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From Bubble Test to Bankruptcy Law

Barbara George Barton debunks the myths around Chapter 11 and explains the impact the recession has had on her practice

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When Barbara George Barton took a test to help her figure out her best career path in college, she didn't like the results, which were limited based on gender. So she forged her own path, becoming a bankruptcy attorney as the field was just emerging, and hasn't looked back. The partner at the Barton Law Firm in Columbia spoke with us in November.

Q: Your bio states that you were a bankruptcy lawyer "before practicing bankruptcy law was cool." Have you always wanted to practice bankruptcy law?

A: It's kind of an accident that I became a bankruptcy lawyer. Back when I was in law school, they didn't even teach bankruptcy; people didn't even consider bankruptcy as a viable career choice. So, no, I didn't have that as a goal because it really didn't exist. When the first full-time bankruptcy judge was appointed for South Carolina in 1969, there were only a handful of bankruptcy cases in the entire state, so it wasn't something that you could make a living doing. It was not until after I graduated that bankruptcy became a tool that people used more frequently. I was with The McNair Firm and clients started coming in needing a bankruptcy attorney. I was a young associate, so I became a bankruptcy attorney, to help these clients. It turned out to just be a great niche for me, so I ran with it.

Q: So it was learn-as-you-go then?

A: That's right. There really were no resources. It wasn't taught at law school; it was something that you just had to self-teach and go to as many conferences as you could to bring yourself up to speed. There was also a challenge because there were no women bankruptcy attorneys at all when I started. It was considered to be kind of a male-dominated area of the law because it's business, you know, it's finance. It's not family court or something that you'd consider to be more female-friendly. So I had that additional challenge that I had to meet.

Q: Did you come up against opposition?

A: Well, it wasn't really opposition; it was just that I was viewed as an outsider, somebody who really didn't fit the mold. And when I began practicing bankruptcy law, there was never another female professional present. It just didn't happen. Fortunately, I had a really, really good bankruptcy judge that I started practicing in front of, Judge Bratton Davis. Judge Davis was such a welcoming person. He was a Southern gentleman and he was very gracious. He made sure that I was treated with absolute respect in his courtroom. And because I tried very hard to be really well-prepared and really able to present my case, I was able to be very successful.

Q: What inspired you to choose law in the first place?

A: It was a rocky course. Let me tell you a funny story. When I was in college, I didn't know exactly what career I wanted to pursue. And back then, and this was in 1971, there weren't a lot of careers available to women. When a woman chose a career, she could choose teaching, or she could be a nurse, she could be a secretary, so there were very limited career choices, and I didn't want to be any of those things. I went to the guidance office and they gave me a psychological test to determine my best career choice. It was one of those multiple-choice things where you fill in the little bubbles. They ran it through the computer and they came back and said, "OK, what you need to do is be a stewardess," because that's what a woman could do, that was one of the careers a woman could have. I thought at the time, "These people are clueless." [Laughs] I mean, that would have been the worst career choice in the universe! So I looked at other options; I looked at psychology. I actually got my undergraduate degree in journalism—because that was during Woodward and Bernstein, and everybody was very excited about Watergate—but then once I got it, I thought, "What am I going to do with this?" My father was an attorney and I thought, "I've got the writing skills from this journalism degree, so maybe I can turn that into a legal career."



Q: Do you have a most memorable case from your bankruptcy practice?

A: That's a really tough question and leads to all kinds of war stories that could go on for days, but the most recent case that I've had that was really exceptional was the Park Seed case. I don't know if you know Park Seed, but it's a company that's located in Greenwood, South Carolina, and it owned Jackson and Perkins, which is the rose company out of California. [Park Seed] filed Chapter 11 after it had hired a bunch of professionals to come in and try to fix it. The professionals had said it can't be fixed; you just need to shut down. The company filed Chapter 11 and a trustee was appointed. I represented the trustee in the Chapter 11. We were able to restructure the company and find a buyer for the company who came in and agreed to continue operating it and agreed that it would maintain the jobs there in Greenwood. Since that's the biggest employer in Greenwood, that was really, really important to that community and to those employees. And since a number of professionals had already said there's no way, this company cannot operate profitably, you just need to shut it down, we felt like that was a real success story.

