

**2024 Distinguished Service Award Recipient**  
**James H. Hm. Sprayregen**  
**March 22, 2024**

So about 45 minutes ago, I was getting ready to come over here and I go to get dressed and take out my suit and my shirt there was no shirt, so apologies, but it was either this or an orange shirt or no shirt so I did the best I could, so bear with me. Maybe I'm not so distinguished. Chad thanks for the great remarks. Half of them true - very much appreciate it. Thanks to the leadership of ACB, Melissa, Charlie, members of the committee who selected me. Although I always go with that Groucho Marx line about never wanting to be a member of a club that would have me as a member. But I did look at the list of previous honorees and it is really an impressive list and many of whom I've worked with over the years and the others I've always admired from afar, so it was really an honor to receive this award. I also want to thank my family, who unfortunately were not able to be here tonight with various things going on, for supporting me in everything; as Chad was saying, I tend to run around a lot, both internationally and domestically, but really made me able to do what I was able what I've been able to do over the length of my career. My wife, incredibly supportive with the kids when they were younger now all three of my kids are married and actually had the honor of throwing my dad's 90th birthday party last weekend and had everybody there and already two grandkids and two more on the way so that puts things in perspective.

So a couple of anecdotes, I don't remember what class I'm part of, Sheri probably knows when I was inducted, but my first involvement in ACB was I was asked to speak at the education program the Saturday after this program and I remember I went there and I'm sitting up at the podium getting ready to speak and whoever the president was at the time, I wish I could remember who it was, came up to me and said looking forward to hearing your remarks. When did you become a fellow? And I said, well I'm not a fellow and then he said well only fellows are allowed to speak at the Saturday program and I said well you guys invited me to speak. So the next year I was a fellow. The other thing I remember, Melissa mentioned the Supreme Court, where this ceremony was held for many years. I think I know the real reason we're not there anymore. One of the year's we were there I was one of the last to leave and I go to leave and go to the elevator - the elevator opens up and Ruth Bader Ginsburg' is in the elevator. The only person in the elevator - I'm the only other person going in there, I go in she looked terrified and she's trying to melt into the back wall of the elevator and I say hello to her and I literally had been watching C-SPAN the night before and she was doing a commencement speech at Georgetown and I mentioned it to her said great and she looked horrified that I would mention that so she didn't respond to that. And then I said you know your husband and my senior partner Jack Levin write a book together and she looked at me like what are you a stalker, and the elevator opened up and she ran out. So I think that's why we're not there anymore but I'm not really sure.

In any event I started practicing in 1985 which actually was an interesting time. I was a summer associate in 1984 and for people who remember these things you know the bankruptcy code we have today is called Bankruptcy Code of 1978 but and if we call Rich Levin up here he could give us song and verse on this, but it was declared unconstitutional by the Supreme Court in 82. The order was stayed on fixing it because Congress needed time to act. Congress did what it

usually did does which was nothing, didn't act, they extended the stay ultimately the stay expired and they supposedly fixed it but when I'm not sure how many people remember this but in 1984 when I was a summer associate for a very brief period of time in July 1984 the tenure of all bankruptcy judges in the United States expired and there were no bankruptcy judges, for I forget how long it was a week or two, and I remember, I'm a summer associate I get taken over to court and there's a judge sitting down at the council table and not wearing a robe and everybody's there and the judge said well I'm not really a judge at this moment in time but if I was a judge here's what I might do maybe you guys want to go in the hall and figure it out. And actually that's what happened and it was a fascinating time to be part of it. And they did fix it pretty soon after that but in reality the way I look at 78 to 82 to 84 and then when I started practice in 85 is when the 78 Code was really just starting to come into its own. It took a little while.

And I teach a class at, as Chad mentioned, Wharton with some of my partners some of, Josh Sussberg here getting inducted tonight, and with some others and I always make the point in teaching the class that I look at what was done with that Code and I there's a million things that were done but I always say there's four main things that were really done the automatic stay; the debtor in possession; debtor in possession financing and market rate compensation for professionals. Now that last one sounds a little crass to talk about money but I actually think it's pretty important and pretty relevant to everybody in this room because what that ushered in was prior to that period of time when it was not a market-based compensation system given that we're in capitalistic Society there was a different group of bankruptcy lawyers that practiced and the people who could get market-based compensation for the most part practiced M&A or litigation or something like that and when all of these things went in if you step back to 500,000 ft the way I look at it is with the debtor in possession, management and a board didn't have to wait until the company was on its death doorstep to do something because before then they were basically out of a job because the trustee would come in. They could go to their relationship banks and get debtor in possession financing and they could hire the professionals they wanted and professionals were willing to represent them. And I mentioned the automatic stay too. So it really changed the system and it also not just the bankruptcy code itself but I look at it as the extra statutory system grew up around the code too, what I always call the rescue culture. Part of that is because our system I think is pretty good and I think you know, Chad mentioned a lot of my international work, and if you do everything compared to what it was I think it's really good but it's not perfect and it's got its issues and there's still a fundamental discomfort with our debtor in possession system and so the extra statutory stuff I talk about is the growth of CROs and disinterested directors and all of the other professionals that surround a bankruptcy process and to me if you step back I think that's all a function of the compromises that were done in the Code, good compromises, but not free lunch compromises that resulted in where we are.

