee's case on the theory that the trustee did not have the legal capacity to assert claims against the directors for breaches of duties to creditors. The directors argued that the trustee could have no greater rights than the bankrupt and that the bankrupt could not have asserted the claims against them because it had approved the impugned transactions.

The Court disagreed and ruled that the trustee's primary obligation was to protect the interests of the bankrupt's creditors and that creditors could pursue their remedies if they had suffered as a result of the acts of the directors. The creditors were entitled to have their appointed representative, the trustee, seek appropriate relief in these circumstances. Without deciding the point, the Court held that the issue of the directors' potential liability to creditors should be allowed to proceed to trial. The Court reviewed the Quebec Court of Appeal ruling and concluded that Canadian law may in fact recognize that directors of a company have responsibilities to the creditors of the company where the company is in the "zone of insolvency."

Copies of the Quebec Court of Appeal decision in *Re Peoples Discount Department Stores* and the Ontario Superior Court of Justice decision in *Re: Dylex Ltd.* are available from Shahana Kar at 416-869-5369 / [skar@casselsbrock.com](mailto:skar@casselsbrock.com).



In an effort to continue putting the "I" in "IWIRC", we encourage IWIRC members to send in contributions dealing with important legal issues such as directors' liability. IWIRC members can all benefit from learning about key aspects of the law in other jurisdictions. Please contact Shahana Kar with your contributions, ideas and suggestions.

## RECRUITING COMMITTEE UPDATE

*Debra Kuptz, Recruitment Director*

The member recruiting drive is on! Look for our campaign email and get ready to participate, as we want to top last year's membership increase. In preparation, we recently mailed an IWIRC postcard "reminder" to our members. This mailing also was sent to members of the American Bar Association, Business Bankruptcy Subcommittee on Litigation, the Association of Insolvency and Restructuring Advisors, and the Turnaround Management Association.

Many thanks to all of you who helped coordinate this mailing effort. The combination of member lists enabled us to reach upwards of 4,000 contacts within the insolvency community. We appreciate your support!

I'd like to thank our volunteers for helping with recruiting ideas. Please continue to submit ideas for targeting expired members and any avenues for reaching appropriate creditor committee members as well. This year we also hope to reach further into the international insolvency industry for new members. We currently have 60+ international members and will be working on targeting various organizations to increase our international representation. Please email your thoughts and/or updates to [DebKuptz@AlixPartners.com](mailto:DebKuptz@AlixPartners.com). Any effort in these areas is greatly appreciated!

A new member may be just a phone call, email or letter away. Remember those business cards you traded at your last seminar or lunch meeting? Target them for IWIRC. Stay tuned for more info.

## UPCOMING IWIRC EVENTS

### FALL IWIRC CONFERENCE

*Brenda K. Bowers, Program Director*

The International Women's Insolvency and Restructuring Confederation will be holding its Tenth Annual Conference in San Diego, California, October 14-15, 2003. The Fall Conference will be held in conjunction with the National Conference of Bankruptcy Judges.

On October 14, 2003, there will be a reception at the Bayside Pavilion at the San Diego Marriott Hotel and Marina, 333 West Harbor Drive, San Diego, California. A welcome

address will be given by The Honorable Louise Adler, United States Bankruptcy Judge for the Southern District of California.

The planning committee has a great event in store. Our planning committee members are: Debra Riley of Allen Matkins Leck Gamble & Mallory; Sue Hodges of Pillsbury Winthrop LLP; Laura Taylor of Sheppard Mullin Richter & Hampton LLP; Linda Fox of Sheppard Mullin Richter & Hampton LLP; Margaret Mann of Heller Ehrman White & McAuliffe; Susan Storey; and Margaret Mann of Heller Ehrman White & McAuliffe LLP. Our honorary chair is the Honorable Louise Adler of the United States Bankruptcy Court for the Southern District of California.

