

TRANSCRIPT OF  
INTERVIEW OF  
RICHARD D. SPARKMAN  
(Richard D. Sparkman & Associates)

Place: U.S. Bankruptcy Court  
Raleigh, NC

Date: August 16, 2019

TRANSCRIPT ORDERED BY:

DAWN R. WRIGHT, CASE ADMINISTRATOR (U.S. Bankruptcy Court)

ATTENDEES:

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CINDY OLIVER, ESQ. (Longleaf Law Partners)  
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Court)  
STEPHANIE BUTLER, CLERK (United States Bankruptcy Court)

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1 MS. BUTLER: We're interviewing Richard  
2 Sparkman today and we have present to interview Cindy  
3 Oliver, Travis Sasser, Christine Castelloe and myself  
4 Stephanie Butler. We'll be recording this and as we  
5 said transcribing. So we'll probably just take some  
6 turns asking you some questions, but, you know,  
7 anything that's triggered, any stories, feel free to  
8 tell us whatever comes to mind. But just start out  
9 telling us a little bit about, you know, your early  
10 life, where you grew up, that sort of thing.

11 MR. SPARKMAN: Historically my family, both  
12 sides, were from Wilmington. Dad was born in Rocky  
13 Point, my mom in Wilmington and they were married in  
14 Wilmington. Dad flew B-17's in World War II, and they  
15 married right after the war. Dad got a job with  
16 Standard Life and Casualty Insurance Company which  
17 required him to move from Wilmington. I like to say he  
18 sojourned through Lancaster, South Carolina on his way  
19 to Rock Hill. But they stopped in Lancaster long  
20 enough for me to be born. There's probably a plaque  
21 there somewhere. And then we moved to Rock Hill. Back  
22 then it took a while to drive from Rock Hill to  
23 Charlotte. Not so much anymore.

24 I lived in Rock Hill until I was nine years  
25 old, the fourth grade. Then Dad was transferred as a

1 regional vice president to Charleston. And so I became  
2 all things Charleston until I went to college. Dad  
3 traveled a lot so my mother was a very strong influence  
4 on me including the fine arts. She was a renowned low  
5 country watercolor artist, a poet, and a soprano with  
6 the Opera Society of South Carolina. And she was a  
7 soprano with the Charleston Choral Society. She was a  
8 sculptor. She was a writer. You name the art, she  
9 performed it exquisitely. Pick up any instrument and  
10 play it. So a very big and positive influence in my  
11 life.

12 Growing up in Charleston also meant I  
13 excelled at anything water. So why I'm in Angier I  
14 don't know. When we first came to Angier some couples  
15 invited us to go waterskiing. I said yes! We went out  
16 to Panther Lake which was about twice the size of this  
17 conference table and half of it had stumps and so they  
18 get in their speed boats and go vroom! and then turn  
19 around. And they go vroom! and come back. Rinse and  
20 repeat.

21 You know in Charleston we had the Ashley  
22 River and the Cooper River, Charleston Harbor and the  
23 Stono River; the intracoastal waterway and the Atlantic  
24 Ocean. And all those swimming pools. I was a  
25 lifeguard. I know that's hard to believe. And swim

1 team coach and water-skier and surfer. You name it, if  
2 it was water, I did it.

3 I graduated from St. Andrews High School. So  
4 how did I wind up going to Mars Hill College for  
5 undergrad? It's because my mother graduated from Mars  
6 Hill College. That in combination with Mars Hill at  
7 the time being a renowned college for the fine arts,  
8 including music and theater. So that's what I wanted to  
9 do, I wanted to major in music. So I went to Mars Hill  
10 because I had gone to all these college reunions with  
11 my mother. This beautiful campus, in the Blue Ridge  
12 Mountains, with beautiful foliage, ivy covered.  
13 Beautiful co-eds. It's before I met you honey.

14 MS. SPARKMAN: I've heard all about them.

15 MR. SPARKMAN: She has a story about this.  
16 And so that's the only place I ever wanted to go. I  
17 can't remember where else I applied to when it came  
18 time to college. But I didn't want to go anywhere else  
19 other than Mars Hill. I had a chance to transfer out  
20 of Mars Hill my junior year. I thought about  
21 transferring to Wake Forest. But I was having a  
22 wonderful time at Mars Hill College and decided to stay  
23 there four years.

24 So while I was at Mars Hill, I ran the Alley  
25 Door Coffee House on campus. It was up under what is

1        now the Owen Theater. I think about how we ran that  
2        Coffee House. This was 1970. And back in that Coffee  
3        House there was one decrepit entrance to it because it  
4        was in the basement area, little rooms, no fire exit,  
5        little tables with table cloths and big wine bottles  
6        with candles and a small stage. No crowd limits. I  
7        mean it was a fire trap big time. No one thought about  
8        it back then.

9                I drove to Asheville (took 30 minutes on old  
10       highway 19-23) and bought donuts and drinks and sold it  
11       there. So many violations. This place could not be  
12       run today. But we ran it gloriously back in the day  
13       there. I had a great time with that Coffee House. All  
14       the big entertainers would come and perform concerts at  
15       Mars Hill. I'd go backstage and invite them to the  
16       Coffee House afterwards. They'd stay another hour and  
17       commiserate another hour or two with the students.

18               I switched majors probably my second year --  
19       halfway through my second year. Mars Hill is in  
20       Madison County. You've got to remember this is back --  
21       I was the Class of 1968 high school. So I went to  
22       college 1968/69. So think Nixon and assassination of  
23       Martin Luther King and Robert Kennedy and Viet Nam and  
24       Woodstock. It was amazing to me the transition that  
25       Mars Hill underwent from a straight laced Baptist

1 college to "forget it all." It went from mandatory  
2 chapel to Woodstock in the span of the four years I was  
3 there. I think they had co-ed dorms by the time I left  
4 (great timing, Richard).

5 It was just amazing how it went from what it  
6 was to -- and I like -- I probably had a lot to do with  
7 that, with my full head of hair and bell bottoms. I  
8 don't know. But all colleges I'm sure went through  
9 that kind of dynamic change and Mars Hill was one of  
10 them.

11 But the political machine in Madison County  
12 back then was a guy named Zeno Ponder. If you want to  
13 know anything about bad politics, Google Zeno Ponder.  
14 We had some very progressive religion and philosophy  
15 professors and one new professor George Peery who was  
16 THE political science department. P-e-e-r-y. And he  
17 was a fire brand. I loved him.

18 And I mean those professors literally went to  
19 the polling places and stood on the ballot boxes with  
20 shotguns to prevent the stuffing of the ballot boxes by  
21 Zeno Ponder and his machine. And I liked that. George  
22 Peery -- I've communicated with him many times since  
23 then -- he's the reason I am a lawyer. He's the reason  
24 I switched majors to a pre-law program. So that set me  
25 on the path to then ponder law school.

1           I sang in a group called Rhymes With Reasons  
2       which was a folk rock group, This was my junior year.  
3       That summer we were singing down at the beach and of  
4       course just all sorts of beautiful women followed me  
5       everywhere I went because of course I had this heavenly  
6       voice (Diane rolls her eyes). And one of the groupies  
7       was a drop dead gorgeous woman named Diane (Diane nods  
8       approvingly). And we kind of got together at the  
9       beach. And it was magical, it really was. I'm not  
10      exaggerating. Ok, so maybe you weren't a groupie. And  
11      for the record Diane is seated here to my left to keep  
12      me honest.

13           So we are at the beach, but we had to go our  
14      separate ways and it was a sad thing. And I was trying  
15      to think, "Gosh what can I do to make sure I don't mess  
16      this up and lose this opportunity?" And so I said well  
17      -- I believe it was a Friday night and I said, "Well my  
18      next gig is I'm singing in a wedding, you know,  
19      tomorrow up in someplace you've never heard of called  
20      Coats, North Carolina." And Diane says "Well, I'm  
21      going to be a bridesmaid in that very same wedding."  
22      So what are the odds? I mean I could tell you multiple  
23      stories of how we were meant to be because of the  
24      coincidences that have to be more than coincidences. I  
25      mean truly. And that's one of them. So I offer her a

1 ride to the wedding and almost 48 years later we're  
2 still together.

