

LIGHTS, CAMERA, TRANSACTION!

A PERIODIC PUBLICATION OF

THE TRANSACTIONS AND COMMUNITY ECONOMIC DEVELOPMENT CLINIC

University of Illinois

Spring 2006

Clinic Students Rush to Bankrupt Clients (and it's a good thing)

Introducing the Legal Teams:

- Fall Semester: Gale Chan, Emmy Hong, Mark'a Jones, Russell Knight, Tobi Pinsky, Lindsay Price, Pete Scharff, Derek Samz. Returning students: Angel Lin, Brian Merrell
- Spring Semester: Greg Berlowitz, Candace Bertha, Anna Downs-Temple, Jasmine Hernandez, Laurie Samuels, Ricardo Wyngaard, Jordan Zucker. Returning Students: Russell Knight, Tobi Pinsky, Lindsay Price, Derek Samz, Pete Scharff

Law students are known for doing things last minute, so it was a pleasure this year to help clients do the same thing. A new bankruptcy law went into effect on Sunday, October 17, 2005, and Clinic students were racing to beat that deadline.

After frantic calls to creditors and debt collectors, furious entries into petitions, frequent trips to our clients' homes to get petitions signed, followed by plenty of cursing at the court's electronic case filing system, the

feat was accomplished! We filed bankruptcies by the close of business on Friday, October 15.

After the deadline passed, law students and clients sat before trustees at the Federal courthouse and got to see the difference between the personal care we provide and the way many other bankruptcy attorneys, a.k.a. "filing factories," worked. Our clients stepped out of that courtroom ready to start their lives anew, debt-free.

-Russell Knight



What's in your wallet?

Profile: Berlowitz Beguiled by Bankruptcy

"I had mixed feelings about bankruptcy when I started in the TCED clinic. Although I felt situations of medical emergencies and extraordinary circumstances justified utilizing one of the few remaining federally guaranteed 'second chances,' I perceived bankruptcy more as abuse than as a lifeline.

"TCED changed my view. The combination of rampant predatory lending and the 2005 bankruptcy 'reform' bill made me realize how systematically lenders stacked the deck against borrowers. When my client, a young woman with a new baby and a history of bad debt, came into the TCED clinic seeking a bankruptcy, I talked with her about second chances and ascertained that not only was this the best time for her to declare bankruptcy, but that she successfully had put personal and familial structures into place to make the most of bankruptcy as a new start in her life."

-Greg Berlowitz

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Identity Theft: As Not Seen on Dateline

Stone Phillips would have been disappointed that he missed out on this one!

One of my clients was a victim of identity theft in 1997 when an individual fraudulently obtained state disability benefits in the client's name. These benefits were then erroneously reported to the Internal Revenue Service ("IRS") as income. The IRS subsequently obtained a tax lien against the client for an amount in excess of \$9,000. While the perpetrator of the identity theft was ultimately convicted and imprisoned, as of February 2006 the tax lien remained in effect and the client's purported tax liability had grown to over \$11,000. The apprehension caused by this tax lien made my client

too afraid to file tax returns for years, even though she was entitled to a substantial refund for each of those years.

I contacted the IRS to clear up the identity theft issue and filed the client's past tax returns. As of April 2006, the tax lien had been released, the client had received several thousand dollars in tax refunds and has a refund claim for over \$11,000 pending with the IRS. My client is extremely relieved. The tax lien is no longer hanging over her head and she is excited about using her future tax refunds.

-Pete Scharff

Modern Day Von Trapps: Clinic Responds to Hurricane Katrina

This semester I had the unique opportunity to work closely with a family that not only survived Hurricane Katrina, but is also featured on Radio Disney and is in the process of securing a record contract as a family act not unlike the Sound of Music's Von Trapps. When the family contacted the Clinic they were overwhelmed and inundated with letters from their insurance company, mortgage company, and other creditors. I began by working with the family to review their mortgage and to ensure they received everything promised under their insurance policy. Not only did the family settle their mortgage, but we successfully fought for the full amount of rental assistance owed to them.



An on-going goal has been to find suitable housing for this family that has been displaced since Hurricane Katrina. For a variety of reasons, the family has had trouble finding short term housing. I've researched local housing opportunities, and notified various Katrina help organizations of this family's need of a home. Faced with hardship securing a house in Champaign, the family currently has plans to move to Indiana. I have worked with them to organize their finances and develop a budget that will make them more attractive loan applicants.

