



Hon. Karen K. Specie

Chief Judge, U.S. Bankruptcy Court for the Northern District of Florida

by Jodi Daniel Dubose



Jodi Daniel Dubose is an associate at Stichter, Riedel, Blain & Postler P.A. in Pensacola, Fla. While in law school at the University of Florida, she interned for Bankruptcy Judge Lewis M. Killian Jr. of the Northern District of Florida. She regularly represents parties in bankruptcy cases, assignments for the benefit of creditors, receiverships, and out-of-court workouts. Dubose has been particularly active in fiduciary representation in state and federal courts and also handles civil litigation matters, principally in connection with debtor-creditor disputes. She is licensed to practice law in Florida, Alabama, and Texas.

Between the 16th and 18th centuries, the U.S. judicial system relegated district court judges and even U.S. Supreme Court justices to the arduous task of traveling around an assigned geographical area to hold court in various designated places, a practice referred to as “circuit riding.” When Congress abolished the federal circuit courts over 100 years ago, it eliminated the practice of circuit riding ... or so we thought. Chief Bankruptcy Judge Karen Kinkennon Specie of the Northern District of Florida would say differently.

Judge Specie was appointed to a 14-year term as chief bankruptcy judge on July 25, 2012. Now nearly halfway through her first term on the bench, she knows all too well the challenges faced by her earliest predecessors, as she is the sole bankruptcy judge in a district serving approximately 1.75 million people through four separate divisions covering 23 counties in North Florida. Until recently,¹ she held court in each of those divisions every month, requiring a “circuit” drive of over 750 miles from Pensacola in the west to Gainesville in the east.

Judge Specie is no stranger to changing scenery, though. Born in Fort Riley, Kan., her father was an army pilot and her family lived in France, Germany, and Canada during her formative years. They eventually landed in Treasure Island, Fla., and her favorite childhood memory is spending her Saturdays in the stables, caring for horses and riding while her parents did their weekly shopping at the MacDill AFB Commissary in Tampa. After high school, Judge Specie earned a bachelor's degree in political science through studies at the University of Florida, the University of South Florida, and abroad in Geneva, Switzerland. She obtained her law degree from Florida State University in 1978 and the world was her oyster.

She initially worked at a small law firm in New York City (Boyle, Vogeler & Stebbings P.A.), and the first case her supervising partner gave her was a bankruptcy case. It was an objection to the dischargeability of a debt involving the missing consignment of approximately \$100 in jewelry and a separate objection to the



debtor's discharge. She admits she knew almost nothing about bankruptcy law, but she dove in, drafting the two-count complaint as instructed. When she appeared in bankruptcy court before tough, seasoned Bankruptcy Judge Roy Babitt in the Southern District of New York at the first hearing in the case, he asked her why she had filed both counts. She hesitated to admit that she really wasn't sure, that she was simply following her supervisor's instructions, but Judge Babitt beat her to the punch and answered his own question. He then patiently explained to her the difference between discharge and dischargeability, and the reasons why it is not always strategically advantageous to object to both. That was a pivotal moment for Judge Specie, a lesson she would never forget and a glimpse into an area of law she'd never really considered. She was fascinated, and a bankruptcy lawyer was born.

Later focusing her practice in Tampa, Gainesville, and Jacksonville over the next three decades, including eight years as a Chapter 7 panel trustee, Judge Specie honed her skills and earned her reputation as a premier bankruptcy attorney in Florida. She served on the Florida Bar Young Lawyers Division Board of Governors and the Executive Councils of the Trial

Lawyers and Business Law Sections of the Florida Bar, won a Florida Bar Award for Law School for Laymen, and was inducted into the American College of Bankruptcy in March 2012. Known for her relentless work ethic and commitment to do her best in all circumstances, Judge Specie's consummate professionalism and civility with other lawyers became her hallmark among a bankruptcy bench and bar she describes as the "most caring, committed group she's ever been part of."