3 And who would have thought that years later  
4 I'd be in a little town called Angier which I'll get to  
5 in a minute. But Angier was just right up the road  
6 from Coats and I hadn't really heard of any of them.  
7 Matter of fact when I met Diane she was working in  
8 Raleigh, but she was from Fayetteville. And I would  
9 laugh derisively at the small communities we would  
10 drive through between Raleigh and Fayetteville -- like  
11 Angier. Boy you wouldn't catch me dead in a place like  
12 that! Karma.

13 So anyhow we being young and foolish -- this  
14 was August where we met and August when I sang in the  
15 wedding and so we got together that August, we were  
16 engaged in October, and we were married the following  
17 January. Everybody on both sides of the family just  
18 knew she was pregnant. Wrong.

19 MS. SPARKMAN: I was not.

20 MR. SPARKMAN: But again being foolish it was  
21 my senior year last semester undergrad and we just  
22 couldn't wait, just had to be together. She quit her  
23 job in Raleigh to be with me for my last semester up at  
24 Wake Forest, I mean Mars Hill, lived in a small mobile  
25 home.



1                   MR. SASSER: Sorry to interrupt you. You  
2 were married in 1971? January of '71?

3                   MR. SPARKMAN: '72. January 15th. I got  
4 that right, didn't I?

5                   MS. SPARKMAN: Mm-mm.

6                   MR. SPARKMAN: So we were living poor as  
7 church mice. Thank goodness I had a job. One of my  
8 jobs was -- I had several jobs. I was singing in this  
9 folk rock group. I was the youth director at First  
10 Presbyterian Church in Asheville. And most importantly  
11 I was slopping food in the cafeteria at college. Which  
12 meant I got -- I had my meal ticket, that Diane could  
13 have at least one good meal, being my wife, at the  
14 cafeteria. And we literally survived on that.  
15 Slopping food in the cafeteria.

16                   I was down to one dime one time and I had --  
17 this sounds like I'm making this up but it was a snow  
18 storm, we were down to one dime and I had to walk about  
19 a mile downhill into the campus area to buy a honey bun  
20 and take it back and we split that honey bun and ate  
21 it. And that is no lie.

22                   I look back on it now thinking how stupid  
23 were we? But I was accepted at Chapel Hill, but went  
24 to Wake Forest Law School, we'll talk about that in a  
25 minute. But if we'd been thinking with our heads she

1 could have kept her job in Raleigh, I could have gone  
2 to UNC Law School in Chapel Hill, things would have  
3 been beautiful. But no, we had to be together. So  
4 anyhow we were married that last semester.

5 By the way, we were married in Fayetteville  
6 and Mars Hill had just switched to a -- I think they  
7 call it 2 1 2. You had a semester, you had a mini-  
8 mester, and you had a semester. They just switched  
9 that my senior year. Before I could graduate, I had to  
10 take a mini-mester course. And so I selected Mirages  
11 of Marriage. I thought it would be timely -- like a  
12 field study. You couldn't miss any classes during  
13 mini-mesters.

14 So as an independent study can I get married  
15 and have a, you know, honeymoon? Absolutely not. So  
16 we were married and went up to Raleigh, stayed on the  
17 14th floor of the Holiday Inn and left immediately the  
18 next morning because I had an eight o'clock class in  
19 Mars Hill on the mirages of marriage. I brought Diane  
20 with me as Exhibit A. I got an A in the course.

21 So we applied to South Carolina and UNC and  
22 Wake Forest. That's all the money I had for  
23 applications for law school. I wound up going to Wake  
24 Forest on scholarship, probably because I took Diane  
25 with me to the interview with the law school dean. And

1       you can always talk about well what if I had gone  
2       somewhere else? But the whole reason, you know, you  
3       look back like there's no rhyme or reason to my life.  
4       There's no hand guiding me or whatever. But if you  
5       look back you realize well, yeah there is. But, you  
6       know, how am I a bankruptcy lawyer? If I had gone to  
7       Chapel Hill would I have been a bankruptcy lawyer?

8               MS. SPARKMAN: No.

9               MR. SPARKMAN: Probably not. But when I was  
10       at Wake Forest I took a bankruptcy course with Leon  
11       Corbett. Back then it was, you know, who cared about  
12       bankruptcy. It was debtor/creditor for one half the  
13       semester and bankruptcy for the second half. There  
14       wasn't much on the bankruptcy course. The bankruptcy  
15       bar was very small back then. There weren't many  
16       bankruptcy practitioners. Well, I'm getting ahead of  
17       myself.

18               So while I'm at Wake Forest a good friend of  
19       mine -- a tennis teammate -- was clerking that summer  
20       with a lawyer in Greensboro and that lawyer was very  
21       good friends with Rufus Reynolds who was the bankruptcy  
22       referee in Greensboro.

23       So one of the interviews that I did in my last year at  
24       Wake Forest was interviewing with Rufus Reynolds and he  
25       just hired me on the spot. To this day I'm not sure

1       why. Probably because I had Diane with me again.  
2       Maybe that had something to do with it.

3               MS. SPARKMAN: He had a daughter who died and  
4       she was very much like me and he just really -- he took  
5       me in. He was like another father.

6               MR. SPARKMAN: You think that's why he hired  
7       me? I didn't know that. So I interviewed with Rufus  
8       Reynolds and he hired me. Talk about pressure though.  
9       He hired me, I was a newlywed, had no income at all had  
10      I not gotten that job. And it turns out -- that I got  
11      the highest paying job out of my law school classes.  
12      Class of '75. Highest paying job. It was \$12,000 a  
13      year. The U.S. District Court clerks were getting  
14      10,000 a year. And I think the State Supreme Court law  
15      clerks were all were 10,000 or 8,000 or something about  
16      like that. But mine was \$12,000. Wow.

17              MR. SASSER: This was back in '75 or '76?

18              MR. SPARKMAN: It was '75.

19              MR. SASSER: And after school May or June of  
20      '75 you started up?

21              MR. SPARKMAN: Right. But the judge said,  
22      "By the way, a condition of your clerkship is you must  
23      pass the state bar." Newlywed, no job, pass the state  
24      bar. So anyhow we -- I say we. You know, I got my JD,  
25      she got her PHT degree at Wake Forest. Back then that

1 was a big deal her receiving a PHT - "Putting Hubby  
2 Through" degree. So I got my JD she got her PHT. And  
3 I studied for the state bar. We kind of did the same  
4 thing with the state bar we're doing today. She came  
5 with me up here to Raleigh and took the state bar and  
6 went out at night and ate and entertained and had a  
7 good time. Fortunately I passed the bar.

8 So I stayed with Rufus Reynolds for two years  
9 as his chief clerk/law clerk. Back then the bankruptcy  
10 bar was very small. I look back now and realize these  
11 were very influential people. I quickly made lots of  
12 contacts inadvertently in the Middle District of North  
13 Carolina.

14 So the Middle District practitioners I worked  
15 with on a regular basis included Jerry Tart who filed a  
16 bunch of reorganization cases. Of course he became a  
17 bankruptcy judge. And Carlton Tilley was the U.S.  
18 Attorney on the floor below us. He's now a Federal  
19 District Court judge.

20 Diane worked in the law office of Osteen &  
21 Adams right across the street from the federal  
22 courthouse, Bill Osteen and Pat Adams. And Bill Osteen  
23 wind up going on the U.S. District Court bench. His  
24 son is there now. There was one lawyer who always came  
25 in the bankruptcy court appearing on behalf of

1 Community Bank. He always seemed kind of quiet but was  
2 a wonderful guy. His name was Bill Stocks. And I got  
3 to know Bill Stocks on a personal basis. And he too  
4 became a bankruptcy judge (now retired). So all these  
5 people I knew before when.

6 So I got to know all those people on a first  
7 name basis because I was the only law clerk of Rufus  
8 Reynolds. And Rufus Reynolds was the godfather of the  
9 bankruptcy law in North Carolina. I mean he was the  
10 reason why we are all sitting here today. Judge Moore,  
11 if he were here would admit that he was a disciple of  
12 Rufus Reynolds.

13 When you took the practical skills course  
14 after law school graduation, you were given a  
15 complimentary Bankruptcy Guide authored by Rufus  
16 Reynolds. And it was the Bible. It was before any  
17 lawyer really had any thought about filing a  
18 bankruptcy. But Rufus Reynolds was the first one to go  
19 out there and openly market to the bar and try to  
20 educate the bar about why they ought to be interested  
21 in filing bankruptcy cases.