That's the way Chapter 11 is: If it works properly, it benefits not just the company, but it benefits all the employees; it benefits the people who do business with the company, who can continue to do business with the company; it benefits all the customers who buy from the company, who can continue to get whatever they need from the company. So it's a real win-winwin-win-win situation. If you didn't have Chapter 11 as a tool, it would be a loselose-lose because not only would the company shut down, but all the employees would lose their jobs and they might have to file their own bankruptcies. All of the vendors would no longer have anybody to buy what they were selling, which means they would have adverse financial repercussions, and the customers would not be able to get whatever it is they need for their businesses. So it's a ripple effect and it can be a really good ripple effect or it can be a really bad ripple effect.

Q: Do many companies survive going through the Chapter 11 filings then?

A: Yes. There is a myth that most companies don't successfully go through Chapter 11, but that's incorrect. There's

also a myth that most successful Chapter 11s just involve the sale of the business. And that's incorrect. There is a sizable number of Chapter 11s that involve the sale of a business, like maybe a third of the Chapter 11s, but not all of them. If you handle a Chapter 11 properly, it can be very, very successful.

Now, one of the problems you have is, before you put a company into Chapter 11 you have to make sure that there is a light at the end of the tunnel for the company, that there is a way of restructuring it that can be profitable. If a company comes to you and is not making enough money to pay its current operating expenses—it can't repay any of its debt and it can't pay any of its current operating expenses like its payroll or its taxes or its absolutely essential operating expenses, its utilities then it really should not file Chapter 11, because it doesn't even have enough money to operate, much less pay the debt service. If you put that company into a Chapter 11, it's not going to be successful, so you have to be careful about the companies that you put in Chapter 11. That's what we try to do here: You don't give false promises to your clients; you don't agree that they may have a potentially successful Chapter 11 when it's obvious that they don't.

Q: What is the demand for your bankruptcy services in this economic climate?

A: It's through the roof; it's through the roof. I've been doing this for 34 years and I've never, ever seen it like this. We are turning business away. It's incredible. I say we're kind of like the canary in the coal mine, that when the country is beginning to go through economic hard times, I see it here at this firm before anybody in Washington knows it's coming because people start coming to my office, they start demanding my services and when they show up, they're in really bad shape. I know, before the folks in Washington know, that the economy's about to go through a real bad time just because of the business cycle.

Q: Do you have any predictions of when it might let up a little bit?

A: I wish I did. I wish, despite the fact that it's bad for my business, that the economy would improve immediately, but I don't see it happening. I think we're still in for some bad times

Q: What is the most challenging part of your job?

A: My husband, John, was a prosecutor with the U.S. attorney's office for 22 years and then he took early retirement and he went out into private practice. When he went out into private practice, I told him: When you were a prosecutor, you really didn't have a client that you were responsible to. Sometimes he dealt with the IRS, sometimes he dealt with Secret Service, but he really didn't have a client. And I said: When you go into private practice, the one thing you're gonna love about private practice is having clients. And the one thing you're gonna hate about private practice is having clients. [Laughs] You gotta take the good with the bad.

Q: Would you say the most rewarding part about being a lawyer is working with clients?

A: Yeah, it really is. And it runs the gamut. I handle pro bono cases where I don't get paid anything, but I help people who are so destitute that they can't afford to pay a fee and those people are the most desperate. I've had those clients burst into tears in court and hug me. I had one, an elderly woman; she's in her 80s. When we left the courtroom, she danced in the street outside the courthouse, just went out and danced in the street she was so, so excited to be out from under that horrible burden of not being able to pay her creditors. That can be really, really rewarding. But it's also rewarding to know that you've made a big difference in a lot of people's lives and sometimes those people have no idea what you've done or the fact that you really helped them, that, really, what you did improved their lives. They may never even know that you did that, but just to know that you did it, that you helped them, that you maintained their jobs, that you kept that business operating, that you fixed a company that was about to crater, it's just a very, very personally satisfying thing.

