



## OFFICER NEWS

Dear IWIRC Members:

It was gratifying to see on November 4th that the Federal government followed IWIRC's lead in achieving a peaceful transfer of power... Like Barack Obama, I am delighted to have the opportunity to serve and I thank all who have reached out to offer congratulations, support and ideas. In my opinion, one of the greatest benefits of IWIRC is exactly that spontaneous interchange of ideas and goodwill that feeds the soul as well as the intellect.

Let me take a moment to welcome the returning and the new members of the board, the committees, and the network directors and vice directors. There is a complete list at the back of the newsletter. Thanks to each of you for stepping up to take these roles, or agreeing to continue in them. Leading an organization that has grown to the size of IWIRC requires a significant commitment of time and effort, and I am confident that all the members appreciate it, as I do.

Of course, on behalf of the entire membership, I also want to thank and recognize the many contributions made by our outgoing Chair, Leslie Berkoff. As Chair, Leslie was energetic, inclusive, smart and organized – all the things a great leader should be. She has been a wonderful role model and a great friend. We can count on her continuing involvement and good counsel, and that means a lot to me.

I would also like to thank our outgoing board members: Janet Bostwick, immediate past chair; Tinamarie Feil, director of communications (now serving on the Development Committee); and Anna Taruschio, vice director of programs. All have contributed so much to our development and have been delightful to work with. Again, we are grateful for their service and look forward to continuing relationships with them!

In my first opportunity to address our members during the IWIRC Fall Conference in Scottsdale, I laid out three strategic priorities that I will focus on during this two-year term. To reiterate, they are to:

- **Harness the power of technology to improve how IWIRC delivers value to its members.** One example is to create an electronic directory that will help us find the knowledge and expertise among our members that can help us do our jobs better, and that will facilitate hiring each other or giving each other new business leads.
- **Leverage the power of our membership to help each other be better business developers.** Can we find comfortable and acceptable ways to help each other and ask for help from each other – in making introductions, providing references, sharing market intelligence, teaming up to win business? There is a great deal of value if we can take our networking to the next step.
- **Celebrate and enhance our culture.** To repeat what I hear from many of you (and what I also believe)... IWIRC is unique because its members comprise a vibrant, friendly and inclusive community, conducive to making new connections, nurturing existing friendships, learning and having fun. Above all, let's savor that accomplishment and work to keep that character intact.

While we'll make progress against these priorities throughout the next couple years, I can tell you that we are hard at work on the new website and plan to launch it in the first quarter of 2009. It has a new look and navigation is completely updated. Watch for more news.

On another note, I have just come from the ABI Winter Leadership meeting in Tucson where I presented the Woman of the Year in Restructuring (WOYR) to the Hon. Judge Mary Grace Diehl (ND, Georgia) and Marcia Goldstein of Weil Gotshal. The executive board decided that both women were so deserving that we would recognize them both.

It was great to present these awards in front of an audience of about 300; we owe the ABI a big thank you for opening this venue to us. Judge Diehl was on site to accept her award and she expressed to me her delight at being selected. While Marcia could not be there, she too was honored. I hope you will take the opportunity to pass your congratulations to our 2008 WOYRs.

Looking ahead, we are well-along in planning the IWIRC Spring Conference on April 1st in Washington, DC at the Gaylord Hotel & Resort. Details of the conference are posted on our website. I hope you will be able to attend and I look forward to seeing you there.

Best wishes,  
Debra E. Kuptz, AlixPartners, IWIRC Chair

Editor's note: Please see the feature articles for an interview with Judge Diehl

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### **Welcome to all new members! Renew or Join IWIRC today!**

*Francine Gordon, Kurtzman Carson Consultants LLC, Recruitment Director; Nancy Valentine, Hahn Loeser + Parks LLP, Recruitment Vice-Director; and the Recruitment Committee*

If you know someone that has not yet joined IWIRC or if you have not renewed your IWIRC membership, we want to remind you and your colleagues of a few unique benefits of IWIRC and its local networks. IWIRC is a global network and referral base of insolvency professionals in the United States, Canada, Hong Kong, Europe and Australia. Being part of this network allows you to access this network and its knowledge and benefit from referrals within the network. In addition, in any given month, there are networking opportunities at local network events throughout the U.S., Europe, and other locations. A calendar of events can be found at [www.iwirc.com](http://www.iwirc.com). When you find yourself traveling, please be sure to attend IWIRC events in the local area and continue to expand your network. Finally, and among other benefits, IWIRC's structure allows for broad leadership, speaking, mentoring and publishing opportunities in the local networks and at the international level. The benefits IWIRC can offer you and the talent you can offer IWIRC are unlimited. Please go to [www.iwirc.com](http://www.iwirc.com) and join or rejoin and continue to grow this first class global organization.

A list of our new members is included at the end of the newsletter

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### **Save the Dates!**

*Jennifer McLemore, Christian & Barton, LLP, Program Director*

IWIRC's 2009 Spring Luncheon and Founders Awards is Wednesday, April 1, 11:30-2:00 p.m., in conjunction with ABI's spring meeting at the Gaylord Resort in National Harbor, MD. Our guest speaker will be Gail Evans, former executive VP of CNN, diversity expert and best-selling author of "Play Like A Man, Win Like A Woman" and "Love the Game". On Friday, April 3, from 12:30-2:00 p.m., IWIRC is pleased to sponsor at ABI's luncheon, comedian Paul Mercurio. You won't want to miss this award-winning improv comedian.