22 MR. SASSER: When did Rufus Reynolds become a  
23 referee?

24 MR. SPARKMAN: Don't ask me that. I pulled  
25 some old manuscripts from EBI and some other things but

1 he's not in here. I don't -- I want to say Eugene  
2 Gordon was the District Court judge way back yonder and  
3 Eugene Gordon appointed Rufus Reynolds as a referee,  
4 gosh, probably 20 years before I came on the scene,  
5 Travis. I don't know. But at the time he was  
6 practicing law and much like Judge Moore in the Eastern  
7 District he was just practicing law and there really  
8 was no caseload. And so Rufus Reynolds basically was  
9 appointed --

10 MS. CASTELLOE: 1946.

11 MR. SPARKMAN: 1946 you say?

12 MS. CASTELLOE: Yeah. This is from his  
13 obituary. It says in addition to his private practice  
14 Rufus Reynolds was appointed a referee in bankruptcy in  
15 1946.

16 MR. SPARKMAN: So he was appointed a referee  
17 --

18 MS. CASTELLOE: And served continuously until  
19 '73.

20 MR. SPARKMAN: -- and then had to build it  
21 up. So he did a very good job of building up and  
22 selling the idea of people filing bankruptcies. And  
23 especially the Chapter XIII. He really built it up  
24 from scratch. So the holy ground for bankruptcy  
25 practice in North Carolina would be Greensboro, North

1 Carolina. You can trace it all to Rufus Reynolds.

2 I stayed with him for two years and got to  
3 know a whole lot of people. Just interesting to meet.  
4 Sitting as a law clerk in the front of the courtroom, I  
5 was in kind of the catbird seat. I don't recall a lot  
6 of the hearings now but I do remember a bright star of  
7 a guy who was a contemporary of mine who seemed to  
8 appear from nowhere all of a sudden - a supernova - in  
9 some guy named John Northen who appeared from time to  
10 time in complex cases. Wonderful guy.

11 And then also when there were hearings for  
12 Judge Reynolds occasionally there'd be a complicated  
13 trial. And by the way, his courtroom was not much  
14 bigger than this conference room. Probably a little  
15 wider. But certainly not twice as big as this  
16 courtroom. Like the annex courtroom in New Bern. I  
17 would say it's probably the size of that courtroom.  
18 And back when I was with him the entire bankruptcy  
19 staff -- the clerk's office will find this interesting  
20 -- the entire bankruptcy staff for the entire Middle  
21 District of North Carolina was Judge Reynolds, Linda  
22 Ball who was the chief clerk, Brenda Roberts who was  
23 the financial clerk, Carol Fagg ran the entire 13  
24 department, and there might have been two others whose  
25 names I forget. And then I was brought on. My office



1 was a supply closet.

2 The entire bankruptcy complex consisted of a  
3 courtroom, a judge's chambers about half the size of  
4 this area right here. And you could have put the  
5 entire clerk of court and the judges offices and maybe  
6 four times this. It was a wonderful two years with  
7 Reynolds, but it was also like serving in the army. I  
8 mean he was a task master. He loved Diane like a  
9 daughter, and I could tell he cared for me dearly but  
10 it was tough love. How wrong I was. Looking back I  
11 realize my clerkship was way more than I deserved. I  
12 was richly blessed.

13 But anyway he ran the courtroom and everybody  
14 was terrified of him is what I'm trying to say. Drill  
15 sergeant kind of guy. The General Patton kind of a  
16 guy, brilliant. But occasionally he would find someone  
17 that he just was enamored with and I just couldn't  
18 figure out what this kind of person had that I didn't  
19 have. But occasionally that guy would be in the  
20 courtroom and a complicated issue would come up and it  
21 was always this one guy who was just this brilliant  
22 scribe who would be there quietly - a wallflower  
23 sitting in the back of the room. He was in-house  
24 counsel for a First Union Bank. He didn't practice law  
25 or anything. He would just -- no one knew him really,

1       who was this guy?

2               But thorny issues would come up and Judge  
3 Reynolds would say, "well Tom Small what do you think?"  
4 And Small would stand up and it was like EF Hutton -  
5 the whole room would go silent, turn and listen. And I  
6 remember being the law clerk sitting up there and truly  
7 thinking what manner of man is this that the whole room  
8 including Judge Reynolds looked to him for such wisdom?  
9 I mean who was this man? Tom Small.

10              Anyhow Judge Reynolds was a remarkable man.  
11 He was very forward thinking. He decided he wanted  
12 full-time 13 trustees -- except Dick Hutson who was  
13 grandfathered in. Years earlier, Dick Hutson had said  
14 "I'll take this position if you'll allow me to keep my  
15 practice." So he built up the Durham chapter 13  
16 practice.

17              Rhoda Billings was a professor at Wake  
18 Forest. Her husband was Donald Billings of Winston-  
19 Salem. He also had a practice and was a part-time  
20 chapter 13 trustee. So the judge goes to Billings and  
21 says "I've decided I want a full-time trustee. And by  
22 the way Sparkman's going to be the trustee." I'm  
23 going, what? So he appointed me the full-time 13  
24 Trustee in Winston-Salem.

25              I brought a few little items here for you to

1 peruse. The chapter 13 debtor and creditor practice  
2 pamphlets Dick Hutson, Jodie Kinlaw and I put together  
3 and put out; and this is the bankruptcy section  
4 1982/1983. Here's a 13 quarterly from 1978. Just an  
5 old Chapter 13 quarterly bankruptcy law journal from  
6 1979. I just went and pulled stuff out of my law  
7 library -- here's another bankruptcy guide. I pulled  
8 all this stuff and brought it here forgetting you have  
9 the judge's law library. But if you don't then I  
10 brought a 1971 Bankruptcy Act and 1974 Bankruptcy Act  
11 with rules. And I did find the 1983 Local Rules for  
12 the Eastern District. You have all of that I'm sure.

13 MS. BUTLER: I'm not sure if we have it or  
14 not.

15 MS. CASTELLOE: I'm not sure we do or not.

16 MR. SPARKMAN: Local rules there. And then  
17 the 1978 trustees and receivers handbook.

18 MR. SASSER: You mentioned earlier that, you  
19 know, it was a very small bar obviously. But what do  
20 you think about with the benefit of all your years of  
21 experience in hindsight what do you think about the  
22 practice of judges appointing clerks to be their  
23 trustees?

24 MR. SPARKMAN: Well, Judge Reynolds, you're  
25 talking about him appointing me the 13 Trustee?

1           MR. SASSER: Right. Which is something  
2           that's been modeled by Judge Small appointed his former  
3           trustee John Logan, Judge Moore appointed his former  
4           trustee Dick Stearns, Judge Moore appointed David  
5           Warren to be a trustee. What are your thoughts on  
6           that?

7           MR. SPARKMAN: I think, and I read your  
8           manuscript which you wrote about the history of that.  
9           And by the way you need to be a writer. You need to be  
10          not only a non-fiction writer, but a fiction writer.  
11          You have the gift for writing. And I've never told you  
12          that, and for the record.

13          I guess I have two random thoughts on that.  
14          One is back when I was coming up through the ranks it  
15          was a pretty small cadre of people that were -- even  
16          knew how to spell bankruptcy. I'm not sure, because I  
17          was Judge Reynolds' first law clerk. That's another  
18          thing about Reynolds being forward thinking. When I  
19          was in law school there were three women in my class.  
20          I don't think there were any women in the class before  
21          me. Maybe one at Wake Forest. So women in law school  
22          was a rare thing back then.

23          When I was clerking with Rufus Reynolds he  
24          said, "Richard I'm going to bring women into this bar."  
25          And I think after me I want to say every law clerk

1 Rufus Reynolds had after me was a woman. And he  
2 appointed Jodie Kinlaw - a classmate of mine - as a 13  
3 Trustee. So she wasn't a former clerk or anything like  
4 that. Of course she's still there. And the trustee in  
5 Winston-Salem, Kathryn Blingle, was not a law clerk and  
6 I don't think he knew her before, but he appointed her.  
7 My point there is he wanted to get women involved and  
8 did an excellent job in that regard and didn't look  
9 back.

