

CUT-RATE BANKRUPTCY?

Recession has drawn lawyers into the field with little training or experience, two experts argue

At a recent meeting of creditors in a bankruptcy case, known as a 341 hearing, an attorney we're familiar with walked over to a man seated quietly but expectantly in a room at the federal courthouse.

"Hi, I'm your attorney," the fellow said, extending his hand to a client he was meeting for the first time — even though he'd allegedly been handling the man's bankruptcy case for months.

Lately, it seems easier to find someone to handle your bankruptcy than to clean your roof gutters.

Attorneys who spent years specializing in other aspects of the law — as well as recent law-school graduates who recognize that starting a commercial real estate law practice might be ill-timed just now — have, almost overnight,



ANOTHER VOICE

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discovered the unfortunate stability of practicing bankruptcy law. They've thrown themselves into this highly complicated area of the law, sometimes after only attending a seminar on the topic.

As partners in a firm that specializes in bankruptcy and commercial law, we admit that our dismay at the proliferation of instant bankruptcy lawyers may appear to be self-serving.

To be sure, firms that establish themselves as "bankruptcy mills" often charge a client less money. One reason can be that non-attorneys conduct the initial interview and prepare all the paperwork. The lawyer, as indicated by the example that opened this commentary, makes a cameo appearance when the case is heard before a trustee.

The client, who has a great deal at stake, financially and emotionally, is the loser in this scenario, as bankruptcy is a complex process. It often entails producing an almost arcane paper trail



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to demonstrate that the filer — an individual, a family, a business — has no other option but to reorganize, liquidate or simply flee the scene of a fiscal accident.

If you're dealing with a bankruptcy, as a creditor or debtor, find out how long and how specifically your lawyer has focused on this area.

When an attorney handles a bankruptcy matter with care and compassion (maintaining a sense of "there but for the grace of God" doesn't hurt), the client almost invariably feels relief and even renewal by the time the case is closed.

"Closed" is the word that counts. Some of the clients we've "inherited" in the past few years have gone through what they assumed

was a complete process, only to find that certain papers weren't filed correctly, if at all, or not all of the client's creditors had been properly notified. In some

cases, this means virtually starting all over — not the fresh start the client was looking for after bankruptcy but a reliving of the already-suffered humiliation and despair.

The simple solution? If you're dealing with a bankruptcy, as a creditor or debtor, find out how long and how specifically your lawyer has focused on this area. Ask lots of questions — and bring along your spouse or partner to provide an "extra set of ears" because the information is dense and your state of mind may make listening intently as challenging as the process itself.

Most important of all, make sure the attorney you meet at the beginning of the process is the one who'll be handling or carefully overseeing all aspects of your case throughout the process. The courthouse can be a friendly place but it's not the ideal setting to meet your lawyer for the first time.

Brother and sister, **WALTER DAHL** and **CANDY DAHL** are partners at Dahl & Dahl Attorneys At Law, a midtown-based firm focusing on bankruptcy and commercial law. Contact them at DahlandDahl.com.