The Fall Conference will be in Las Vegas this year! It will start on October 17, 2009 with the opening reception. The networking breakfast, educational session and luncheon will be on October 18, 2009.

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### **Watch for the Launch of IWIRC's Redesigned and Enhanced Website!**

IWIRC's website is being redesigned to provide even more support and information for our members! Watch for the announcement of the launch and be sure to bookmark the site at [www.iwirc.com](http://www.iwirc.com). Just a few of the improvements include a searchable database of all IWIRC International members and an online forum for communicating with other IWIRC members around the world on a variety of topics: from help on a specific case to networking events around the globe.

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## **IWIRC, Olympic Swimming and Mentoring - What do they have in Common?**

*Brenda K. Bowers, Vorys, Sater, Seymour and Pease LLP, Mentoring Director*

Believe it or not, while watching the summer Olympics, I was reminded of IWIRC. In particular, I was amazed by the story of Angelena Dara Grace Torres, a member of the USA women's swim team. Dara Torres has blazed the trail in US women's swimming, in that she is the first American woman to compete in five (5) Olympics: 1984, 1988, 1992, 2000 and 2008. She competed in the 2008 Olympic Games in the 50 Meter Freestyle, the 4 x 100 Medley Relay, and the 4 x 100 Freestyle Relay. She won three silver medals in those events, at the age of 41, with a two year old daughter at home, and while having a swimming career, a broadcasting career, and the occasional modeling job.

While preparing for the final of 50 meter freestyle, the TV commentators noticed that Dara was overly talkative with her other competitors as they entered the pool area. The commentators could not figure out this change of strategy. The commentators' take was that maybe this 41 year old was trying to distract her other competitors. Upon entering the pool area, Dara Torres left her warm-up area and proceeded to the other side of the pool talking to her competitors. She even went directly to the head official for the event and spoke to the official. The TV commentators could not figure out what was going on with Dara Torres.

Finally, in reviewing the video, the commentators determined that the teenage competitor beside Dara Torres had suffered a tear in her suit before entering the pool area. Dara Torres had noticed the tear. She was telling the other competitors that they were going to wait on the teenage competitor to change her suit. As a result of Dara Torres' action, the teenage competitor was able to change her suit and compete in the Olympic finals of the 50 meter freestyle.

After the finals, the media asked Dara Torres why she took those actions and allowed the teenage competitor to compete. Wouldn't Dara have a better chance at the gold medal with one less competitor? In response, Dara Torres stated that while the teenager was a competitor, she also was a friend. She did not want the teenage competitor to be left out of this Olympic event because of a torn suit. Those comments made me think of IWIRC.

While in one way or another we are all competitors, whenever members of IWIRC are asked about what makes it special, you hear comments about it being a networking organization of friends. The founders of IWIRC were trailblazers in establishing this networking organization. Despite being competitors, this group of friends makes sure, as Dara Torres did, that everyone is given the tools to network, compete, and be involved in our own insolvency related professions. Dara Torres, as an Olympic swimmer, was a mentor, a trailblazer and a competitor all in the same moment. IWIRC is an organization that is full of mentors, trailblazers and competitors. That is the reason that as we establish our IWIRC mentoring program, we have the ability to put together mentors, trailblazers, friends and competitors in order to establish something that is and will be very special.



## **NETWORK NEWS**

### **Delaware Network Raises Money for Charity at Holiday Party**

*Maria Aprile Sawczuk, Esq., Stevens & Lee*

The IWIRC-Delaware Network hosted its 6th Annual Holiday Party on December 2, 2008. The party, held at the Hotel DuPont, has become a pre-eminent holiday event in the Delaware bankruptcy community. Over 100 guests enjoyed the live music, wonderful food and drink, and a festive atmosphere.

This year, instead of handing out favors, the Delaware Network used those funds to purchase 25 prizes for a raffle. The Delaware Network sold tickets for \$10 each or 3 for \$20. Prizes included a basket of wine, gift certificates to local restaurants, boxes of chocolate, and other great gifts.

The Delaware Network raised \$800, and all proceeds from the raffle were donated to the

Food Bank of Delaware, a non-profit organization that distributes food to hungry people in Delaware and Maryland through over 235 member agencies. Thanks to everyone who attended and participated.

### **New England Works to Increase Visibility and Attract New Members**

*Carolyn A. Bankowski, Office of the Chapter 13 Trustee*

At the annual meeting in June 2008, IWIRC – New England elected Anna Sankaran as co-chair of the Network and Sejal Chokshi Kelly and Eleanor Dahar as directors. The new board conducted a number of meetings over the summer and fall to develop a plan to increase the New England Network's visibility in the community and to attract new members to IWIRC.