The most difficult aspect of this entire process has been gathering information from third parties. Overall, this experience has been extremely rewarding. I have had the opportunity to develop a professional and personal relationship with an amazing family. An extraordinary set of circumstances brought the family to the Clinic, and it is great to know the Clinic stepped up to the plate when presented with the opportunity to directly help survivors of Hurricane Katrina.

-Jasmine Hernandez

ON TEAMWORK:
 "I HAD THE UNIQUE OPPORTUNITY TO DO A LITTLE 'CROSS TRAINING' AS A TRANSLATOR FOR A CLIENT IN THE EMPLOYEE JUSTICE CLINIC. IT WAS GREAT TO HAVE SOME REAL-WORLD PRACTICE DOING SIMULTANEOUS INTERPRETATION IN THE LEGAL CONTEXT."
 -LINDSAY PRICE

ON COMMUNICATION:
 "SO MUCH OF THE EXPERIENCE WAS ABOUT COMMUNICATING AND INTERACTING WITH THE CLIENT, FIGURING OUT WHAT THEY NEEDED, AND HOW I COULD GO ABOUT MEETING THOSE NEEDS IN A WAY THAT WOULD SERVE THEIR BEST INTERESTS."
 -EMMY HONG

ON COMPASSION:
 "CLINIC REALLY HELPED OPEN MY EYES TO THE EXTENT POOR PEOPLE ARE CONTINUALLY TAKEN ADVANTAGE OF FINANCIALLY. IT WAS A REWARDING EXPERIENCE TO BE ABLE TO HELP THEM, AND ONE I WILL NOT FORGET."
 -ANNA DOWNS-TEMPLE

ON EFFICIENCY:
 "THE EFFICIENT SYSTEMS BEING IMPLEMENTED BY THE CLINIC HAVE EXCEEDED MY EXPECTATIONS AND WILL RESULT IN DIRECT CHANGES TO THE CLINIC WHERE I AM CURRENTLY WORKING IN SOUTH AFRICA."
 -RICARDO WYNGAARD

Caveat Emptor: Seller? Beware

Last spring, confronted by serious financial difficulties, my client sought to sell her house to prevent foreclosure. All appeared to be going smoothly last May, when my predecessor on the case Cameron Buss set up the case for transfer. The client had found a buyer for her house and would be able to repay her mortgage in full with money left over to help pay down other debts. However, by the time I received the file this past fall, something had gone terribly awry. The buyers had backed out of the deal the day before closing, citing a mysterious and hazardous mold problem rendering the property uninhabitable. Unfortunately for my client, this action meant the mortgage company would foreclose on her house. To add insult to injury, the buyers' attorney had acted as the escrow agent for the earnest money deposit and refused to return the money to my client. In corresponding with the buyers' attorney, I was able to piece together an extremely suspicious story. The buyers' claimed my client had left her house unlocked so that a local inspection company could check the house for any problems. After speaking to my client and confirming the buyers' outlandish claim that she left her house unlocked for a stranger to enter was false, I called the supposed inspection company to request a report of their findings. I found out that not only does the inspection company not issue reports detailing the dangers of any condition they find, but they had absolutely no record of ever inspecting my client's home. After a six month correspondence period between the parties through their attorneys, a favorable settlement was reached on the issue of the deposit.

The moral of the story: Although the law generally seeks to shield the buyer in a residential real estate transaction, sometimes the seller would benefit from, and is more deserving of, similar protection.

-Tobi Pinsky

Clinic Helps Those Who Help Themselves

The overriding life lesson reinforced to me by my clients this semester is that “the world only helps those who help themselves.” While my parents continually imparted this wisdom to me from a young age, my Clinic client interactions have invariably proven this rule. After having counseled at least half a dozen debt-stressed clients and not for profit organizations, I couldn’t help but notice that the clients who were proactive and responsive to the Clinic’s assistance achieved the most progress in improving their situations.

ON INITIATIVE :
 “MY CLIENT STRUCK ME AS A DEDICATED AND HARDWORKING FAMILY MAN WHO WAS CONFRONTED WITH A CHALLENGING PERIOD IN HIS LIFE. I UNDERSTAND THAT WITH LIFE THERE WILL UNDOUBTEDLY BE CHALLENGES, AND AM PLEASED THAT THE CLINIC CAN LIFT AWAY SOME OF LIFE’S UNCERTAINTIES.”
 -LAURIE SAMUELS

For example, a recently unemployed father and husband with a large medical debt and an exhausted pension received many helpful recommendations after a short visit to the Clinic.