On October 15, 2003, we will have a "Networking and Educational Experience." At 7:45 a.m., we will have a continental breakfast and registration in the Marriott Hotel. At 8:30 a.m., we will have our "Welcome and Introduction" session. From 8:45 a.m. to 11:45 a.m., our distinguished panel will present a discussion on "Hot Topics in Cross-Border Cases." Within the context of this discussion, the panelists will review the purpose of insolvency proceedings in various regions, management and fiduciary duties (including zone of insolvency) differences between the borders, employment issues involved in insolvency proceedings in various regions, intellectual property issues in various regions, and asset sale issues in various regions. Some of the panelists will be:

- *George Kelakos* of Heller, Ehrman, White & McAuliffe, LLP (Asian perspective);
- *Tracey Sandler* of Osler, Hoskin & Harcourt (Canadian perspective);
- *Josefina Fernandez McEnvoy* of McEnvoy and Associates, P.C. (Latin American perspective);

At 10:00 a.m. to 10:15 a.m., we will take a break to allow our attendees to network with each other. The morning will be concluded with a "Round Robin Luncheon" in the Bayside Pavilion from Noon until 1:30 p.m. During the luncheon, we will network with our lunch companions and be updated on future IWIRC activities.

Please plan on attending. Brochures will be coming soon and look for future updates and e-mails.

## NETWORK SPOTLIGHT

### NEW NETWORKS!

*Patricia A. Redmond, Network Director*

There are new and exciting events happening on the network front. IWIRC has chartered its 11th and 12th network in Connecticut and Chicago respectively. The Connecticut



Network Chairs are Sharyn B. Zuch and Aimee E. Heden, of Blum Shapiro Litigation Consulting Group, LLC, P.O. Box 272000, West Hartford, CT 06126, telephone: 860-561-4000. A Connecticut Network program will be held in the Fall of 2003. The event will include a female bankruptcy judge to speak to the group and a social component. Another Connecticut Network program will be a "send off" event to a current member who has been nominated to become the United States Trustee for the District of New York, Connecticut and Vermont.

The Chicago Network Chair is Carmen H. Lonstein, of Bell, Boyd & Lloyd, Three First National Plaza, Suite 3300, 70 West Madison Street, Chicago, IL 60602, telephone: 312-807-4397. Their Planning Committee has agreed to a "Launch Event" in August of 2003, launching the Chicago IWIRC Network. The second and third IWIRC Chicago Network programs will be held after the Launch Event and will include educational and social components. IWIRC has additionally received inquiries from Atlanta, Charlotte, South Florida, and Central Florida with respect to the formation of new networks. We are providing information to representatives of each of those locations. We are hopeful to have an additional announcement soon that IWIRC has sixteen networks.

Each of the networks has been active in providing programs to local members and sponsoring events individually and together with other local, regional, and national organizations.

The network chairs participate on conference calls bi-monthly to share information about programs, functions, news and to generally obtain ideas and support from each other.

### **CHICAGO NETWORK**

*Carmen Lonstein, Chair*

The IWIRC-Chicago Network has just been chartered! The Network's new officers are: Network Chair: Carmen Lonstein of Bell, Boyd & Lloyd; Treasurer: Barbara Yong of Field & Golan; and Membership Chair: Carrie Stewart of Alvarez & Marsal.

The Chicago Network has already formed a Planning Committee and members are working on planning a "Launch Event" in August of 2003. Planning Committee members include: Faye Feinstein of Altheimer & Grey; Gaye Plunkett of Bank One; Susan De Resendiz of Dykema Gosset; Deborah L. Thorne of Barnes & Thornburg; Felicia M. Banks Donaldson of Ernst & Young Corporate Finance LLC; Janice Alwin of Shaw Gussis Domanskis Fishman; Cathy Steege of Jenner & Block; Allan Friedman of Bowne of Cleveland; Kelly Harper, Lori Stanovich and Christine Gregory of Bowne of Chicago; and Teresa McMahon of Reese McMahon, LLC.

Anyone interested in joining the Planning Committee and helping to launch the Chicago Network should contact Carrie Stewart of Alvarez & Marsal at [cstewart@alvarezandmarsal.com](mailto:cstewart@alvarezandmarsal.com) or Carmen Lonstein at [clonstein@bellboyd.com](mailto:clonstein@bellboyd.com) and come to the next meeting on June 25th at 6:00 p.m. at the offices of Kelly Harper of Bowne Chicago at 500 West Madison, Suite 3200, Chicago IL.

Carmen H. Lonstein can be reached at Bell Boyd & Lloyd, 70 Madison, Suite 3200, Chicago, IL 60602, USA, Tel: 312-807-4397, Fax: 312-827-7073, [clonstein@bellboyd.com](mailto:clonstein@bellboyd.com).