In order to generate new members, the New England Network has conducted two membership drives. In September, Verdolino & Lowey, P.C., gave New England's Network 30 tickets to a New England Patriots game. In addition, Verdolino held pre and post game tailgate parties for New England members and their guests. Anyone who registered as an IWIRC member prior to the mailing of the invitation was eligible to receive two tickets and an invitation to the tailgate parties. The New England Network also held a holiday luncheon and membership drive on December 5, 2008. Any IWIRC member who brought someone who registered as an IWIRC member that day and the new IWIRC member were eligible for a raffle to receive "something silver" from Tiffany's. The response from both events was overwhelmingly positive. The New England Network also intends to conduct a membership drive in connection with its annual meeting in June 2009 and has booked an excellent speaker for the event. More details concerning the event will be forthcoming in late winter.

The New England Network is organizing a benefit to occur in late winter for the M. Ellen Carpenter Fund administered by the Boston Bar Foundation. The M. Ellen Carpenter Fund sponsors a financial literacy program that teaches fiscal responsibility to high school seniors in Massachusetts. The New England Network is looking forward to raising monies to benefit such a worthwhile program and also honoring a beloved IWIRC member. Also, in late winter, the New England Network is partnering with the Young Lawyers Division of the Boston Bar Association and conducting a panel on careers in insolvency. The event will be held on March 4, 2009 at the Boston Bar Association and the panel will feature outstanding female insolvency professionals including lawyers, financial advisors and government employees.

Finally, the New England Network is launching a sponsorship drive to assist with funding the costs of the M. Ellen Carpenter benefit and the June 2009 annual meeting. If anyone is interested in volunteering to assist with the implementation of an event or with the sponsorship drive or would like more information concerning the New England Network should contact Carolyn Bankowski at [cbankowski@ch13boston.com](mailto:cbankowski@ch13boston.com) or Anna Sankaran at [sankarana@gtlaw.com](mailto:sankarana@gtlaw.com).

### **Northeast Ohio Network ("NEON") Has Had Another Successful Year in 2008**

*Christine Pierpont, Squire Sanders & Dempsey L.L.P. and  
Nancy Valentine, Hahn Loeser + Parks LLP, Co-Chairs*

This fall NEON and the Ohio TMA hosted "White Collar Crime and Workouts" at Pickwick & Frolic for a successful educational and networking opportunity for its members. In addition, a Halloween membership cocktail allowed our members to reconnect in a relaxed atmosphere. Finally, NEON hosted its last quarterly meeting for 2008 and several members met for dinner afterwards. NEON IWIRC will finish the year with its annual Holiday Party supporting the Domestic Violence Center in Cleveland, Ohio and has already started planning for 2009. NEON's first program will be on February 17, 2009 at the YWCA Women's Center in Cleveland, Ohio. The YWCA's President and CEO, Barbara Danforth, will present a workshop on learning how to leverage your personal strengths. Happy Holidays and Happy New Year from NEON!

### **Virginia Network Enjoyed Two Very Successful Events This Fall**

*Kimberly A. Pierro, Kutak Rock LLP*

This September, the Virginia Network hosted a clay shooting event which brought out fifteen shooters of all levels. Experience ranged from “which way do I point this thing” to “expert” with all participants enjoying a barbeque and beer reception. The Virginia Network also held its Third Annual Fall Wine Tasting and Networking event which is the Network’s premier event of the year. This year’s Wine Tasting brought out over forty professionals with backgrounds ranging from finance and legal to auction/valuation specialists to enjoy tapas paired with Spanish wines.

### **New Jersey Network Hosts an Evening of Networking and Shopping With a Purpose**

*Alison E. Kowalski, Esq., Lowenstein Sandler PC*

In October, Shoshana Schiff, the chapter’s Director of Marketing and Public Relations, graciously welcomed Network members into her home to mingle over wine and hors d’oeuvres and to shop from selections showcased by local boutique vendors. The Network selected the Women’s Fund of New Jersey, a non-profit organization committed to protecting and empowering women by providing immediate crisis assistance as well as training and encouragement to overcome obstacles, as the beneficiary of the event. The Network donated a significant portion of the proceeds from the event to this worthy cause.

### **Chicago Continues to Build a Thriving IWIRC Network— With Networking Opportunities, Social Activities, and Friendships**

*Emily S. Gottlieb, Esq., Garden City Group*

On August 1, the Chicago Network held its 5th Annual Golf Outing & Lessons. Each year before the golf event, two days of optional lessons are offered. This event is fun for golfers and is especially intended for beginners. It provides a low-pressure environment for those who want to put out “feelers” and see how they may fare in the golf environment, since the game of golf can provide so many networking opportunities at conferences and in business. This event was supported by the sponsorship of Wells Fargo Business Credit, Morris Anderson, and Paul Hastings LLP.

In October, the Chicago Network held an Oktoberfest party at Chicago’s world-renowned Berghoff Restaurant. Hearty classic German food and beer provided sustenance for a fun evening of mingling. The event was sponsored by Foresite Realty and Morris Anderson.

December is the Chicago Network’s signature event: Holiday High Tea. This year’s tea was held on December 18th at the Four Seasons Hotel. The tea was sponsored by Bridge Associates, BMC Group, and Wells Fargo Foothill. Raffle proceeds benefit the Chicago Abused Women’s Coalition. This event was attended by over 125 restructuring professionals and friends. The Network receives positive feedback on this widely –anticipated event all year.

A new initiative of the Network is Third Thursday events. On the third Thursday of each month, a location is identified for a breakfast gathering to discuss business goals, opportunities and referrals. The event is for members only and has no sponsorship.