She continues to hold that opinion today, though she interacts with the bar from a different side of the bench. That perspective brings different challenges, like managing a court calendar that straddles two time zones. As of March 2019, Judge Specie currently handles over 2,500 active cases under Chapters 7, 11, 12, and 13, plus 73 adversary proceedings. Both the Pensacola Division (the largest caseload) and the Panama City Division lost their courtrooms over the last few years, and neither space is expected to become available again until 2020. This requires most physical hearings to be conducted in Tallahassee (a 2.5-hour drive from either of the other locations) and has inspired Judge Specie to think creatively to offer alternative options for practitioners and their clients. "We try to utilize telephonic and video capabilities to conduct nonevidentiary hearings in appropriate circumstances, which allows parties to avoid unnecessary administrative fees and additional expenses. Our court staff is diligent in doing its best to accommodate parties in these complicated circumstances, and parties are always welcome to appear in person in the Tallahassee Division if they feel it prudent. We try to make the system work for everyone."

What Judge Specie enjoys most about serving on the bench is the time to really focus on legal issues, an opportunity she feels is often lost in private practice due to economic and scheduling constraints. She insists she learns something new at least every week—she has presided over many interesting and novel cases, including complex involuntary proceedings. One such adversary proceeding, *In re Hintze*, addressed what it means to "destroy" a corporate interest under § 727(a)(2)(A) and whether the assets of an alter ego corporation constitute property of an individual debtor's estate. Judge Specie held that the individual debtors were not eligible for a discharge after their transfer of the corporate assets of a wholly owned entity left the company a "shell with no assets and no income," a ruling that was ultimately affirmed by the Eleventh Circuit.

She says the hardest part of her transition to the bench was the isolation, especially since she is the only judge in her district. Her phone "stopped ringing" with calls from colleagues about referrals and novel cases, and she now spends her days encountering a distressed public often under extreme stress. Judge Specie believes the most important traits of a good bankruptcy judge are compassion and civility toward that public and practitioners who appear before her. Her favorite types of hearings are any hearing in which the parties are rep-

resented by excellent lawyers and reaffirmation hearings and other hearings with self-represented parties because she has a chance to look people in the eye, explain the process, listen, let the parties know she is listening, and see the effects. Perhaps it reminds her of the patient explanation she received in Judge Babitt's court all those years ago and the difference it made for her.

Another pivotal moment in Judge Specie's life came in 2005, when she was diagnosed with breast cancer and took a leave of absence from practice to fight the disease. While she was undergoing treatment, she moved for the continuance of a hearing scheduled on a day she was to have surgery and the opposing attorney objected. The continuance was granted, but the importance of professionalism between legal practitioners had been underscored in a personal way. Four surgeries later, Judge Specie returned to the practice of law with an enhanced sense of empathy for those she encountered, both opposing counsel and clients, and an altered perspective of the "human aspect" of the job. "It really put having a bad day into perspective ... after all, you can't have a bad hair day without hair."

Now a 14-year cancer survivor, Judge Specie is also passionate about education, having taught commercial law courses at the University of Florida for four years as an adjunct professor before she took the bench. She still dedicates time to the constituency she serves outside of the courtroom, including initiatives to bring high school students to the bankruptcy court for the Public Schools Legal Diversity Initiative and advocacy for financial literacy education for the public. She was instrumental in bringing the C.A.R.E. Program to Leon and Alachua County schools, serving as its local coordinator even before she was diagnosed with cancer. Most recently, she supported legislation in the Florida Legislature that would require high school students to receive specific financial literacy education or demonstrate a minimum sufficiency of knowledge to waive the requirement. Judge Specie is also scheduled to present C.A.R.E. in Leon County high schools this coming fall. She sees firsthand the effects of the current gap in financial education, and she's doing what she can to turn that around.

Coming full circle to her fondest memories, Judge Specie still spends her precious little free time with her horses, traveling, or being with her family. She and her husband of 38 years, Gary, raised three impressive kids and are now enjoying their first granddaughter, who will turn 2 years old this year. She appreciates the sacrifices her family made over the years that allowed her to dedicate so much effort toward the profession she loves, and no doubt those efforts were cherished by countless clients, colleagues, and jurists who had the opportunity to cross her path. Judge Specie's legacy is an excellent illustration of how hard work, professionalism, and dedication to the rule of law can make all the difference in the lives of others, and the Northern District of Florida is lucky to have her on the bench. ☺

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When asked what advice she would give lawyers interested in administrative law, Judge Coughlin emphasized that the position requires a great deal of flexibility. Some cases may settle on the eve of the hearing after thorough preparation. Some cases may be well-represented, while others may involve parties proceeding pro se requiring additional guidance through the administrative process. In addition, ALJs must also be mindful at all times of their actions and behaviors as decision-makers.