Specifically, the client was advised on strategies to lower his tax burden by claiming additional deductions, reduce his outstanding medical debt by accessing several hospital charity care programs, and decrease his health care expenses by finding cheaper health insurance.

By coming to the Clinic in an organized, prepared manner and being entirely forthcoming about his situation, the client put himself in



Clockwise: Client advised by Jordan Zucker, Tobi Pinsky, and Pete Scharff.

the best position to maximize his use of the Clinic’s and the community’s resources. Furthermore, his sincere and appreciative attitude made him a most enjoyable client.

-Jordan Zucker



Did You Know?

Pawn shops date back to ancient times and are one of the earliest recorded lending institutions. Early clientele included Queen Isabella of Spain who pawned the crown jewels to finance Columbus’s expedition to the Americas. Today, pawn shops are used by the public to borrow small sums of money that other sources are not willing to provide. Remember, a pawn is a loan not a sale. When a customer pawns a particular item, he leaves it as collateral. Upon returning to the pawn shop to repay the loan (principle plus interest), the item will be returned to the customer. Should the customer default on his loan, the collateral becomes the property of the pawn shop and is put up for sale after the loan is delinquent for a specific period of time, usually one to three months. Interestingly, between 70% and 80% of all loans are redeemed.

-Tobi Pinsky

Law Student Learns Secret of 90% of Success in Clinic

I was fooled into going to Law School by the 80's sitcom hit, “Night Court.” Who wasn't seduced into this profession by the nine seasons of one liners, sexual tension, and colorful, non-threatening defendants? Every case ended the same nonjudgmental way, with judge Harry Stone ordering, “\$50 plus time served.”

While my class action suit against NBC for falsely inflating my dreams continues, my life goes on.

This semester, I represented a Clinic client in court. Lucky for me, opposing counsel did not show up. My client beamed because a continuation meant more time before he had to move his family out of their home. The judge asked me if I knew where opposing counsel was and I scowled in disgust. Although I didn’t have the strongest argument, I did have one ace up my sleeve: punctual attendance.

“Can we continue this cause of action to a week from now?” asked the judge.

Still bristling on the outside and rejoicing on the inside, I replied, “Your

honor, considering their inability to make it here today we should give opposing counsel ample time to get themselves organized. A month perhaps?”

The judge agreed, and thanks to my mere ability to be available my client had a place to live for another month.

In this rare moment of law school joy my thoughts naturally returned to that legal utopia, “Night Court.” I recalled when Judge Harry Stone explained how he was selected to be a judge due to his mere ability to be available, “Well, they started at the bottom of a very long list and began calling candidates one at a time. It was Sunday so everyone was out. I was basically picked because I was home.”

I thought to myself for a moment, “Hey. I'm pretty good at being available. Maybe even I could be a judge one day.”

Maybe the old Woody Allen quote was right and 90% of success is just showing up. Either way, I'll be there on time to find out.

-Russell Knight

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Inside the Dugout

Russell Knight gets the dirt on TCED clinic coach, Cyndi Geerdes's, recent promotion:

Q: What's your new title?

A: Assistant Dean of Clinical Education and Legal Practice.

Q: So they've let you out of the clubhouse and into the front office, so to speak?

A: It's more like becoming head coach. I get to wear a shiny team jacket all the time, chew dip, and spit wherever I please. I even cuss sometimes.

Q: The off-season is coming up. Any reflections? strategies?

A: Work on expanding my belly. It's not quite up to snuff. My uniform is a little loose.

Q: You'll have a new roster this coming year. Bringing back any pros or all rookies?

A: All rookies. It should make for an exciting season—and it keeps the salary budget under control.

Q: It's often said that the hardest decision is pulling a starter and putting in a reliever for a case? Do you find that to be true?

A: I never pull starters.

Q: Should David Ortiz have won the MVP award last year despite his status as a designated hitter?

A: No. The DH is still an American League phenomenon in my book, and I was born and raised in the National League.



FALL 2005

Front from left: Lindsay Price, Tobi Pinsky, Mark'a Jones, Gale Chan, Derek Samz.

Back from left: Brian Merrell, Russell Knight, Cyndi Geerdes, Emmy Hong, Pete Scharff.

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Front from left: Greg Berlowitz, Laurie Samuels, Tobi Pinsky, Anna Downs-Temple, Jasmine Hernandez.

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