The Network is currently planning an educational event for February. Please check the IWIRC calendar for more information. Happy Holidays, Happy New Year!

### **IWIRC-Central Ohio Network (“ICON”)**

*Mina N. Khorrami, Law Offices of Mina N. Khorrami*

ICON sponsors a variety of different social, network and service programs. In the spring of 2009, ICON will sponsor a gala at the Franklin Park Conservatory for our members, District bankruptcy judges, spouses and significant others. ICON members have the opportunity to attend our monthly luncheons and events to catch up with recent news or developments. ICON members also share restructuring industry employment opportunities and job candidate information.

ICON has launched subcommittees for professional development, outreach, social and service programs. The professional development subcommittee assists local network members with professional growth and the outreach subcommittee establishes and supports financial education programs for local students in middle and high school.

Every December, ICON sponsors at least two needy families for the holiday and our members contribute money, gifts and/or gift certificates. Not only do members receive the joy of giving, but also have the opportunity to network over a holiday luncheon to wrap the gifts and enjoy the holiday mood. The sponsored families are always appreciative of the much needed gifts and monies.

ICON invites all consumer and business bankruptcy practitioners, as well as professionals in other industries, to join a local IWIRC network. Members may attend monthly luncheons and other activities which facilitate networking and provide a forum to have meaningful discussions on relevant topics with other professionals.

### **New York Network Enjoys a Balance of Social and Learning Events**

*Julia A. Gostomski, JP Morgan Bankruptcy Deposit & Investment Services*

The New York Network hosted a wine tasting event at Moore Brothers Wine Co. in Midtown Manhattan. Over sixty bankruptcy and turnaround professionals enjoyed a “tour” of the wines of Italy and managed to squeeze in a little networking while they were at it!

On October 7, 2008, the New York Network and Fulbright & Jaworski L.L.P. co-hosted an educational seminar entitled, “Ethics for Bankruptcy and Restructuring Professionals”. The program was held at Fulbright & Jaworski’s state-of-the-art conference center located at the firm’s New York offices. The panel was comprised of United States Bankruptcy Judge, Rosemary Gambardella; United States Trustee for Region 3, Roberta A. DeAngelis; Professor of Law and Chair of the NJ State Ethics Reform Commission, Paula A. Franzese; and Deloitte & Touche’s National Restructuring Director and IWIRC Member, Sheila T. Smith. Fulbright & Jaworski’s Sr. Counsel and IWIRC Member, Andrea B. Schwartz, served as moderator. The program received tremendous response, with over 130 attendees. Some of the attendees traveled from Boston, Delaware and North Carolina to attend. In addition to the many lawyers and restructuring financial professionals in attendance, the program attracted various high ranking members in the bankruptcy and insolvency arena, including current and former bankruptcy judges from various jurisdictions, United States Trustees and multiple bankruptcy court clerks. Following an interesting and interactive panel discussion on various important ethical issues that confront bankruptcy and restructuring professionals, Fulbright & Jaworski hosted an elegant champagne reception, which provided the attendees with an opportunity to network with IWIRC members. The program had the greatest attendance at a New York Network event in many years.

Please watch your inbox or the IWIRC NY Network Website for details regarding our 2009 IWIRC New York’s Winter Bash Cocktail Party and Membership Drive. Our Winter Bash and Membership Drive will be held on January 28, 2009 from 6-9 PM at the Manhattan Executive Club. Sponsorship opportunities are available. Please contact Julia Gostomski at (212) 623-0530 or [julia.a.gostomski@jpmorgan.com](mailto:julia.a.gostomski@jpmorgan.com) if you are interested in becoming a sponsor.

We are looking forward to our 2009 events! Check the IWIRC website for upcoming networking events including special events for our junior and new members.

If you are interested in becoming a member of our event planning committee, please contact the NY Co-Director of Events, Julia Gostomski, at [julia.a.gostomski@jpmorgan.com](mailto:julia.a.gostomski@jpmorgan.com).

Happy Holidays! We look forward to seeing everyone at the Winter Bash!

## **Michigan IWIRC (“MIWIRC”) Network Elects New Board and Enjoys Networking Opportunities**

*Deborah Kovsky-Apap, Pepper Hamilton LLP, Chair and Sue Koss, O’Keefe & Associates, Vice-Chair*  
Happy New Year to all!

MIWIRC kicked off its programming season in October with a well attended cocktail party at beautiful Ariana Gallery in downtown Royal Oak. Nearly fifty restructuring professionals gathered to mix, mingle and admire the eclectic collections of art. Next, MIWIRC partnered with Vista Maria, a Michigan charitable organization dedicated to helping abused and neglected children, for a December holiday shopping party at Leon & Lulu’s in Clawson. Many MIWIRC members and non-members came to enjoy cocktails, hors d’oeuvres, and (of course) get a head start on those holiday gifts! Leon & Lulu’s generously donated a percentage of all purchases to Vista Maria. In January, MIWIRC will host a wine reception at Ambassador Magazine in honor of MIWIRC co-founder and IWIRC chair Deb Kuptz (AlixPartners LLP). Our keynote speaker will be Denise Ilitch, magazine publisher, entrepreneur and recently-elected regent of the University of Michigan. Other events on the schedule in 2009 include an educational panel with TMA and a networking mixer along with other Midwestern networks at the annual ABI Central States conference in Traverse City, Michigan.