10 But just trying to answer your question,  
11 Travis, I think it was -- I'm not sure it was any  
12 conscious "keeping it in the club" kind of idea at the  
13 time at least from my experience in the Middle  
14 District. I think it was appointing people that knew  
15 something about bankruptcy. And a lot of times there  
16 were no other people that knew anything about  
17 bankruptcy unless you taught them yourself as a law  
18 clerk and so he taught them in this school called  
19 clerkship and then he'd appoint them. That's just my  
20 random thought. I hadn't had anytime to really give it  
21 much forethought.

22 I was with the Bankruptcy Court in the Middle  
23 District for four years, two years as a clerk and two  
24 years as a 13 Trustee. And all during those four years  
25 a classmate of mine from Wake Forest kept hinting and

1 pushing and suggesting that I come into practice with  
2 him in Fuquay. His name was Jim Stephens. And I kept  
3 trying to ignore that. (Diane still hasn't forgiven me  
4 for leaving Winston-Salem because I did have a real  
5 cushy job as a 13 Trustee in Winston-Salem).

6 Ann Fox was my chief clerk and she pretty  
7 much ran that office. I was involved in the community  
8 theater; I was working on my EMT and I was busy with  
9 community theater extracurricular activities and  
10 theater and all these things. Then I decided to come to  
11 Fuquay and Angier after a while to practice law and I  
12 haven't had a life since then. Have I? (Looking at  
13 Diane). My life is practicing law and my avocation is  
14 practicing law and when I'm not doing that I practice  
15 law.

16 Just so you know how brilliant and insightful  
17 I was in my decision to leave the Middle District 13  
18 trusteeship, they had just passed the Code and so I  
19 think I left for two reasons: One was -- well, three  
20 reasons. One was Rufus Reynolds kept saying go to a  
21 small town. Kind of like "go west young man." There  
22 was a lawyer in Liberty who made a killing in little  
23 Liberty down the road who's always drove a Rolls-Royce  
24 which I thought was crazy. And then my classmate  
25 pushing it, pushing me all the time to come and

1 practice with him. And Rufus Reynolds saying, well in  
2 no event shall your salary exceed a certain cap. And  
3 by the time I left I was making \$25,000 a year which  
4 was pretty good money back then.

5 So the combination of my salary being capped  
6 and my classmate pushing and the judge suggesting small  
7 town, you know, because he came from a small town, and  
8 the main thing -- the biggest impetus was they passed  
9 the Bankruptcy Code and liberalized exemptions and the  
10 conventional wisdom was that nobody's going to be  
11 filing 13s anymore. Heck with the exemptions. You can  
12 all file Chapter 7. Why bother to file Chapter 13? And  
13 so I made the decision to come to the Eastern District.  
14 And two things happened within months of my coming to  
15 the Eastern District.

16 Number one Judge Wolfe became the chief  
17 judge. And the first thing he did was remove the  
18 Chapter 13 Trustee salary cap. So salaries for the  
19 trustees doubled. And the second thing was that 13s  
20 took off. My thinking that the 13s were going to die  
21 when the bankruptcy code came along was erroneous. And  
22 so another wonderful economic decision on my part.

23 So I came into small town practice, practiced  
24 everything that came in the door and eventually the  
25 bankruptcy reputation from the Middle District followed

1 me over to the Eastern District. I can't remember  
2 when, but very quickly after I set foot in the Eastern  
3 District, I got a call from Judge Moore. Let me back  
4 up. I had met Judge Moore on several occasions when  
5 clerking for Rufus Reynolds. He would come to  
6 Greensboro and have lunch, meet with Judge Reynolds.  
7 Again, Judge Reynolds was the godfather and Reynolds  
8 had a decade of bankruptcy experience ahead of Judge  
9 Moore.

10 Judge Moore in many ways became a disciple of  
11 Reynolds and brought bankruptcy to the Eastern  
12 District. So I had met Judge Moore and he was  
13 acquainted with me. I had a couple of dinners where I  
14 was able to be a fly on the wall. Anyway, I got this  
15 out of the blue call from Judge Moore not long after  
16 coming to the Eastern District inviting me to join the  
17 panel of trustees for which I was quite grateful. I  
18 don't remember much about the conversation other than  
19 it was very short and very nice. If you were a  
20 practitioner and you got a call from Judge Moore well,  
21 your first thought was "what have I done now?" He was  
22 a very hands-on problem solver and he would call you  
23 directly.

24 Very quickly thereafter my practice became  
25 like Jekyll and Hyde. I had my practice with small



1 town Angier. A lot of real estate. I was Town  
2 Attorney for Angier, personal injury, domestic, federal  
3 and state criminal law in addition to this bankruptcy  
4 practice that started taking off.

5 Let me shut up. Do you have questions? I'm  
6 rambling here. Meanwhile I'm now in the Eastern  
7 District. And that's why I'm a bankruptcy lawyer and  
8 that's why I'm in Angier. Just a couple of years after  
9 coming to Fuquay and Angier to practice with Jim  
10 Stephens, we parted ways. He, well, nothing against  
11 Jim, wonderful guy, but he didn't really need to  
12 practice law because his daddy owned half of Fuquay and  
13 they had a bunch of real estate holdings and he segued  
14 out of law into developing real estate. And I took  
15 over the Angier practice from the two town practice.  
16 This is now my 40th year in Angier.

17 MR. SASSER: Do you have any memories of some  
18 of the big -- you mentioned a lot of the Middle  
19 District practitioners. Who were the Eastern District  
20 practitioners when you first got here in the '80s?

21 MR. SPARKMAN: Well, when I first stepped  
22 into the Eastern District I didn't know anyone over  
23 here except Judge Moore from the first few times that I  
24 had seen him with Judge Reynolds. And because I was a  
25 13 Trustee I was acquainted with Buzzy Stubbs and I was

1 acquainted with Mac Howard. And beyond that didn't  
2 really know anyone in the Eastern District -- so I had  
3 all of these wonderful Middle District contacts. I  
4 think I had a great reputation and a wonderful network  
5 of judges and practitioners in the Middle District and  
6 like an idiot, I leave that and step to the Eastern  
7 District where no one knows me from a hole in the  
8 ground except Judge Moore.

9 And I'm sure he got a call from Judge  
10 Reynolds. I don't know that to be the case, but I  
11 can't imagine why else he would have called me. And I  
12 was acquainted with Stubbs. And I was acquainted with  
13 Mac. I'll give you my little story that I was going to  
14 save for if Buzzy walked in the door.

15 When I was a 13 Trustee we had the National  
16 13 seminar and my last year as trustee that seminar was  
17 in Chicago. So Stubbs was there and Howard was there  
18 and Dick Hutson and I were there. Anyway, one of the  
19 nights after the meetings we were walking down the  
20 Michigan Mile and there were all the nightclubs and  
21 such. And I just had no idea that Mac Howard was such  
22 a card! I mean, today you see him as this stoic  
23 district court judge. Let me tell you, there is  
24 another side to this guy. I mean, I knew he was a  
25 highly decorated army ranger and all that.

1           At one of the early EBI seminars at the  
2       Blockade Runner Mac just decided on the spur of the  
3       moment to recall his army ranger days and scale the  
4       hotel one morning. He just climbed the hotel and I  
5       don't know, 30 seconds, he was on the roof of the hotel  
6       scaling straight up the outside of the hotel.

7           Meanwhile, Stubbs typically and maybe Mac  
8       always entertained back in Chicago with an entourage in  
9       tow. I mean it was at least 20 of us, walking up and  
10      down the Michigan Mile there. It turns out that Mac  
11      Howard had gone someplace and gotten a mockup of the  
12      front page of that day's Chicago Tribune. And in  
13      letters this big (demonstrating) headline read "Stubbs  
14      Back in Town." They had a picture of him and the rest  
15      of it was nonsense probably. But he had that up under  
16      his arm. And he would walk in, I mean he just walked  
17      into a swanky nightclub and just full of bluster he  
18      would walk up to the maitre d there and without a  
19      reservation, demand seating up front for 20, whatever.  
20      They would have no table. Then Mac, indignantly, would  
21      say: "You don't understand!" And he would whip out the  
22      Tribune with "Stubbs Back in Town" waiving it in the  
23      air.

