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Q&A With Locke Lord's David Wirt

Law360, New York (August 17, 2009) -- David Wirt is a partner in the Chicago office of Locke Lord Bissell & Liddell LLP and chair of the bankruptcy/restructuring practice group. He focuses his practice on insolvency, bankruptcy and business reorganization matters. Over the last decade, he has represented numerous corporate debtors and official creditor committees, institutional lenders, trade creditors, and governmental agencies throughout the United States in all aspects of insolvency workouts and litigation.

Q: What is the most challenging case you've worked on, and why?

A: There have been so many interesting and challenging cases over the years. Certainly acting as creditors committee counsel in the Kmart bankruptcy would rank up there as one of the most challenging. One of the largest retail cases in the history of the United States, tens of thousands of creditors, billions of dollars in inventory and over a thousand stores. It was a full-time job just managing the process, much less helping to steer the course of the case. A very good result in the end for the creditors.

Q: What accomplishment as an attorney are you most proud of?

A: There are several. As an attorney, being afforded the tremendous privilege and honor of leading such a skilled and dedicated group of bankruptcy and restructuring lawyers as we have at Locke Lord is at the top of my list.

As special counsel to the California State Senate during the energy crisis early in the decade, it was particularly fulfilling to help the Legislature in addressing a crisis that was having such a negative impact on so many people's lives and livelihoods.

Q: What aspects of law in your practice area are in need of reform, and why?

A: Any good bankruptcy attorney would probably list the same half-dozen or so ambiguities in the provisions of the Bankruptcy Code that really should be addressed, and that would have a tremendous impact in limiting the acrimony in contested cases.

For whatever reason, the legislative process of amending the Bankruptcy Code is always a long one, and these few practical fixes seem to get lost in the grander, overarching politics of the day.

Q: Where do you see the next wave of cases in your practice area coming from?

A: It will likely be dependent on where the next financial crisis originates. For example, right now we are hearing and seeing some compelling metrics respecting consumer credit card debt. As consumer spending is such a key component of GDP, a sustained, significant dislocation in consumer credit could have enormous impact on many segments — retail, durable goods, discretionary travel and services, to name a few.

On the other hand, when the economy finally levels off, it would be hard not to expect some inflationary pressure from all the stimulus money that has, and will be, injected into the system. Depending upon the magnitude of the inflation, and its impact on nominal interest rates (together with any real increases by the Federal Reserve), this could also heavily impair the consumer driven sectors.

Q: Outside your own firm, name one lawyer who's impressed you and tell us why.

A: H. Bruce Bernstein at Sidley Austin is a good friend, a top-flight financing attorney, and, quite simply, one of the finest legal counselors anywhere.

Q: What advice would you give to a young lawyer interested in getting into your practice area?

A: Learning the insolvency law and practice involves a somewhat short, but very steep, learning curve. If you want to practice in this area, then devote your practice to it — diversification is not a good idea, at least in the early years.

Also, it is tremendously helpful if you have experience in business or finance, and a practical mind and ability to see legal issues as opportunities to help solve your clients' business problems.