### **CONNECTICUT NETWORK**

*Aimee Heden, Co-Chair*

*Submitted by Sharon B. Zuch, Co-Chair*

We're very excited that IWIRC's board unanimously approved our proposal to become the eleventh IWIRC Network chapter. Aimee Heden of Blum Shapiro and I are co-chairing the network, and we've scheduled our inaugural business meeting for noon on Wednesday, September 10, 2003, at Wiggin & Dana's New Haven offices. All IWIRC members are welcome to join us for this kickoff luncheon.

We're also thrilled that Connecticut Bankruptcy Judge Lorraine Weil has agreed to be the speaker at our first dinner meeting on Tuesday, October 28, at a location to be determined.

Anyone interested in attending these meetings, or in joining the CT Network, should contact either Aimee or me:

Aimee Heden, CPA, CFE can be reached at Blum Shapiro Litigation Consultants, 29 South Main Street, West Hartford, CT 06127, USA, Tel: 860-561-6874, Fax: 860-521-0035, [Aheden@blumshapiro.com](mailto:Aheden@blumshapiro.com).

Sharyn B. Zuch can be reached at Wiggin & Dana LLP, One City Place, 185 Asylum Street, Hartford, CT 06103-3402, USA. Tel: 860-297-3715, Fax: 860-525-9380, [szuch@wiggin.com](mailto:szuch@wiggin.com).

### **CENTRAL OHIO NETWORK**

*Nannette Dean, Chair*

*Submitted by Natasha M. Bush*

The Network announcing the following meeting dates and events:

June 19, 2003

- Dinner at Polaris with dessert at Maggie Moos.



July 9, 2003

- 5:30 p.m. Susan Rhiel to host cookout to welcome new members. Location: 124 South Washington Ave., Columbus, Ohio

Aug. 14, 2003

- 12:00 p.m. Mina Khorrami to host at Cox, Stein & Pettigrew

Sept. 17, 2003

- 12:00 p.m. Sherri Lazear to host at Baker & Hostetler

October

- Law Student Reception.

November

- Host TBA.

December

- Susan Rhiel to host Christmas Family Luncheon.

Nannette Dean can be reached at Kemp, Schaeffer, Rowe & Lardiere Co., LPA, 88 West Mound Street, Columbus, OH 43215, USA, Tel: 1-614-224-2678, Fax: 1-614-224-1306, [nannette@ksrllaw.com](mailto:nannette@ksrllaw.com).

Natashia M. Bush can be reached at: Law Clerk to the Honorable Charles M. Caldwell, United States Bankruptcy Court Southern District of Ohio, 170 North High Street, Columbus, OH 43215, USA, Tel: 1-614-469-6638, ext. 261, Fax: 1-614-469-5506, [natashia\\_bush@ohsb.uscourts.gov](mailto:natashia_bush@ohsb.uscourts.gov).

## DELAWARE NETWORK

*Tobey M. Daluz, Chair*

Thanks to each of you for making our first event such a resounding success! For those DE Network members who were unable to join us, nearly fifty women attended our cocktail reception at Deep Blue, and the first winner of "The IWIRC DE Network Relaxation Door Prize of the Event" was awarded to Judge Walrath. Hopefully, she will enjoy the gift certificate for a free manicure!

At our first official meeting held on June 10, 2003, we had another great turnout. Thank you to our DE Network Vice President and Secretary, Victoria Watson Counihan and Laurie Krepto of Greenburg Traurig, for hosting a delightful and delicious lunch. At the meeting, we agreed to form three official committees, the Holiday Party Committee, Charitable Committee and CLE Committee, to spearhead planning of future events. We also hope to have smaller, informal social events throughout the year. Our official number has grown to about thirty-nine members. We are on a role!

Tobey Marie Daluz can be reached at Ballard Spahr Andrews & Ingersoll, LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, USA, Tel: 1-302-252-4440, Fax: 1-302-252-4466, [daluzt@ballardspahr.com](mailto:daluzt@ballardspahr.com).

## NORTHWEST OHIO NETWORK

*Jean R. Robertson, Chair*

*Submitted by Nancy A. Valentine, Secretary*

We had a successful first Law Student/Business Student Reception and Panel Discussion in March with a dynamic group of panelists comprised of bankruptcy and turnaround practitioners from the local Bankruptcy Court, local law firms, an accounting firm, and a financial consulting firm.

