

Behind bankruptcy

Three attorneys discuss daily challenges of helping clients in crisis

O'Bryan has empathy for clients trapped in bad debt because of poor luck, behavior

BY MARIAM WILLIAMS | CORRESPONDENT

The pastel colors, simple cloth sofas and unimposing service window give the reception area of Julie O'Bryan's eastern Jefferson County law office an aura of comfort.

That's appropriate for clients who need a fresh start and for an attorney who never gets tired of helping people.

"I've learned lessons through my clients," O'Bryan said. "I realize I could be in that situation." She described the majority of her clients as "good, honest people ... who have a noose around their necks in terms of debt" because of bad luck and, sometimes, irresponsible behavior.

She said her work is particularly moving when she deals with people who are in the situation through no fault of their own, such as a client who lost her job because she had cancer.

Chapter 7 versus Chapter 13

O'Bryan represents individuals and couples who are filing for Chapter 7 or Chapter 13 bankruptcy protection. Her office also handles divorces.

During her first interview with a client considering bankruptcy, she asks a long list of questions about his or her assets, liabilities, income and expenses to determine the best course of action.

O'Bryan always tries to tell people "that with every decision you make, there are pros and cons, risks and benefits."

"A benefit to Chapter 7 is complete relief from most debts, excluding, among others, student loans and certain types of taxes," O'Bryan said. Within 120 days of filing, the debtor's credit report should indicate a zero balance for the debts that were discharged.

On the downside, a trustee determines which assets are protected, and debtors surrender their homes or businesses.

O'Bryan cited a case in which a client went for the restructuring format of Chapter 13 after



Julie O'Bryan regularly visits the federal courthouse in Louisville.

O'Bryan informed her that she would lose a valuable, mortgage-free home in Chapter 7.

Chapter 13's pros include giving debtors the ability to stop foreclosure and to pay a portion of their debt based on what they can afford in a court-approved budget. The court watchdog, however, can prevent debtors from getting a loan or selling assets, and most debtors have to follow their Chapter 13 restructuring plan for five years, O'Bryan said.

More than 100 cases per month

O'Bryan's office has seen a gradual increase in the number of Chapter 13 filings for couples and individuals during the past few months because of the recession. She saw a bigger surge just before October 2005, when a change in bankruptcy laws made it more difficult to file for Chapter 7 bankruptcy protection.

The office files more than 100 bankruptcy

cases per month, making it one of the highest bankruptcy filers in the Kentuckiana area, O'Bryan said. Her firm has four other attorneys, eight paralegals and seven staff members and files cases in three jurisdictions — Eastern Kentucky, Western Kentucky and Southern Indiana.

All four of her children, who range in age from 16 to 22, also work in one of her offices part time. As the owner of her practice, O'Bryan's typical day also includes overseeing administrative matters and marketing initiatives, an aspect of her job she enjoys.

She also doesn't mind rotating among her four office locations — the main office off of Blanken-

JULIE O'BRYAN

Age: 50

Position: Attorney, owner and president, O'Bryan Law Offices, since 1994

Years in bankruptcy law: 22

Education: University of Louisville Louis D. Brandeis School of Law; board certified in consumer bankruptcy by the American Board of Certification

Route to bankruptcy practice: After law school, became staff attorney for U.S. Bankruptcy Court Judge Wendell Roberts

Hobbies/interests: Family time, tennis, gardening, travel

Personal: Louisville native; single; twin boys, Casey and Corey, 22, students at the University of Kentucky; daughter, Kelley, 20, also at UK; daughter Katie, 16, entering junior year at Assumption High School

A person filing for bankruptcy definitely should not: Try to get rid of assets right before filing; pay off a bunch of debts first; borrow more money right before filing

Bankruptcy's effect on the economy: It should help. "If debt is wiped out, you have a little more disposable income." |

baker Parkway and satellite locations on Preston Highway in Louisville, and in New Albany in Southern Indiana and in Frankfort, Ky.

O'Bryan, who believes in going to where the clients are, said that if "you're not giving clients special attention with a little hand-holding — you're not giving them what they need."