The Honorable Burton R. Lifland

2013 Recipient of the Distinguished Service Award of the American College of Bankruptcy

By

Ralph R. Mabey

March 15, 2013

Judge Burton R. Lifland has greatly honored the Bench and the Bar through his many

years of outstanding service. Tonight we honor him.

Measured by distinguished tenure on the Bench, measured by the cumulative importance

of his judicial decisions, measured by his prominence in matters of international insolvency law,

and measured by the sheer force of his energy, intellect and good will over many decades, Burt

Lifland is preeminent among United States Bankruptcy Judges of this generation.

Judge Lifland has served as a bankruptcy judge in the Southern District of New York in

New York City since 1980. For many years he served as Chief Judge of this Court. The Court's

current Chief Judge Cecelia G. Morris says that Judge Lifland "is known for his passion. His

enthusiasm and energy shown for his cases is matched only by his enthusiasm shown for his

family." Retired Chief Judge Arthur Gonzalez acknowledges Burt's inspiration and mentorship

to all of the judges on this court. "We are truly motivated by Judge Lifland's enthusiasm and

love of the job." Judge Lifland's enthusiasm is underscored by the fact that he regularly leads his

young law clerks on miles-long noon-time bicycle expeditions up and down Manhattan's west

side bike path.

Judge Lifland's many important judicial decisions have been cited thousands of times by other courts and by scholars. He presided over the <u>Johns Manville</u> bankruptcy case filed in 1982. This was the largest case of its time and the primary asbestos tort liability bankruptcy. Judge Lifland pioneered the appointment of a representative to protect the rights of thousands who had been exposed to asbestos but who had not yet become sick and were yet unknown. The innovation of this future claims representative and the bankruptcy treatment of these future asbestos claims were embodied in the United States Bankruptcy Code in 1994 as a direct result of the <u>Manville</u> case. The United States Supreme Court had occasion to review and uphold a key injunction issued by Judge Lifland in that case.

Among the many other prominent bankruptcy cases over which Judge Lifland has presided, is, of course, that of <u>R.H. Macy & Company</u> better known as <u>Macy's Department</u> <u>Stores</u>. It was in this bankruptcy that Judge Lifland famously ordered Macy's to continue sponsoring New York City's Thanksgiving Day Parade and July 4th fireworks. Two decades later, that order continues to be honored by Macy's.

Having presided in 1981 over the then largest fraud case in bankruptcy, the <u>OPM Leasing Services</u> case, Judge Lifland today presides over the current record holder for Ponzi scheme fraud, the notorious <u>Bernard Madoff</u> case. As ever, Judge Lifland's groundbreaking decisions in this case are much-mooted and of major importance. Within this last month, the Court of Appeals for the Second Circuit twice affirmed Judge Lifland in <u>Madoff</u> appeals.

In matters of international insolvency law, Judge Lifland is particularly distinguished. He is a founding member of the International Insolvency Institute. He has pioneered principles of

judicial cooperation among nations. In 1999, the successor to the Singer Sewing Machine Company filed bankruptcy in Judge Lifland's court together with 46 of its affiliates doing business in over 150 countries. Sensitive to the risk of world-wide company melt-down, and aware that the U.S. concept of a debtor-in-possession was at that time not well understood, Judge Lifland took an innovative step. He appointed foreign representatives for Singer so that other governments and insolvency administrators would have clear lines of communication and negotiation with the U.S. court and the U.S. parent company. While examiners had been appointed to this task in the past, this was the first time that such a foreign representative had been appointed in the United States. Thereafter, courts appointed these officers in other cases. Today Chapter 15 of our Bankruptcy Code and the laws of many nations smooth the way for the international recognition of debtors-in-possession. In 1995 when the United Nations' Commission on International Trade Law, known as UNCITRAL, created its Working Group on Cross-Border Insolvency, Judge Lifland was appointed to the U.S. Delegation. In important part through his meaningful efforts, the Model Law that underlies Chapter 15 was developed and adopted internationally. At UNCITRAL meetings in Vienna and New York, I have watched Judge Lifland quietly and persuasively bring nations together. To name just two nations, representatives of Russia and Iran have joined on occasion in Judge Lifland's personal détente diplomacy to advance international cooperation in bankruptcy. Judge Lifland remains an influential member of this U.S. Delegation.

In matters of innovative judicial administration, Judge Lifland has been a leader in developing electronic filing, court-approved mediation resources, and consistent professional fee standards. When challenged by others on some of these innovations, Judge Lifland isn't

bothered, and has been heard to say, "When you raise your head above the crowd, expect to get shot at."

I cannot confirm the rumor that Judge Lifland doesn't suffer fools lightly: I hope I am unqualified to test this supposition. Outside of the courtroom I can, however, endorse from personal experience the heartfelt statement of one of Judge Lifland's colleagues to me, "He is one of the least critical of other individuals of any human being I know."

The humanity, public spirit, and goodwill of Judge Lifland are founded in his marriage and family. Elaine and Burt have been married for 61 years. They are a synchronized and mutually supportive team. On the subject of why in the world Burt hasn't retired from the Bench, Elaine says, "He could sit back and say I have had enough, but he loves life, he loves problems, and he loves a challenge." Elaine and Burt enjoy their close-knit family: Their son, Howard, a physician in south Carolina, and his and accomplished wife Patti, a nurse and medical researcher; their son, Craig, an insolvency lawyer in Connecticut, and his likewise accomplished wife Kathy, also an attorney; and their five grandchildren. Two years ago, the Lifland's granddaughter Lauren was graduated from Fordham Law School, Judge Lifland's alma mater. Judge Lifland had the honor of presenting the diploma to Lauren. Their grandson Ryan is currently a law student at Fordham. The Lifland family is present this evening and is certainly an important part of this award.

The American College of Bankruptcy is honored to present its Distinguished Service Award to the inimitable Judge Burton R. Lifland.

Ralph R. Mabey