We have several exciting events planned for the late summer and early fall. First, the members of the Central Ohio Network will join us on August 15, 2003 for dinner and networking. We hope it is the start of an annual event with the Central Ohio Network.

We have two events planned in September. One is a luncheon event scheduled for September 17, 2003 with the Turnaround Management Association. The second, on September 19, 2003, reflects the continuing effort of the Northeast Ohio Network to grow its membership. We will sponsor a cocktail reception following the Cleveland Bar Association's Chapter 11 continuing legal education seminar for new practitioners. We continue to be excited about this year's events and our growing membership.

Jean R. Robertson can be reached at McDonald Hopkins, 2100 Bank One Center, 600 Superior Ave., E, Cleveland, OH 44114, USA, Tel: 1-216-348-5769, Fax: 1-216-344-5769, [jrobertson@mhbh.com](mailto:jrobertson@mhbh.com).

## NEW ENGLAND NETWORK

*Colleen A. Murphy, Chair*

The New England Network has instituted a brown bag lunch program, which we kicked off at Mintz Levin Cohn Ferris Givsky and Popeo, P.C. on April 28, 2003. Over thirty New England Network members gathered to share lunch and good company. Our second brown bag lunch is scheduled for Thursday, June 26, 2003 from 12:00 – 2:00 p.m. and will be held at the offices of Hinckley Allen & Snyder LLP, 28 State Street, Boston. All are welcome. Additional brown bag luncheons are being scheduled for the remainder of the summer and into the fall.

The New England Network is in the midst of a membership drive, and we are proud to have grown to almost seventy members. We are particularly proud that we have significantly expanded our membership ranks to include not only attorneys, but also accountants, bankers, and turnaround specialists. We encourage anyone interested in our organization to attend our next brown bag luncheon.



Lastly, we wish to recognize our member and friend, Pam Harbeson, who recently became a partner at Looney & Grossman in Boston. Congratulations, Pam!

Colleen A. Murphy can be reached at Mintz Levin Cohen Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02110, USA, Tel: 1-617-348-1836, Fax: 1-617-542-2241, CAMurphy@mintz.com.

---

## THANKS TO OUR SPONSORS

---

IWIRC thanks the following sponsors for their generous support:

### Diamond Sponsors

AlixPartners, Southfield, MI  
Bowne & Co., Inc., New York, NY  
GE Capital-National Restructuring Group, Norwalk, CT  
Latham & Watkins, Chicago, IL

### Platinum Sponsor

Trumbull Services Company, Windsor, CT

### Gold Sponsors

Barnes & Thornburg, Chicago, IL  
Bell, Boyd & Lloyd LLC, Chicago, IL  
Ernst & Young Corporate Finance LLC, Chicago, IL  
FTI Consulting, Inc., Boston, MA  
Greenberg Traurig P.C., Chicago, IL  
Haynes and Boone, LLP, Dallas, TX  
KPMG LLP, Chicago, IL  
Markowitz Davis, Ringel & Trusty, P.A., Miami, FL  
Morris Anderson & Associates Ltd., Des Plaines, IL  
Rhiel & Terlecky Co., LPA, Columbus, OH  
Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Miami, FL  
Thompson & Knight LLP, Dallas, TX

### Silver Sponsors

Alzheimer & Gray, Chicago, IL  
Ballard Spahr Andrews & Ingersoll LLP, Baltimore, MD  
Bankruptcy Management Corporation, Los Angeles, CA  
BBK Ltd., Chicago, IL  
Janet E. Bostwick, PC, Boston, MA  
Cohn Houry Madoff & Whitesell LLP, Boston, MA  
Deloitte & Touche LLP, Boston, MA  
Duane Morris LLC, Chicago, IL  
Fasken Martineau DuMoulin LLP, Toronto, ONT, Can.  
Friedman Alpren & Green LLP, New York, NY  
Heller Draper Hayden Patrick & Horn LLC, New Orleans, LA  
High Ridge Partners, Chicago, IL  
Janet E. Bostwick, PC, Boston, MA  
McDonald, Hopkins, Burke & Haber Co, LPA, Cleveland, OH  
Moritt Hock Hamroff & Horowitz LLP, Garden City, NY  
Reed Smith LLP, Pittsburgh, PA  
Rice Pugatch Robinson & Schiller, P.A., Miami, FL