MIWIRC recently elected a new board. Deborah Kovsky-Apap (Pepper Hamilton LLP) will serve as chair and Sue Koss (O’Keefe & Associates) as vice-chair. Kathleen Dobrovic (Grant Thornton LLP) has taken on the double responsibilities of Treasurer and Membership Chair. Laura Eisele (AlixPartners LLP) will serve as Secretary. Hannah McCollum and Donna Lehl (both of Gold Lange & Majoros, P.C.) are the new Programming Co-Chairs. Susan Gordon (Mackinac Partners, LLC), MIWIRC’s immediate past chair, will serve as the Sponsorship Chair. Vi Zdravkovic (Conway MacKenzie & Dunleavy) is the Communications Chair. Laura Marcero (Grant Thornton LLP) and Dr. Daniella Saltz (Ford Motor Co.) round out the board as Members-at-Large. Much of MIWIRC’s success is due to the generosity of our sponsors. We are grateful for the support of our Gold Sponsors, AlixPartners LLP, Grant Thornton LLP, and Pepper Hamilton LLP; our Silver Sponsors, O’Keefe & Associates, Plunkett Cooney, P.C., and Wells Fargo Business Credit; and our Bronze Sponsor, Gold, Lange & Majoros, P.C. MIWIRC’s board and members anticipate an exciting year of growth and development, and wish our sister networks success in 2009.

## **FEATURE ARTICLES**

### **The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 Overview and Individual Chapter 11 Items**

*Denise C. Konomidis, Alan D. Lasko & Associates, P.C.*

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

Fall 2008

#### **Overview**

The Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005 amended the U.S. Bankruptcy Code. The law requires new responsibilities for debtors including filing tax returns, making available previously filed tax returns, and going to a credit counselor.

Debtors must file their tax return that is due after their bankruptcy petition. If they fail to file their return or file an extension, their bankruptcy case may be dismissed, or may require a conversion from Chapter 7 to Chapter 11, or Chapter 11 to Chapter 13. A dismissal or conversion may also occur if a debtor filing for Chapter 11 fails to pay their tax obligations due after the bankruptcy petition. Debtors filing for Chapter 13 also have to file all their tax returns for the four-year period before the bankruptcy petition.

Seven days prior to the date set for the Section 341(a) meeting of creditors, the debtor must provide the trustees with a copy of their tax returns that were most recently filed or a transcript of the return. Also, any returns that are filed with the IRS while the bankruptcy case is pending must also be filed with the court at the same time. If the return transcripts

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or tax returns are not filed, the court will not grant a Chapter 7 discharge or a Chapter 11 or 13 plan will not be confirmed. Debtors must also make their tax returns available to creditors upon request.

The Department of Justice has recently stated that it will relax the strict rules for filing under Chapter 7 for the victims of the recent Midwest floods as it did for the victims of Hurricane Katrina. These debtors who are not able to provide paper documents that were lost due to the disaster of the floods will not be challenged. The bankruptcy deadlines will also be relaxed and the flood victims will be allowed to skip the credit counseling and debtor education requirements.

### **Individual Chapter 11 Tax Overview**

BAPCPA also created a new bankruptcy law section 1115, as well as a new IRS Notice, i.e., 2006-83 for Chapter 11 cases. Under the new law, the bankruptcy estate, rather than the debtor who is an individual, must include in its gross income the debtor's gross earnings from performance of services after the Chapter 11 case commenced (post-petition services) and gross income from property acquired by the debtor after the case commenced (post-petition property). Gross earnings from post-petition services include wages and other compensation earned by the debtor and self-employment income.

The employer continues to report all wage income and tax withholdings, regardless of whether this falls under the periods of pre-petition or post-petition on Form W-2. When a W-2 is issued and a portion of the compensation represents earnings from post-petition services, then this is includable in the estate's gross income. At that time an allocation of the amounts reported on Form W-2 needs to be made between the individual's return and the estate's return. The debtor in possession or appointed trustee then needs to reasonably allocate between the debtor and the estate, compensation and the related withheld income tax. The same method used to allocate compensation has to be used to allocate withheld tax.

The debtor is required to attach a statement to their individual tax return being filed stating that the individual had filed a Chapter 11 case. The statement needs to also reflect the allocations of income and tax withheld, and state the method used for the allocation of income and tax withheld. The statement also needs to list the court where the case is pending, the filing date of the case, the court case number, and the estate's EIN. A similar statement needs to be attached to the individual bankruptcy estate tax return as well.

Also, as provided in IRS Notice 2006-83, the employer of the debtor does not change its reporting of wages to the IRS because of the Chapter 11 bankruptcy filing. The employer continues to report income on a calendar year basis and then the returns reflect the allocation along with the statements to be attached.

In subsequent years, all of the wages, interest, taxes and investment income/loss are reflected in the estate return (assuming the related assets are property of the estate) and the debtor in possession or trustee needs to report these items on the return that is to be filed. In addition, if there is substantial non-wage income, the Chapter 11 Estate for income tax purposes will be subject to "underpayment penalties" if "estimated tax payments" are not done throughout the year.

The IRS is aware that there are a number of outstanding questions and issues related to these new rules. There is no way to know when more guidance will be issued regarding this type of income tax reporting.