Family Life

Judge Coughlin is content in both her personal and professional career. She maintains it with spiritual focus and peacefulness and explains that life experiences and a strong faith in a higher being have been instrumental in her development. “When my spiritual house is in order, everything else falls into place.”

She enjoys taking long walks with Pat—her husband of 29 years—and their German shepherd, Minna. She is a nature lover

and enjoys cases that deal with protecting the environment. She has many passions, including photography, reading fiction, cooking/baking, attending the theater and musical performances, and watching movies. One of her biggest passions, however, is scuba diving with her husband in the beautiful waters of Indonesia.

Her philosophy in life is to be kind, inclusive, and humble. She believes in the saying, “People may not remember what you said to them, but they will remember how you made them feel.” To Judge Coughlin, it is essential to be open and not pass judgment to another individual’s views or perspectives even when they differ from your own—an essential element for a judge.

When asked how she would like to be remembered when she retires, she said that she wants to be recognized as a fair, kind, and dedicated legal professional who produced high-quality work. Without question, Judge Coughlin has already accomplished that goal through her impeccable career and her stamina and perseverance to stay the course. ☺

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These individuals are not just names in cases, and their problems are more than academic exercises. Learning how to provide legal advice to a client is invaluable to a law student’s development as a lawyer.

Similarly, a court internship provides a unique perspective into how courts view litigation and related issues, plus what a court considers important in deciding a case. Court personnel, from the judge to the law clerks to the clerk’s office, are required to be professional in their dealings with the parties and the public. Moreover, they should exhibit a sense of pride and responsibility in having the privilege of being public servants. Observing this type of professionalism educates law students about the responsibilities of practicing law. In addition, court observation provides a unique perspective on the “dos and don’ts” of practice and how to practice with civility opposing counsel and the court.

I asked my law clerks to explain the benefits of clerking. They both agreed that notwithstanding doing well in law school, time management in terms of their court assignments has reinforced the concept of meeting deadlines and prioritizing work. They also said that they will be better prepared to practice bankruptcy law because they had two years to study and learn the Bankruptcy Code and Rules. Notably, they both emphasized that working in chambers allowed them to ask questions without fear of not already knowing the answers. Moreover, my clerks commented that the decision-making process in chambers is different for the court than being an advocate. Peer review of their written work and potentially appellate

review of their work made them better understand that an accurate statement of the law and facts is critically important in their jobs. Finally, because many judges participate in judicial and bar activities, law clerks are exposed to many opportunities to participate in the legal community.

Bar activities and mentorship is where professional development occurs. While in a perfect world it should really start in law school, there are too many obstacles and demands for it to be effective unless the student is proactive in reaching out to lawyers and bar associations. That said, lawyers and judges should mentor law students into joining and being active in bar associations. I have been fortunate to have been a member of the FBA for roughly 25 years, and during that period, I have been a chapter officer and president, editor-in-chief of *The Federal Lawyer*, and chair of the Bankruptcy Section. While I have enjoyed being involved in many bar associations and activities, there is no other bar association that collectively promotes federal practice, supports the federal judiciary, and provides a lawyer the opportunity to participate in an area of law. Through a local chapter, section, or division, a young lawyer can immediately meet potential mentors and peers in a field. During the time I have been chair of the Bankruptcy Section, I have been fortunate to meet several remarkable young people who have a deep commitment to the practice of bankruptcy law. I hope that I have the privilege to mentor many more bankruptcy lawyers. ☺

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¹The Pensacola Division of the U.S. District Court has been utilizing the bankruptcy courthouse in Pensacola since it was forced to vacate its own courthouse in 2017 due to mold issues. Hurricane Michael destroyed the bankruptcy courthouse in Panama City in October 2018. Both scenarios make it difficult to conduct hearings or other proceedings within those divisions at this time.