Robinson, Diamant & Wolkowitz, Los Angeles, CA  
Stroock & Stroock & Lavan LLP, New York, NY  
The Parkland Group, Inc., Cleveland, OH  
TRG, Boston, MA  
Tucker Arensberg, P.C., Pittsburgh, PA  
Turnaround Management Association – Chicago, Midwest Chapter, Frankfort, IL

### Bronze Sponsors

Alan D. Lasko & Associates, PC, Chicago, IL  
Gray Cary, Palo Alto, CA  
The Meridian Group, Pittsburgh, PA

### Individual Sponsor

Poyner & Spruill LLP, Charlotte, NC

---

## MEMBER NEWS

---

IWIRC congratulates the following members on their achievements and successes:

**Brenda T. Rhoades**, one of the founding members of the Dallas Network, has been nominated as the next Bankruptcy Judge for the Eastern District of Texas by the Fifth Circuit Court of Appeals. Rhoades, a partner in the Bankruptcy Section of Baker Botts' Dallas office, is expected to take the bench on September 2, 2003.

**Marilyn Shea-Stonum**, Bankruptcy Judge in Akron, Ohio, is succeeding Margaret Mahoney, Bankruptcy Judge in Mobile, Alabama, as Editor-in-Chief of The American Bankruptcy Law Journal, The Quarterly Law Journal of the National Conference of Bankruptcy Judges. The Editor-in-Chief serves a four-year term.

**Judith Ross**, the department head of Dallas based Thompson & Knight, LLP's Reorganization and Creditors' Rights Department, was recently named as one of the "Best Lawyers in Dallas" by D Magazine, a local Dallas publication for the practice area of bankruptcy and workouts. Ms. Ross was also named as one of the Best Lawyers in America for the same practice area for 2002-2003.

**Robin L. Mayer**, CPA, a manager in Friedman Alpren & Green LLP's Forensic Accounting Services Group, is serving as the Chair of the New York State Society of Certified Public Accountants' Bankruptcy and Financial Reorganization Committee. The Committee is sponsoring its annual conference to be held on July 31, 2003 in New York City. This conference will consist of a full-day case study following a company from pre-filing through discharge. Our IWIRC Vice-Chair, **Leslie Berkoff** will be a featured speaker during one of the day's sessions. For more information about the conference, Robin can be contacted directly at 212-842-7662 or at rmayer@nyccpas.com.



**Nannette Dean** has moved from Kemp, Schaeffer, Rowe & Lardiere to become an associate with Judith M. McInturff. New contact info: Nannette Dean - 50 West Broad Street, Suite 2250, Columbus, Ohio 43215, 614-464-2235.

**Pam Harbeson** recently became a partner at Looney & Grossman LLP in Boston.

**Susan J. Kilgore**, CPA, manager in the accounting firm of Alan D. Lasko & Associates, P.C., has been appointed Event Coordinator on the Leadership Team of the Chicagoland River North chapter of BNI (Business Network Int'l). The primary purpose of this organization is the exchange of qualified word of mouth business referrals. As Event Coordinator, Susan has just completed organizing the River North chapter's semi-annual networking event to be held on June 10, 2003.

**Maria Aprile Sawczuk** has been named Regional Manager of The CPT Group, Inc.'s newly formed East Coast Division, headquartered in Wilmington, Delaware.

---

## IWIRC NETWORK CHAIRS

---

### IWIRC Australia Network

Dina Glass  
Middletons Lawyers  
Level 26, Australia Square  
264 George Street  
Sydney NSW 2000, Australia  
Tel: 61.2.9247.5649, Fax: 61.2.9247.5662  
[dina\\_glass@middletons.com.au](mailto:dina_glass@middletons.com.au)

### IWIRC Canadian Network

Catherine Hristow  
PricewaterhouseCoopers Inc.  
145 King Street West  
Toronto, Ontario M5H 1V8Canada  
Tel: 1.416.941.8274, Fax: 1.416.941.8373  
[catherine.a.hristow@capwecglobal.com](mailto:catherine.a.hristow@capwecglobal.com)

### IWIRC Chicago Network

Carmen H. Lonstein, Chair  
Bell Boyd & Lloyd  
70 Madison, Suite 3200  
Chicago, IL 60602 USA  
Tel: 312.807.4397, Fax: 312.827.7073  
[clonstein@bellboyd.com](mailto:clonstein@bellboyd.com)