24           Stubbs played the role of a Godfather and was  
25      very calm and just went along with it. He was the Man.

1 And the rest of us were just gob-smacked and gawking  
2 and trying to play, you know, going along with it. But  
3 Mac did that. I mean, it had to have been a dozen  
4 different nightclubs. I mean classy, you can't get a  
5 reservation here, kind of places. And we had to be at  
6 least ten places and we were thrown out of ten places  
7 because we got -- went down to the piano bar or the  
8 night's entertainment, got down to the front and after  
9 a while got too loud and were politely asked to leave.

10 We'd go to the next place and do the same  
11 thing. Wrestle his way in and Stubbs just walked in  
12 and, you know, man of the town and it was hilarious.  
13 So to this date when I see Mac Howard that's all I see  
14 was this outrageous and fearless jokester.

15 Anyway so when I came to the Eastern District  
16 I really felt like the outsider because I knew no one.  
17 But who was the Bar and again talking about how small  
18 the EDNC Bankruptcy Bar was. To the best of my  
19 recollection the Bankruptcy Bar and the entire Eastern  
20 District of North Carolina consisted of trustees  
21 Crampton and Larkin Pahl in Raleigh and now me, Beaman  
22 and Hinson in Wilson, Ocie Murray in Fayetteville,  
23 Jimmy -- was Jimmy Carter a trustee or maybe he was  
24 just a practitioner? And Al Butler. And then you had  
25 Stubbs and Howard as the 13 Trustees. Consumer debtor

1 practitioners, you had Frank Allen, you had Don Davis,  
2 and Bruce Jobe. I could look back through that list of  
3 attendees and probably pull up some other names. Mike  
4 Flanagan was a premier creditor's lawyer. Ed Harper  
5 always represented the Federal Land Bank. Al Cleveland  
6 was an excellent chapter 11 lawyer in Fayetteville.  
7 Ted Nodell in Raleigh.

8 There just weren't that many bankruptcy  
9 practitioners to the best of my recollection in the  
10 Eastern District of North Carolina. But everybody knew  
11 everybody on a first name basis. That didn't mean they  
12 weren't zealous advocates for their clients, but it was  
13 very professional. But I think to this day it's still  
14 very collegial. I like to think it's going to stay  
15 that way.

16 I fear that we take collegiality for granted.  
17 I've talked to practitioners in other areas of the law  
18 and they lament how awful the relationships are in  
19 those Bars and wish they had what we had in our  
20 Bankruptcy Bar. So I jealously guard that.

21 MR. SASSER: What are your recollections of  
22 applying to be the second judge in the district back in  
23 1982?

24 MR. SPARKMAN: What are my recollections?

25 MR. SASSER: Mm-mm.

1           MR. SPARKMAN: Well, you've researched that.  
2       You know more than I do. I don't remember a whole lot.  
3       Dupree was the, you know, back then if you wanted to be  
4       the judge it wasn't the Fourth Circuit it was Judge  
5       Dupree as I recall. Ironically Dupree was from Angier.  
6       Diagonally across the street from my first little law  
7       office was the Dupree law building. So he would  
8       occasionally come through Angier with his entourage of  
9       law clerks to check on his building and he would always  
10      pop into my law office. But really all he wanted to  
11      know was did I know anybody he could rent his building  
12      to.

13           And I asked Judge Leonard about this one time  
14      before because I remember one time being just Dupree  
15      walking in with two tall blond headed male law clerks,  
16      chatting with them about the small town law practice.  
17      But I've asked Leonard whether he remembers ever  
18      stopping by in Angier and he says he doesn't. But I  
19      believe he might have been one of the law clerks at one  
20      time popping into my office. Small world.

21           I do remember interviewing with Dupree. I  
22      don't really remember the questions that he asked. It's  
23      kind of ironic. I want to say that one of the questions  
24      was whether I might have been too young -- I was only  
25      in my third year of private practice -- which was

1       ironic because the last time I interviewed, I might  
2       have been too old. (Judge Beatty, MDNC, asked if I  
3       didn't think I was "too experienced.") Meanwhile, back  
4       in 1982, Dupree asked me about the other people that  
5       were applying. And he asked me who they were. I want  
6       to say it was Crampton and Small and --

7               MR. SASSER: Sarda. Sarda. Peter Sarda.

8               MR. SPARKMAN: Peter Sarda. And I forget I  
9       can't keep my judgeship interviews straight. A  
10      criminal lawyer down in Fayetteville might have been  
11      interviewed at that time as well. But he was asking me  
12      about the other candidates and what I knew about them  
13      which I think is like the situation with all the  
14      interviews I've been involved in. Didn't really know  
15      the other candidates at that time very well. So I just  
16      don't remember -- about all I remember about that is  
17      going into his chambers and the only question that  
18      really stick out in my mind was did I think I was too  
19      young?

20              MR. SASSER: How many times have you applied  
21      to be the judge?

22              MR. SPARKMAN: I want to say three. I think  
23      Small was the first time and Leonard was the second  
24      time and Humrickhouse was the third time.

25              MS. OLIVER: So how old were you when you

1 applied the first time?

2 MR. SASSER: Thirty-two.

3 MR. SPARKMAN: Thirty-two, 33 which isn't  
4 that unheard of. Whitney went on the bench pretty  
5 young too, I think. He was in his 30s I think. But it  
6 wasn't because oh, I'm this age I think I'll apply.  
7 You apply whenever the judgeships become available.

8 MR. SASSER: Do you recall who the other  
9 candidates for the Leonard position were other than you  
10 and Leonard?

11 MR. SPARKMAN: Boy, I don't think he would  
12 (indiscernible) this question my memory, because --

13 MR. SASSER: No, I don't know.

14 MR. SPARKMAN: -- in the public record I  
15 would think. I just don't remember. I can't keep my  
16 judgeships straight. I mean the interviews, who was  
17 running. Maybe that was the year where John Raper of  
18 Fayetteville was running and as far as other bankruptcy  
19 lawyers I don't really -- I'm just drawing a blank. I  
20 can't remember the -- I can't keep my interviews  
21 straight. I want to say the last time I think Terri  
22 Gardner was also a candidate when Leonard went up.  
23 Because it was one of the interviews where Judge Earl  
24 Britt was the star chamber inquisitor. And other  
25 judges would sit there and smile along with a law



1 school dean and state bar president, but the star  
2 inquisitor was right there. At your elbow.

3 And Judge Britt played his role to the hilt.  
4 A master examiner. But one of his questions to me was  
5 "well, you know if you become the bankruptcy judge  
6 you're going to have to move to Wilson." Of course I  
7 didn't want to say "that's not the law -- I think all I  
8 have to do is live in the district." But instead I  
9 said "well, you understand I'm living in Angier now and  
10 my wife would be thrilled to have the Wilson Mall and  
11 it'd be a giant step up for us." We were ready to go.

12 As I stated earlier, the last time I  
13 interviewed it was Judge Beaty from the Middle District  
14 as the star inquisitor. And I walked in and didn't  
15 realize he was going to be there and I thought, "well  
16 that's good." Whew I saw him and I made a backhand  
17 tennis gesture and Judge Beaty smiled and says "He  
18 remembers me!" to the others. I played doubles tennis  
19 with him at the Forsyth County Junior Bar Tournament  
20 and we won our flight. And so I was the little  
21 Chihuahua running the baseline and he was the bulldog  
22 skillfully playing the net.

23 But I thought well, maybe this is a good  
24 sign. Oh, no. He picked up where Britt left off. He  
25 was a master inquisitor. Stephani got the judgeship.

1 The Bar is better off having put Small, Leonard and  
2 Humrickhouse on the bench. I have no doubt about that.  
3 I'm perfectly content where I am. And I think the  
4 selection committee made the right decision all three  
5 times. Who can deny that? I mean, this district has  
6 had those three judges. Wow!

7 MS. OLIVER: What are some of the memorable  
8 cases that you've worked on?

9 MR. SPARKMAN: I'm not getting any younger  
10 Cindy and I realize that because every year I go to my  
11 attic and I pull cases that are more than six or seven  
12 years old because my attic just would fall in if I  
13 didn't. And I pull these files and I'm talking big  
14 Chapter 11's or something and I'm thinking I don't  
15 remember this case. Was I the trustee in this case?  
16 Was I the attorney for this case? If I took the time  
17 to flip through the case I would recall it. But it is  
18 amazing the number of cases that I've been involved in  
19 over the years.