BAPCPA has also amended IRC Section 1125(a)(1) that the disclosure statement provided to creditors for Chapter 11 cases include a discussion of the potential federal tax consequences to the debtor, any successor to the debtor, or a hypothetical investor (11 USC §1125(a)). For example, plans to liquidate assets or sell property should also be reviewed for the related tax consequences.



## **Interview of Judge Mary Grace Diehl**

*Jennifer M. Meyerowitz, Esq., Alston & Bird LLP*

### **Q. Tell us about your background and how you decided to become an attorney.**

A. Judge Diehl grew up in Buffalo, New York and attended Canisius College, which is a Jesuit college in upstate New York. Judge Diehl became interested in practicing law through the debate team that she was on in high school and in college. Through high school and college debate competitions, Judge Diehl traveled across the country competing in debate tournaments against other high schools and colleges. She met her husband, Michael, through her debate experience as he was on the debate team at Emory University and she competed against his team. Such debate experience helped her to realize that law school was her calling. Following Canisius College, Judge Diehl attended Harvard Law School and graduated in 1978. Judge Diehl was a summer associate at Troutman Sanders in Atlanta, Georgia and continued in practice at Troutman for the next 27 years.

### **Q. How did you decide to focus on bankruptcy law?**

A. Judge Diehl began her career in the general litigation practice group at Troutman Sanders. Traditionally, there was one associate at Troutman that was assigned to the Georgia Power matters, which always involved bankruptcy and creditors rights issues. Judge Diehl was the associate assigned to the Georgia Power matters and as a result she handled various bankruptcy matters, deposit issues, and even jury trials in her first year of practice. Soon thereafter, Judge Diehl became known as one of the few associates who actually knew something about bankruptcy law and, thus, she began her career as a bankruptcy lawyer. From 1995-2000, Judge Diehl was on the Associate Review Committee at Troutman and in 2000, Judge Diehl became the leader of the Bankruptcy Practice Group at Troutman Sanders. In 2004, Judge Diehl was appointed to the bench for the United States Bankruptcy Court for the Northern District of Georgia.

### **Q. Were there any role models or cases that strongly influenced you personally or professionally?**

A. Judge Diehl identifies two role models who were most influential to her as she came up through the ranks at Troutman Sanders. The first is Ezra Cohen, who is a former bankruptcy judge and presently a partner at Troutman. Judge Diehl says that Ezra is a wonderful person who looks at the overall perspective of a case. His good ethical standards have been a guidepost for her as she developed her career. In addition, Jack Dalton, who was the head of the Litigation department at Troutman taught her that the lawyer should take on the client's problems, which will help make sure the client is always happy. There is one specific Chapter 11 case that Judge Diehl remembers the most as a turning point in her career. It was a case for a small real estate developer which Judge Diehl handled entirely on her own. At the end of the case, after the plan was confirmed, the client said to Judge Diehl "I was never worried because you were never worried." Judge Diehl says that after that case she felt she had the confidence to grow her practice exponentially.

### **Q. Did you always imagine you would become a bankruptcy judge? What were the biggest challenges when you were appointed?**

A. Early in Judge Diehl's career, she considered applying for the position of Judge on the bankruptcy court. She was only practicing about 5-6 years at the time and she applied because she was sure that "she wouldn't get it." She didn't get it that time, but years later, when she applied she got the appointment to the bankruptcy court bench. The hardest aspect of transitioning from law firm lawyer to sitting bankruptcy judge was learning the consumer side of bankruptcy law. As a big firm lawyer, her practice mostly centered on larger Chapter 11 cases. Thus, learning the Chapter 7 and Chapter 13 cases was a whole new world for Judge Diehl. If there is anything about practicing law that Judge Diehl misses, Judge Diehl says that she misses the people at the firm the most. She also misses the excitement of a case and sitting in on all the negotiations and meetings that take place leading up to and during a big Chapter 11 case.

### **Q. Do you see a difference between female and male bankruptcy professionals?**

A. Judge Diehl is well known for encouraging women to practice law, especially

bankruptcy law. However, Judge Diehl says she is careful to only encourage women that really want to be lawyers. Judge Diehl says that in her experience, women often have skills that are helpful in bankruptcy cases, such as the win/win mentality and a little less ego than some of the male counterparts. In fact, Judge Diehl says that she has never ruled on a discovery dispute where women were involved. On the consumer side of things, women sometimes have more patience and empathy with their clients and thus their skills are generally well suited for this side of bankruptcy law.

**Q. You have been very successful. What is your secret?**

A. When asked to what Judge Diehl attributes her success, she said “luck.” She just feels “lucky” to have been at the right place at the right time. In addition, she was always willing to volunteer to take on tasks and commit the time to get things done. In addition to IWIRC and many other causes to which Judge Diehl dedicates her time, she is very involved with the Credit Abuse Resistance Education (“CARE”) program and thinks it is very worthwhile. She teaches the importance of credit to young high school students around the city of Atlanta. “If you touch a couple of kids, you can make a difference,” says Judge Diehl.