I always use the Winston Churchill quote where he says democracy is the worst form of government of all except for all the others, and debtor and possession is kind of like that and all of these extra statutory things that were built up is to me, this is who's in this room, is we have our statutory system and we implemented and we have obviously all of the judges here that oversee it and then we have everything we do in the court but all the stuff we do outside the court too which to me is uh incredibly important. And as to the international work I don't know how many different countries I've been in talking about bankruptcy over the years but it's definitely in the dozens and many different countries have adopted parts of our Bankruptcy Code some of

some of them more some of them less but in the world of voting with your feet it's been pretty amazing how many countries have adopted our model also, or parts of our model, recognizing that no matter how much of our model is adopted in every country, and this to me this is what's interesting about the bankruptcy world it's not just a set of laws it's sort of a reflection of your political socio-economic cultural values, and even if you wholesale adopted the bankruptcy the US Bankruptcy Code in some country it would be different just like it's different in different parts of the United States because of all of those factors. I think that keeps life interesting uh even though some people like argue for more homogeneity with respect to that too one of the things that's been so interesting to me over time is all of the relationships I've been able to develop up with everybody in this not everybody but many of the people in this room and many people around the world and whether we're on the same side of the table or different side of the table to me that's what's really been you know interesting in life and just being able to meet so many people. I still remember when I represented Japan Airlines in their restructuring which was done partially in Japan and in the United States and a number of other places, when I interviewed for the position the client said we you know we'd love to hire you but we need local council in 40 countries by Wednesday it was a Monday and I said oh that's no problem I can I'll be able to get that for you. They said okay and I hung up the phone I said how am I going to do that. But I pulled out my various contacts list and directories and 90% of them I knew somebody and the other 10% I knew somebody who knew somebody and that was fun and actually got it done by Tuesday instead of Wednesday. So it actually was really just a function of having met a lot of people who you learn to trust over the years.

Let me talk about, Chad mentioned my partners at Kirkland let me talk about that for a moment. First of all, I didn't get to Kirkland in the simplest way, if you walk into my office even today the first thing you'll see is a framed letter and it's my rejection letter from Kirkland when I tried to come there out of law school and I didn't even get a call back. And actually my senior partner used to come in my office and say you got to get over that, and I was like why? So that was my initial thing. And when I started out, actually one little factual error that you made Chad is I think you said we had 10 people when I started in 1990, I think it was way less than that but whatever we had it wasn't that many and obviously I was at the bottom of the totem pole but we started we started growing it and it I would say for the first few years when it started growing a lot I was kind of like a one-arm paper hanger I was probably committing malpractice like 10 times a day, but we were doing kind of the best we could but over time we were able to grow it to where Chad described it is today and it's been really kind of the joy of a lifetime and Chad stole some of my lines but that's fine because it's been great seeing people like Chad and Anup Sathy Josh Sussberg are getting inducted today and there's a whole number of my partners that it's been fantastic to see them develop and grow. And as Chad mentioned I'm going to go on and do something else and I've always said when I leave my job is to go out with a whimper not a bang and to me that's more that's true success in where this where I feel like the group is being left in in great shape. And so it's not only been great developing them as lawyers but getting to be friends with them and their families and that's been you know fantastic. One other thing Chad mentioned the University of Illinois professorship I was honored to be able to endow with another inductee Ralph Brubaker is the professor, he wrote an article shortly after becoming that the James H.M. Sprayregen and professor of law and it was about non-debtor releases and it was completely anti to non-debtor releases, a view I have a different position on, and once he wrote that, and I hadn't seen it I started getting all these calls from people saying how could you write

an article like that that is so against non-debtor releases it seems so different from you know what your general position is. I went and looked and the signature line has his name but it says the James H.M. Sprayregen Professor of Law and I said wow that's true academic integrity. So that part's been fun also. So you know I have to admit I do I call this award kind of an old guy award and I use this line that I stole from somebody else a long time ago where some usually I say it's in connection with a meeting but I'll say how long did you spend preparing for today's speech and the answer is 40 years. So it's a real honor to get this award and I will leave it on as Chad mentioned I'll be moving on although not for a little bit yet I'll leave it with a quote from one of my favorite philosophers Jim Harbaugh, I'm a Michigan guy, where he says live every day with an enthusiasm unknown to mankind so I recommend that to all of you.

Thank You