20 On more than one occasion my blurb has been  
21 published about the Royal Villa Raleigh Hotel. I was  
22 Chapter 7 Trustee on that case. And it's happened so  
23 many times with these cases where I'm appointed Chapter  
24 11 Trustee which I then convert to Chapter 7. That  
25 interim time can be messy and complicated.

1                   Well, this Royal Villa at Raleigh was a very  
2                   large convention hotel up there across from the  
3                   Pleasant Valley Promenade. That's still the name of  
4                   that shopping center?

5                   MS. OLIVER:   Yep.

6                   MR. SPARKMAN:   Multi-million dollar case.  
7                   And so I was appointed on that case. And the  
8                   management at the time said "well gosh we've got all  
9                   these weddings booked and and to suddenly just stop  
10                  would be chaos." So I think they did like one or two  
11                  more weddings. And then management threw a final pool  
12                  party for the staff before we closed down. And then  
13                  unknown to me they just fled the premises like roaches  
14                  when the lights come on. I mean, they were gone. And  
15                  so I go walking back in there and the place is just  
16                  like there was a second coming and they all left with  
17                  the rapture and the lawyer, well, I'm still here.

18                 So picture a massive banquet hall with tables  
19                 slam full of food. The kitchen totally full of food  
20                 and grease traps. And, by the way, no power. There  
21                 were walk in coolers and carts with puddings and  
22                 desserts shoved in the closets. None of the beds are  
23                 stripped and nothing made. I mean it was just total  
24                 chaos. And little old small town solo practitioner me  
25                 is trustee. So I say, "no problem I'm going to ask

1       this hotel, that shall remain nameless, whether I could  
2       hire their staff after hours to come in and help me  
3       clean up. So they sent in like, I don't know, 20  
4       people who promptly started stealing property and  
5       fleecing me. Within two hours I said leave. And over  
6       a period of weeks my little staff, Diane and my  
7       daughter and two other paralegals and their families  
8       cleaned up that hotel and all of that over a period of  
9       45 days or so and got it ready for sale.

10               By the way convention hotels back then were  
11       not designed to be locked up. They're open 24/7.  
12       There are no locks on those doors. So I backed up  
13       catering trucks to the doors and tried to chain them up  
14       as best I could. But trying to lock up a building that  
15       by design never gets locked up was an eye-opener for  
16       me.

17               So I had to go there just about daily to  
18       inspect during the night. Even during the day it was  
19       pitch dark in that place without power. And you're  
20       walking all through that cavernous facility and endless  
21       hallways just doing your due diligence. And I'm not  
22       exaggerating by saying that you expect a little kid  
23       pedaling a tricycle to come around the corner chanting  
24       "redrum! Redrum!" One of my paralegal's husband is  
25       about as big as that door. I got the court to allow me

1 to hire him as my security guard. So he started  
2 staying there most nights and acted as security guard.  
3 Anyway that was memorable because it was such a massive  
4 undertaking and a scary proposition.

5 In the end, it was a very successful case.  
6 That hotel appraised at 3.3 million dollars - something  
7 like that. And it sold for the full appraised value of  
8 3.3 million to what is now Providence Baptist Church.

9 MS. OLIVER: Do you remember when that was?

10 MR. SPARKMAN: It was Caprock Hospitality.  
11 C-a-p-r-o-c-k, Caprock Hospitality (89-03134-5-ATS).

12 MS. OLIVER: But do you remember when, what  
13 year it was?

14 MR. SPARKMAN: I don't. Probably '80s. I  
15 know that building had been in a previous -- when I was  
16 with Judge Reynolds in the Middle District it had been  
17 under a Chapter XII or was it Chapter X? It had a  
18 sister hotel, Royal Villa of Greensboro. And the two  
19 of those were in a reorganization in the Middle  
20 District.

21 And going back to Judge Reynolds, he was a  
22 referee before he was a judge and referees were hands-  
23 on. And so when I was clerking for him as a referee,  
24 he and I would hop in a car and drive down to that  
25 hotel and walk all through it and talk to the help. By

1 the way, he'd do these inspections without disclosing  
2 who he was.

3 What I learned as a bankruptcy trustee I  
4 learned from Rufus Reynolds, I didn't learn it from  
5 another trustee; I learned it from this guy who was the  
6 bankruptcy godfather himself. When we'd arrive at a  
7 particular reorganization property like a hotel, he  
8 wouldn't go in and talk to the manager or the CFO,  
9 whatever, he'd take me into the kitchen and he'd  
10 interview the staff and the cook and the people that  
11 were cleaning. I mean what you learn when you do that!  
12 You got the truth and you found out whether you had a  
13 leaky roof and mold or whatever from talking to all of  
14 these people about how management was really running.  
15 And so I learned a lot from him.

16 I had another converted Chapter 11  
17 trusteeship, a roofing company back in the 1980's down  
18 east (E. L. Scott Roofing 88-01760-8-TMM). And so I  
19 get a call from the court hello, drop what you're doing  
20 you're trustee for a case called E. L. Scott Roofing.  
21 Where is it? Kinston. Kinston? Yes. It's about a  
22 three hour drive. And so I dropped everything I was  
23 doing, drove out to Kinston. And lo and behold, it's  
24 still operating, seemingly oblivious to the conversion.  
25

1                   And I mean, this was -- you walk in, and I'm  
2 not exaggerating, sitting at the front desk was this  
3 lovely blond. I mean right out of Hollywood casting.  
4 If you wanted to cast a stereotypical blond for the  
5 role of the receptionist in this movie, you'd pick her.  
6 She's sitting there with a nail file in hand, the  
7 typewriter was not plugged in, smacking bubblegum. But  
8 I mean that's right out of central casting. She's the  
9 first thing you see when you walk in.

10                  And I say, "hello I'm the ..." Of course,  
11 people in there are still working and I said "why are  
12 you still operating? This case has been converted to  
13 Chapter 7. I'm Sparkman, Trustee, give me your keys."  
14 And I'm walking around. Diane will tell you horror  
15 stories about why Sparkman, the littlest guy in the  
16 room, always has to make an entrance and play the  
17 sheriff. But in my mind I think I'm just big as that  
18 door. I don't know why. Anyway so I'm walking in and  
19 requiring these people to give me this, give me that,  
20 where are your cash drawers, books and records, your  
21 petty cash and your keys?

22                  And I notice that there's this furtive  
23 looking guy in the back who's making his way to the  
24 back door with lots of stuff under his arms. And so  
25 I'm keeping my eye on him as I'm grabbing keys. And so

1 I track him to the very back and it turns out he's the  
2 president of the company and he's already out the back  
3 door heading for his Cadillac. And I'm grabbing his  
4 keys and getting his stuff as he tries to escape the  
5 premises. I've been trustee in a lot of cases where  
6 you don't really know what you're going to walk into.

7 It's what keeps Diane awake at night. I was  
8 appointed Chapter 7 trustee for a big grading company  
9 up in the other side of Oxford. (SVR 15-01349-5-DMW).  
10 And so the same thing, drop what I'm doing and drive up  
11 there. I mean it's off of a dirt road which is off of  
12 the dirt road which is off of that road. Got way back  
13 up in there. I get Doug Gurkins to meet me up there.  
14 And we drive up there and you walk in and standing  
15 there looks like the entire Hells Angels. I mean just  
16 the meanest looking, greasiest looking heavily tattooed  
17 gang of people you've ever seen all standing around  
18 like "you're dead."

19 So I drive up and do basically the same  
20 thing. I'm here and I'm trustee. It had been a 11,  
21 too. They were not happy to see me. And I was -- I  
22 forget the name of the owner, but the guy who was as  
23 scrawny as me -- the scrawniest, greasiest most  
24 tattooed guy of all was (indiscernible) turns out he's  
25 the owner. But I get Gurkins up there and these people



1 are not happy at all.

2 And I say, "Doug, you realize that not only  
3 could they kill us and bury us out here, they could  
4 kill us, put us in our car -- and I have a big old SUV,  
5 he did, too -- they could put us in our SUVs and bury  
6 us in our SUVs out here and no one would ever find us."  
7 They had big steam shovels and cranes and everything.  
8 And so we weren't exactly standing back to back there,  
9 but it was very much touch and go.