**European Network Launch – An Interview with Dr. Annerose Tashiro**

*Mirka Skrzypczak, GMAC Commercial Finance plc*

I’m sure we’ve heard the phrase: “we are living in interesting times” quite a lot these days; and the fact that no two days are alike makes that statement even more powerful. In light of current events it is crucial that we learn from each other, support each other and compare our experiences on both sides of the Atlantic. We’ve decided to reach out to one of the key leaders of the IWIRC European launch effort – Annerose Tashiro – and reflect a bit on the importance of our network.

**Q: After the launch of the European Network, do you feel the “idea” got accommodated among women professionals in Europe?**

A: When I’ve spoken to my colleagues, many felt it was strange to be part of a female association as in theory gender doesn’t matter. We like to think that women are respected within industry (there is nothing wrong in that) and we don’t like to consider ourselves as women in a male dominated profession. I also asked myself the question; “why do I need to be involved?” but to my great surprise the encouragement came from my male boss! I overcame my own hesitations and that experience allows me to understand how people feel when I approach them to join.

**Q: How do you think a women’s networking group will change the perception of women professionals in the market place?**

A: I believe our work, to some extent, will make women stronger via sharing experience and ideas – the strength of relying on themselves. To get to a stage when we are able to say: “I know someone who can help” within the network would be a great achievement. Our engagement in IWIRC is about allowing women to gain strength, experience and skills they can use later on.

**Q: What is your view on the current economic situation and how long do you think it will take to get the market stabilized again?**

A: The overall economic outlook is quite pessimistic. I’ve spoken to various people who seem to share the same opinion that it will get worse in Q1 next year as we are still at the beginning of the crisis. 2010 should be a bit brighter and we should see some signs of improvement; however some analysts believe the effects will last until 2014/2015, which is quite realistic.

**Q: How does the German market differ from the US and UK market? Are there any changes unique to Germany?**

A: There is not a big difference. Many of German banks are in trouble (especially those who invested in the US market) and several of them are close to accepting state aid. Although it is not as bad as in the US, consolidation of German banks is crucial. In addition, they need to justify their own existence more than ever before.

The German economy has also experienced a substantial hit due to its exposure in the automotive sector – 70% of the production in that sector goes to export, which has caused suppliers to struggle.

**Q: Finally, what do you think the future for the IWIRC European Network holds?**

A: Serious business issues need to be resolved and we individually have much less time available. It is significant that within our network we can pick up the phone to colleagues and rely on them. Not that long ago I needed someone from NY to advise me on a certain issue and it worked immediately! This can only work when you have a personal relationship as we do in IWIRC.

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## **MEMBER NEWS**

### **Stevens & Lee announces the addition of Maria Aprile Sawczuk to its Wilmington bankruptcy practice**

Ms. Sawczuk focuses her practice in bankruptcy law. She represents creditors, creditors' committees and debtors in bankruptcy proceedings, out-of-court workouts and commercial lending matters, including loan restructuring and debtor-in-possession financing.

Ms. Sawczuk is the chair of the Delaware Network of the International Women's Insolvency & Restructuring Confederation, a member of the American Bankruptcy Institute and the Turnaround Management Association. She is also the president of the Delaware Chapter of American Mensa, Ltd.

Ms. Sawczuk received a J.D., cum laude, from Villanova University School of Law and a B.A. from the University of Delaware.

### **Meyerowitz joins Epiq**

Epiq Systems, Inc., a leading provider of technology solutions for the legal profession, announced that Jennifer Meyerowitz, Esq. has joined the company as a Vice President and Senior Consultant in its bankruptcy group. In this role Meyerowitz will utilize her extensive legal experience to assist clients in case management, schedule and SOFA preparation, claims reconciliation and other matters.

"We are pleased to welcome Jennifer to our team," said Lorenzo Mendizabal, Managing Director, Epiq Bankruptcy Solutions. "Jennifer brings a deep level of expertise and experience on the front lines, and will be a valuable asset to our clients."

Mendizabal adds, "As the current economic downturn continues, Epiq is proactively growing its bankruptcy team with experts like Jennifer so we can continue to provide clients with reliable, industry-best support."

Prior to joining Epiq, Meyerowitz was a Senior Associate in the Bankruptcy, Reorganizations and Workouts Practice Group of Alston & Bird, LLP., where she represented debtors, secured and unsecured creditors, creditors' committees and trustees in complex and out-of-court workouts, debt restructurings and Chapter 11 bankruptcy proceedings.

Meyerowitz received her J.D. from Emory University School of Law, where she was Executive Notes & Comments Editor of Bankruptcy Developments Journal, and her B.A., with distinction, from the University of Michigan. She is admitted to practice in Georgia and a member of the Board of the Atlanta Bar Association and the Bankruptcy Section of the Atlanta Bar Association. She is the Membership Services Director of the International Women's Insolvency & Restructuring Confederation and the Co-Founder, Past Chair and Current Board Member of its Georgia Network division.

### **Lasko Earns CFF Certification**

Alan D. Lasko of Alan D. Lasko & Associates, PC has met the requirements of the AICPA to earn the CFF Credential (Certified in Financial Forensics). This newly established certification is granted to qualified CPA's with considerable experience in Financial

Forensics. In addition to the CFF credential, Alan Lasko is also a CIRA (Certified Insolvency & Restructuring Advisor).