### IWIRC Connecticut Network

Aimee Heden, CPA, CFE, Co-Chair  
Blum Shapiro Litigation Consultants  
29 South Main Street  
West Hartford, CT 06127 USA  
Tel: 860.561.6874, Fax: 860.521.0035  
[aheden@blumshapiro.com](mailto:aheden@blumshapiro.com)

Sharyn B. Zuch, Co-Chair  
Wiggin & Dana LLP  
One City Place  
185 Asylum Street  
Hartford, CT 06103 3402 USA  
Tel: 860.297.3715, Fax: 860.525.9380  
[szuch@wiggin.com](mailto:szuch@wiggin.com)

### IWIRC Delaware Network

Tobey M. Daluz  
Ballard Spahr Andrews & Ingersoll, LLP  
919 N. Market Street, 17th Floor  
Wilmington, DE 19801-3034 USA  
Tel: 1-302-252-4440, Fax: 1-302-252-4466  
[daluzt@ballardspahr.com](mailto:daluzt@ballardspahr.com)

### IWIRC Dallas Network

Linda S. Kennon  
Godwin Gruber, P.C.  
1201 Elm Street, Suite 1700  
Dallas, TX 75270 USA  
Tel: 1.214.939.4437, Fax: 1.214.760.7332  
[lkennon@godwingruber.com](mailto:lkennon@godwingruber.com)

### IWIRC Michigan Network

Sheryl L. Toby  
Honigman Miller Schwartz & Cohn  
2290 First National Building  
Detroit, MI 48226 USA  
Tel: 1.313.465.7580, Fax: 1.313.465.7581  
[stoby@honigman.com](mailto:stoby@honigman.com)

### IWIRC New England Network

Colleen A. Murphy, Chair  
Mintz Levin Cohen Glosky and Popeo, P.C.  
One Financial Center  
Boston, MA 02110 USA  
Tel: 1.617.348.1836, Fax: 1.617.542.2241  
[CAMurphy@mintz.com](mailto:CAMurphy@mintz.com)

### IWIRC New York Network

Elizabeth R. Ellison, Co-Chair  
Donlin, Recano & Co., Inc.  
419 Park Avenue South, Suite 1206  
New York, NY 10016 USA  
Tel: 1.212.481.1411, Fax: 1.212.481.1416  
[eellison@donlinrecano.com](mailto:eellison@donlinrecano.com)

### IWIRC New York Network

Sandra A. Riemer, Co-Chair  
Phillips Nizer LLP  
666 Fifth Avenue  
New York, NY 10103 USA  
Tel: 1.212.841.0539, Fax: 1.212.262.5152  
[sriemer@phillipsnizer.com](mailto:sriemer@phillipsnizer.com)



#### **IWIRC New Zealand Network**

Rochelle Hume  
Phillips Fox Lawyers  
P.O. Box 160  
Auckland, New Zealand  
Tel. 64.9.300.3869, Fax: 64.9.303.2311  
[rochelle.hume@phillipsfox.com](mailto:rochelle.hume@phillipsfox.com)

#### **IWIRC Central Ohio Network**

Nannette Dean  
Kemp, Schaeffer, Rowe & Lardiere Co., LPA  
88 West Mound Street  
Columbus, Ohio 43215, USA  
Tel. 1.614.224.2678, Fax: 1.614.224.1306  
[nannette@ksrllaw.com](mailto:nannette@ksrllaw.com)

Natashia M. Bush

Law Clerk to the Honorable Charles M. Caldwell  
United States Bankruptcy Court  
Southern District of Ohio  
170 N. High Street  
Columbus, Ohio 43215 USA  
Tel. 1.614.469.6638, ext. 261, Fax: 1.614.469.5506  
[natashia\\_bush@ohsb.uscourts.gov](mailto:natashia_bush@ohsb.uscourts.gov)

#### **IWIRC Northeastern Ohio Network**

Jean R. Robertson  
McDonald Hopkins  
2100 Bank One Center 600 Superior Ave., E  
Cleveland, OH 44114 USA  
Tel. 1.216.348.5769, Fax: 1.216.344.5769  
[jrobertson@mhbl.com](mailto:jrobertson@mhbl.com)