10 So I was there taking computers while Doug  
11 was dealing with equipment inventory. And I was  
12 talking trying to get the bookkeeper's confidence, you  
13 know, can you help me here? I'm just doing my job and  
14 I need to know where your books and records are. In  
15 this computer, I need that hard drive. But as it turns  
16 out my bad luck - she's the girlfriend. And she's  
17 running to the owner. It turns out he's got half the  
18 stuff at his house which is next door. So a lot of  
19 those memorable cases are also the scariest cases.

20 If you really stop and think about, and Diane  
21 will tell you she just -- she doesn't know half of what  
22 I've been through because she stays awake at night on  
23 cases she does know about.

24 MS. CASTELLOE: Do you know your Chapter 11  
25 confirmation rate? It seems like when I was courtroom

1 deputy you brought more small business 11s that seemed  
2 to have a higher success rate than -- do you know what  
3 your record was on that? Any of those stand out for  
4 you?

5 MR. SPARKMAN: Very high. I don't really --

6 MS. CASTELLOE: I just seem to remember they  
7 were usually more successful.

8 MR. SPARKMAN: I don't. I can't think of --  
9 it's like I'm tooting my horn. Like, I haven't really  
10 thought about it, but I --

11 MS. CASTELLOE: Well, I only know what I saw  
12 in front of my judge. I don't know what your record  
13 was in front of other judges.

14 MR. SPARKMAN: Yeah, I can't think of -- I  
15 can probably count on one hand the ones that have not  
16 been successfully confirmed. A lot of hundred cents on  
17 the dollar cases, too.

18 MR. SASSER: Do you think it was hard --

19 MR. SPARKMAN: Right now I've got a couple of  
20 Chapter 11 Trustee cases that we are winding up and  
21 paying a hundred cents on the dollar. That one case  
22 we're going to close in the next month where we're  
23 paying -- I think the guy filed a Chapter 11 -- Billy  
24 Brewer filed it and vowed he'd never file another one  
25 by himself. But he filed it for this guy, big domestic

1 situation. He filed it and he promptly moved to Hong  
2 Kong. He's still in Hong Kong.

3 And he had worked out purchase money  
4 mortgages on several properties down at Sunset Beach  
5 with five year repays on these purchase money loans.  
6 Anyway I very, very reluctantly got court approval for  
7 those purchase money mortgages that I entered into as  
8 trustee.

9 Now five years later, we have paid in full  
10 all federal tax liens, all judgments, all mortgages.  
11 I'm current with all his domestic support obligations  
12 and he'll get \$300,000 surplus money back when I'm  
13 finished. All the while he's in Hong Kong.

14 MR. SASSER: Do you have any further comment?

15 MS. CASTELLOE: No, go ahead.

16 MR. SASSER: Do you think it was hard for --  
17 Judge Reynolds was Referee Reynolds and then -- in 1946  
18 until 1978 and then there was the Code and Judge Moore  
19 was appointed referee in 1960. Do you think it was  
20 hard for the two of them to transition from the Act to  
21 a Code?

22 MR. SPARKMAN: Judge Reynolds, you know, I  
23 was before him sometimes after the Code. I would say  
24 no for Judge Reynolds. Judge Moore was not the, again  
25 I loved Judge Reynolds, but Judge Reynolds, you know,

1 he again General Patton comes to mind. If you don't  
2 think about the way I would see practicing before Judge  
3 Reynolds it was very tough love kind of a thing. I  
4 believe transition to the Code was easy for Judge  
5 Reynolds. Judge Moore took awhile longer. Pragmatic  
6 solutions with compassion was just in his blood. He  
7 could be tough on you, but you always knew he had your  
8 best interests at heart. He wanted you to be the best  
9 lawyer you could be. Everybody loved Judge Moore.

10 So in my practice before Judge Moore I could  
11 still see the referee in him. Both Reynolds and Moore,  
12 special men, were referees, but even after they became  
13 judges, they would still have a tendency to say in some  
14 dispute, "okay, guys, this is what I'm likely to do.  
15 And if you don't like it step out in the hallway and  
16 work out something."

17 I'm sure I'm probably the sixth person to  
18 tell you this, you know, Judge Moore would recess court  
19 and invite counsel into his chambers. And Judge Moore  
20 would put his feet up on the table (pardon me as I do  
21 this). And he'd lean back in that chair with his  
22 cigarette and the rest of us are trying to see the  
23 judge through the smoke. And he'd go "now I'll tell  
24 you what we're going to do." And then he'd proceed to  
25 tell you what you're going to do. And I think this was

1 after Code as well. But he'd kind of like basically  
2 tell you how this thing ought to shake out. That waned  
3 pretty quickly in later years.

4 But there was time there where I think he  
5 couldn't help but interject himself more so than I  
6 think Reynolds. But still very, very effective in what  
7 he did. You couldn't fault either judge at all. No  
8 ulterior motives. Only the very best reasons for doing  
9 what they did. But Moore -- I'm an avid nonsmoker so  
10 if I could settle something without having to go back  
11 into that room to shorten my life, I would.

12 MS. BUTLER: I guess part of the reason he  
13 did it was because he knew some people didn't want to  
14 go back there and they'd settle. Can you think of any  
15 other moments throughout the history of the Eastern  
16 District Bankruptcy Bar that just kind of stand out in  
17 your mind? Any stories?

18 MR. SPARKMAN: That's where I need prodding.  
19 I was thinking while I was driving here what we need is  
20 after we have these individual interviews to see  
21 everybody in a room and we all feed off of each other  
22 because someone would say something and then I could  
23 say oh yeah that reminds me of this. But instant  
24 recall I'm having a hard time just pulling up things.  
25 I started to bring some of my music here and I can't

1       remember my lyrics from my songs that Judge Small,  
2       Gordon Woodruff and I would sing at these seminars.  
3       Could you help me be a little more specific? Maybe  
4       throw something out maybe that'll --

5               MS. BUTLER: Any EBI memories?

6               MS CASTELLOE: Or if you want to talk about  
7       the different times you've performed with your guitar  
8       which is something you're known for in the district.

9               MR. SPARKMAN: I'm not sure how that  
10       happened. I tell people I'm really trained in music  
11       other than what you've seen me perform. And I don't  
12       know why every time I need to entertain I kind of drop  
13       down to that level. But I do. I think it's expected  
14       of a solo practitioner in little old Angier versus  
15       where I grew up - in a high falutin high society family  
16       in Charleston. I'm the only one that has this accent.  
17       All my other siblings and my parents were quite erudite  
18       and I was until I went to Mars Hill College.

19               Mars Hill was a wonderful college, but there  
20       were a whole lot of upstate South Carolinians that went  
21       there and they all had this dry southern accent and I  
22       just mimicked them and just -- I just couldn't help it.  
23       I just had to talk like them. And after a while then I  
24       realized I couldn't lose it. So to this day I'm the  
25       only one in my extended family that has any trace of a

1 southern accent.

2 MS. OLIVER: Well, it's been a while since  
3 you performed at one of the seminars. Are you going to  
4 do it again?

5 MR. SPARKMAN: Well, I think George Oliver's  
6 family has kind of taken over. And it's interesting  
7 because I'm Phi Mu Alpha Sinfonia National Music  
8 Fraternity and so is he. So we're frat brothers. He's  
9 a Carolina Chapter. I've about decided there's a  
10 younger generation that's much more talented and I need  
11 to maybe hand over the stage and the spotlight to the  
12 next generation.

13 MS. OLIVER: But could you give us another  
14 special song during one of the breaks like you used to  
15 next seminar?

16 MR. SPARKMAN: If asked I would give you --

17 MS. OLIVER: Well, I'm asking. Will you?

18 MR. SPARKMAN: Because Diane will tell you, I  
19 mean, I put so much time and effort into these songs.  
20 I'll have Diane drive and I will write the song between  
21 our home and the EBI. I don't know if I'll have enough  
22 time and effort put into it for you. It just kind of  
23 flows once I get into it. But, yes.