#### **Peggy Hunt Appointed**

Peggy Hunt of Ray Quinney & Nebeker, P.C., Salt Lake City, Utah, has been appointed to the Local Rules Committee by the United States Bankruptcy Court for the District of Utah.

#### **Carolyn Hochstadter Dicker Elected**

Carolyn Hochstadter Dicker of E. Carolyn Hochstadter Dicker, LLC, has been elected to the Board of Trustees of the Jewish Federation of Southern New Jersey. For more than 80 years, the Federation and its agencies have provided the critical resources that bring food, shelter, healthcare, education and emergency assistance to those living in Southern New Jersey, Israel and 60 countries worldwide. Ms. Hochstadter concentrates her practice in the areas of business and consumer bankruptcy, creditor rights, corporate law, and commercial litigation.

#### **Salene Mazur Kraemer Joins The Meridian Group**

Salene Mazur Kraemer has joined The Meridian Group as a Senior Management Consultant and Legal Advisor. Ms. Kraemer joined Meridian after practicing corporate bankruptcy law for over 10 years in the Philadelphia, PA, Wilmington, DE and Pittsburgh, PA areas. As a corporate bankruptcy attorney, Ms. Kraemer had a regional and national practice representing nationally prominent debtors, major unsecured creditors, official unsecured creditors' committees, special interest committees, and trustees in various aspects of Ch. 11 and Ch. 7 corporate bankruptcy cases in bankruptcy courts all over the country. During her time as a corporate bankruptcy lawyer, she also developed a special expertise in preference litigation. She represented both preference defendants in defending and debtors or trustees in prosecuting preference cases, achieving outstanding settlement results.

Prior to practicing corporate bankruptcy law, Ms. Kraemer was a corporate and securities associate. She represented start-up businesses, privately held companies and publicly traded corporations in wide range of corporate transactional matters. She assisted in numerous credit facilities, equity and debt offerings and mergers and acquisitions.

Ms. Kraemer graduated as a University Honors Scholar from West Virginia University with a B.A., magna cum laude in Political Science and also earned a Masters Degree in Business Administration from West Virginia University, magna cum laude. She received a Law Degree from Villanova University School of Law and is admitted to the Bar in Pennsylvania, New Jersey, and West Virginia.

Ms. Kraemer is a member of the Turnaround Management Association, where she serves as the Assistant Treasurer for the Pittsburgh Chapter, and the International Women's Insolvency & Restructuring Confederation- Tri-State Network and WV Network. She is also a Certified Turnaround Professional-Designate.

#### **Leigh Ann Ihrig Promoted to Director at AlixPartners**

Leigh Ann Ihrig has been promoted to Director at AlixPartners LLP. She has over 14 years of experience in accounting and finance roles in industry and consulting. Her background includes forensic investigation, litigation services, due diligence and transaction services, finance improvement planning, and serving as controller for a debtor in Chapter 11. Leigh Ann holds a bachelor's degree in accounting from Oklahoma State University. She is a Certified Public Accountant (in Texas and Oklahoma), a Certified Fraud Examiner, Certified Insolvency and Restructuring and Advisory and a Certified Valuation Analyst. She is a board member of IWIRC, a member of the Oklahoma State University School of Accounting Advisory board and a member of various other professional and volunteer organizations.

**IWIRC is pleased to congratulate the following IWIRC members on their invitation to join the American College of Bankruptcy:**

Lynn F. Riley of Altman Riley Esher, LLP, Boston, MA  
Rebecca A. Roof of AlixPartners, New York, NY

They will be inducted as Fellows of the College on March 27, 2009 in Washington, D.C.

The ceremony will take place at the United States Supreme Court and will be presided over by David G. Heiman, Chair of the College. The keynote speaker will be Dennis W. Archer, former mayor of Detroit and the first African-American Chair of the American Bar Association.

These ladies are 2 of the 33 nominees from the United States and abroad being inducted in the Twentieth Class (2009) of College Fellows. All are being honored and recognized for their professional excellence and exceptional contributions to the fields of bankruptcy and insolvency.

The American College of Bankruptcy is an honorary professional and educational association of bankruptcy and insolvency professionals. The College plays an important role in sustaining professional excellence in this rapidly expanding field of expertise. College Fellows include commercial and consumer bankruptcy attorneys, insolvency accountants, turnaround and workout specialists, law professors, judges, government officials and others involved in the bankruptcy and insolvency community.

Nominees for Fellows are extended an invitation to join based on a record of achievement reflecting the highest standards of professionalism. The College now has 713 Fellows; each selected by a Board of Regents from among recommendations of the Circuit Admissions Council in each federal judicial circuit and specially appointed Committees for Judicial and Foreign Fellows.

Criteria for selection include: the highest standard of professionalism, ethics, character, integrity, professional expertise and leadership contributing to the enhancement of bankruptcy and insolvency law and practice; sustained evidence of scholarship, teaching, lecturing or writing on bankruptcy or insolvency; and commitment to elevate knowledge and understanding of the profession and public respect for the practice.

**Board of Directors • Network Chairs • New Members  
Calendar of Events • How to Join IWIRC • [www.iwirc.org](http://www.iwirc.org)**

PMB 130, 10332 Main Street, Fairfax, Virginia 22030-2410

*Disclaimer: Any positions or opinions expressed are those of the authors and not necessarily IWIRC's.*