#### **IWIRC Tri-State Network**

Beverly Weiss Manne  
Tucker Arensberg, P.C.  
1500 One PPG Place  
Pittsburgh, PA 15219 USA  
Tel. 1.412.594.5525, Fax: 1.412.594.5619  
[bmanne@tuckerlaw.com](mailto:bmanne@tuckerlaw.com)

Leslie A. Berkoff, Vice-Chair

Moritt Hock Hamroff & Horowitz LLP  
400 Garden City Plaza, Suite 202  
Garden City, NY 11530 USA

Tel: 1.516.873.2000, Fax: 1.516.873.2010  
[iberkoff@mhhlaw.com](mailto:iberkoff@mhhlaw.com)

Judith Elkin, Secretary-Treasurer

Haynes and Boone, LLP  
Suite 3100, Bank of America Plaza  
901 Main Street  
Dallas, TX 75202 USA  
Tel: 1.214.651.5611, Fax: 1.214.200.0434  
[elkinj@haynesboone.com](mailto:elkinj@haynesboone.com)

#### **DIRECTORS**

Catherine A. Bauer, Communications Director

United States Attorney's Office  
300 North Los Angeles St. Room 7516  
Los Angeles, CA 90012 USA  
Tel: 1.213.894.3038, Fax: 1.213.894.7819  
[catherine.bauer@usdoj.gov](mailto:catherine.bauer@usdoj.gov)

Janie Anderson Castle, International Director

Paul, Hastings, Janofsky & Walker LLP  
Tower 42, 25 Old Broad Street  
London, EC2N 1HQ England  
Tel: 44.20.7562.4024, Fax: 44.20.7628.4444  
[janiecastle@paulhastings.com](mailto:janiecastle@paulhastings.com)

Sara J. L. Wahl, Membership Services Director

Akin Gump Strauss Hauer and Feld LLP  
1700 Pacific Avenue, Suite 4100  
Dallas, TX 75201 USA  
Tel: 1.214.969.2845, Fax: 1.214.969.4343  
[swahl@akingump.com](mailto:swahl@akingump.com)

Patricia A. Redmond, Network Director

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.  
150 West Flagler Street, Suite 2500  
Miami, FL 33130 USA  
Tel: 1.305.789.3553, Fax: 1.305.789.3395 fax  
[predmond@swmwas.com](mailto:predmond@swmwas.com)

Brenda Bowers, Program Director

Law Clerk to the Honorable Donald E. Calhoun, Jr.,  
United States Bankruptcy Court  
Southern District of Ohio  
170 North High Street  
Columbus, OH 43215 USA  
Tel: 1.614.469.6638 ext. 241, Fax: 1.614.469.5508  
[Brenda\\_Bowers@ohsb.uscourts.gov](mailto:Brenda_Bowers@ohsb.uscourts.gov)

---

## **IWIRC BOARD OF DIRECTORS**

---

### **OFFICERS**

Janet E. Bostwick, Chair

Janet E. Bostwick, PC  
295 Devonshire Street  
Boston, MA 02110 USA  
Tel: 1.617.956.2670, Fax: 1.617.422.1428  
[ieb@bostwicklaw.com](mailto:ieb@bostwicklaw.com)



**Debra Kuptz, Recruitment Director**

AlixPartners  
2000 Town Center, Suite 2400  
Southfield, MI 48075 USA  
Tel: 1.248.358.4420, Fax: 1.248.263.8104  
[DebKuptz@Alixpartners.com](mailto:DebKuptz@Alixpartners.com)

**EX OFFICIO**

**Sheryl Seigel, Past Chair**

Fasken Martineau DuMoulin LLP  
Toronto Dominion Bank Tower  
Box 20, Suite 4200  
Toronto-Dominion Centre  
Toronto, ON M5K 1N6 Canada  
Tel: 1.416.868.3475, Fax: 1.416.364.7813  
[sseigel@tor.fasken.com](mailto:sseigel@tor.fasken.com)

**FOUNDING CHAIR**

**Selinda A. Melnik**

Buchanan Ingersoll PC  
1201 North Market Street, Suite 1501  
Wilmington, DE 19801 USA  
Tel: 1.302.428.5554, Fax: 1.302.428.3996  
[SAMelnik@aol.com](mailto:SAMelnik@aol.com)