24 MS. OLIVER: I'm sure we can put you in the  
25 program. Is it November, December?

1 MS. BUTLER: Oh, you're talking the State  
2 Institute.

3 MS. OLIVER: Yeah.

4 MS. BUTLER: It's November. Yeah. In  
5 Wilmington.

6 MR. SASSER: Diane, how long have you worked  
7 with Richard in his law practice?

8 MR. SPARKMAN: She's retired now.

9 MS. SPARKMAN: I am retired.

10 MR. SASSER: When did she retire?

11 MR. SPARKMAN: When she said so.

12 (Laughter)

13 MS. SPARKMAN: I'm not doing this anymore.

14 MR. SPARKMAN: About a year or so. She's  
15 been in my home office for a decade.

16 MS. SPARKMAN: I feel like it's been --

17 MR. SPARKMAN: And she did all my Chapter 11  
18 plans and things out of the house.

19 MS. SPARKMAN: Yeah. Our daughter was very  
20 sick with Lyme disease and that's when I left the  
21 office and we set up the home office.

22 MR. SPARKMAN: So I used to have a creditor  
23 practice representing BB&T and Southern National and  
24 Fidelity Bank and a bunch of creditors. She was my  
25 creditor practice. All our motions to lift stay and



1 my Chapter 11 plans and all out of the house. And  
2 she's happily unplugged from it.

3 MS. BUTLER: Have you enjoyed being a Chapter  
4 12 Trustee?

5 MR. SPARKMAN: I have. Back when I had my  
6 general practice I had a large residential, commercial,  
7 and farm real estate practice, which meant a lot of  
8 farm loans. And Diane also worked at the Federal Land  
9 Bank.

10 MS. SPARKMAN: Federal Land Bank.

11 MR. SPARKMAN: Federal Land Bank in Lillington  
12 for a while. And so just because of my location I had  
13 a lot of farm clients. So it's kind of a natural fit.  
14 I think about technology, I'm telling my age here. How  
15 much time we go on that left?

16 MS. BUTLER: We are right at 10:30. So  
17 you've been going for an hour and a half if you need a  
18 break. And we do have Stubbs coming at 11.

19 MR. SPARKMAN: Okay. I'm sorry. I'm already  
20 30 minutes over. Why didn't you tell me that.

21 MS. BUTLER: You're fine.

22 MR. SPARKMAN: I'll just say this. It makes  
23 me think about technology when you ask that. Because,  
24 you know, when I was with Reynolds the highest tech law  
25 firm in Greensboro was the Tuggle Duggins Meschan firm,

1 David Meschan. Anyway they had the Mag Card system.  
2 You put all this stuff in this Mag Card machine and  
3 spit this stuff out. And boy back with discovery they  
4 would bury you with paperwork because you're doing it  
5 the old-fashioned way and they have this Mag Card  
6 machine.

7 When I was in Angier we had manual  
8 typewriters. I think they had just come out the with  
9 Selectric typewriter. And so I was always on the  
10 cutting edge. Whatever the very latest technology was  
11 I was the first one in my county if not the only one  
12 that had whatever the latest was. So I bought the  
13 Selectric typewriter for my paralegal. And then as  
14 soon as we had that, then the Selectric self-correcting  
15 came out. And then the Selectric III came out and then  
16 the -- and so that's obsolete now choose this. That's  
17 obsolete now choose this.

18 And then the Lanier Dedicated Word Processor  
19 came out, \$12,000. It was a word processor with two  
20 screens. So two paralegals could share this one little  
21 CPU. And you had your printer which was an impact  
22 printer. Very loud, real loud, deafening. And so  
23 you'd have it in this box with eggshell insulation  
24 around it and you'd close the lid when you print  
25 because it was so loud.

1           So we bought this \$12,000 Lanier Dedicated  
2 Word Processing system which was great. But I mean it  
3 wasn't two years later where they came out with the  
4 first PC for \$6,000. And my Lanier Dedicated Word  
5 Processor went into the attic. And so I spent \$6,000  
6 on the PC. A couple of years after that it was  
7 upgraded and you could get something twice as good for  
8 \$3,000. And so of course I bought that.

9           Anyway after a while I realized being ahead  
10 of the curve was going to kill me financially. Why  
11 don't I get behind the curve? There are people like  
12 Travis who have the latest stuff and get all the bugs  
13 worked out of it and then I'll buy it five years behind  
14 the curve. Because I was tired of spending all this  
15 money and then all this planned obsolescence.

16           But back to my real estate practice, you  
17 know, when we first were practicing law it was your  
18 typewriter and maybe it was a Selectric typewriter but  
19 you were typing on carbon paper. And you were typing  
20 metes and bounds descriptions on farms on paper that  
21 was this long (demonstrating) and if you had even one  
22 strikeover, I'm sorry, you had to type it all over  
23 again, didn't you Diane?

24           MS. SPARKMAN: Yes.

25           MR. SPARKMAN: I mean no strikeovers, no

1 whiteouts, no nothing. It had to be pristine. There  
2 was no -- I mean, we didn't have copy machines. We had  
3 something like a fax machine or a copy machine that  
4 would come out wet and gray. And then the mimeograph  
5 machines. But even on the mimeograph the same thing  
6 you'd type it. But if there was any kind of strikeover  
7 or especially you type and there was always the letter  
8 o and the center of it comes out and you got this big  
9 hole. Sorry, type it all over again.

10 And, of course, talking about low tech being  
11 a trustee and it was time to close a case and I'm in  
12 Angier and I've got to drive all the way up to Raleigh  
13 to see if I can't review the Caprock Hospitality case  
14 so I can close it. And so the clerk goes back and  
15 brings in 12 folders of Caprock Hospitality and I sit  
16 there at the conference table and I'd review everyone  
17 of those files and 250 claims and I'd review every  
18 paper and claim the old-fashioned way and make notes.  
19 There was no other way to review files prior to closing  
20 and coming up here. And literally the clerks had to  
21 pull all the files. I'd check them out, check out the  
22 file and review them. Couldn't take it home with you.  
23 Review it here. So we've come a long way  
24 technologically.

25 I'm sorry, I had no idea I was 30 minutes

1 over time.

2 MS. BUTLER: Anything that you thought you  
3 wanted to make sure you told us that you haven't told  
4 us yet?

5 MR. SPARKMAN: Anything you can think of  
6 Diane that I've left out?

7 MS. SPARKMAN: No. I don't think so.

8 MR. SPARKMAN: If you don't have any  
9 questions I don't have any other observations.

10 MS. CASTELLOE: I always appreciate the fact  
11 you got Amedeo's (08-00169-8-ATS) confirmed so I can go  
12 back and eat there again.

13 MR. SPARKMAN: I got what confirmed?

14 MS. CASTELLOE: Amedeo's.

15 MR. SPARKMAN: Yeah Amedeo's that was another  
16 successful 11. Well, thank you. This is an honor. I  
17 can't tell you how much I am honored to be here to be  
18 asked to do this. I cannot believe it's been forty  
19 years of private practice and four years for the  
20 bankruptcy court in the Middle District before I came  
21 here. In my head I'm still in my late 20s and I'm the  
22 new kid on the block still trying to start out in life,  
23 truly. The only sense that I have that I am a fossil  
24 is the reaction of other people to me. Exhibit A is  
25 the fact that I'm sitting here with you being

1 fossilized.

2 MS. OLIVER: Electronically.

3 MR. SPARKMAN: I told Diane before that, you  
4 know, you realize you're old when there's not one, not  
5 two, but maybe three generations of lawyers younger  
6 than you. And so how do you know you're old it's  
7 because I still think these people are my peers, you  
8 know, these 20, 30 year old lawyers. I just think  
9 they're my peers. And I say, you know, how you doing  
10 Tom? Fine, Mr. Sparkman. No, it's just Richard. Yes,  
11 Mr. Sparkman. And then I look in the mirror and  
12 realize why. But it has been a remarkable journey.  
13 But it doesn't seem like it's been 40 years. Not at  
14 all.

15 MS. OLIVER: Well, thanks so much for giving  
16 us the time.

17 MR. SPARKMAN: Thank you.

18 MS. OLIVER: Great stories.

19 MR. SPARKMAN: Well, thank you.

20 \* \* \* \* \*

21 **C E R T I F I C A T I O N**

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23 transcriber, certify that the foregoing is a correct  
24 transcript from the official electronic sound recording  
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