## TRANSCRIPT OF

## INTERVIEW OF

WALTER L. HINSON (Walter L. Hinson, P.A.)

Place: U.S. Bankruptcy Court

Raleigh, NC

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## TRANSCRIPT ORDERED BY:

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

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Audio Recorded Audio Operator, Dawn Wright MS. BUTLER: Mr. Hinson we are here today to interview you, Walt Hinson, and present is Stephanie Butler, Christine Castelloe, Cindy Oliver, Travis Sasser, and recording for us is Dawn Wright.

Mr. Hinson, what we'll do is we usually start out with just some few generic questions and then it seems like the discussions just kind of naturally progresses from there. And so we'll actually start out at the very beginning with sort of your upbringing, where you were born and raised and sort of those type things.

MR. HINSON: Well, my birth certificate will show you that I was born in Lenoir County. The only reason for that is that Kinston in Lenoir County was the closest hospital. When my parents brought me home it was to a very rural little crossroads community in northern Duplin County just a little south of Mount Olive, just a little north of Kenansville. And to say that I was raised as a country boy would be an understatement.

My parents farmed and ran a country store.

Ultimately I think running the store proved to be where my mother contributed and doing the farming is where my father contributed. But I got education from a number of different directions. My mother's family lived in the community, and so it's just -- I would recommend it to anybody. I've never really known what it would be like to grow up -- in fact,

Ann, my wife, grew up here in Wilson and tells the stories of riding her bicycle to the park or going from school to the library on her bicycle. Apparently she put miles and miles on her bike.

Me, on the other hand, there was a little pond nearby that was the swimming pool for Summerlins Crossroads, is you went to the hole, got off your bicycle and jumped in with the rest of the guys. I can't say it was anything worth writing a book about, or certainly reading the book if I were to attempt to write it, but it was just a good country upbringing, and I appreciate all of it.

I grew up like everybody else. I thought my parents were sometimes the most stupid people I'd ever run into. You know, they were particularly stupid when they decided that when I got to be 16 they weren't going to buy me a car, you know. Those kind of decisions that in later years I've come to appreciate maybe weren't so stupid after all. But in any event that's -- it's just a good upbringing in a Christian home by two parents that loved me a great deal and I'm much the better for it.

MR. SASSER: Are you an only child?

MR. HINSON: Yes, I am. I had lots of cousins.

MS. BUTLER: Where did you go to school?

MR. HINSON: I went to grammar school in

Kenansville just south of where I was raised. Then went to

high school over at James Kenan High School which is in between Kenansville and Warsaw. All of those are those kind of things you hear you can't get there from here. Well, that's kind of where they were. Again, it was a small high school. I can't really recall but we were just pleased because we thought we were so big having consolidated some little community schools around us and created the high school. But there probably wasn't oh, maybe 50 people in my graduating class. But we were hot stuff when we came along.

From there I apparently did well enough that I was accepted at East Carolina, spent four years there going to school like everybody else learning that there were different people from all over the world that looked, thought, and spoke a whole lot different than a country boy from Summerlins Crossroads, and enjoyed that. And actually except for French I did fairly well at East Carolina.

I couldn't pass a French course to save myself.

And I almost didn't get into law school because I did so poorly. I did fairly well on everything else, but I did so very poorly in French until they looked at me and I had to really explain that I just had a problem with French. Oddly enough now that I really need to learn Spanish when I try and speak Spanish French words will pop in. And I kept thinking, you know, if I can just get out of here I'm not going to need this French anymore.

And got into law school at Wake Forest and when Wake Forest was the only school that required an interview. And I was pleased enough that they wanted the smell of me and let me smell of them, so-to-speak, that they required an interview, and that together with the fact that they finally did accept my application, not unlike at East Carolina is what caused me to choose to go to law school there. And I kept thinking well, I can get in law school and I'm not going to worry about this French. If I can just pass this one last course in French while I'm here at East Carolina.

Got into law school and learned that there is what's called law French. And if you look at some of the terminology in the law there's certainly Greek and Latin, but there are a lot of words that have a French history to them. So, there I was, you know, having been such a whiz all the way through college on French also learning a little law French. Kept thinking well, if I could just get through law school I'm not going to need any French and I won't ever have to speak this again.

And I came to Wilson, which is another story in itself. One of the first clients I had who was a walk-in client was a guy from Quebec. And he had had some problems down in Goldsboro which is a little south of Wilson and was just -- decided to get out of town and look up a lawyer and sort of walked in the door at our office in Wilson. And we

chatted and determined that I could help him, and came to terms and agreed that he would send me his file.

Well, in a few days, as he had promised, a file came to our office. I opened it and I think everything in the file was in French. So you can't get away from it. I can't learn Spanish for speaking it, but I can't learn to speak French. I've gone off on a bit of a tangent. Ask another question and let's go somewhere.

MS. BUTLER: That was great.

MR. SASSER: Any chance that you knew Billy Brewer where you were growing up? Because it seems like he's from 15 minutes away.

MR. HINSON: Billy Brewer is -- we were raised close together, but we weren't acquainted. Billy Brewer was from, is it Seven Springs or somewhere over --

MR. SASSER: I thought it was Pink Hill, but

MR. HINSON: Pink Hill, that's it. Pink Hill. But Pink Hill is not far and Pink Hill is in Lenoir County. And if it were today Billy and I'd probably know each other and be good friends as we are today. But understand that in the '50's Pink Hill was in another world. For Billy Brewer Summerlins Crossroads was in another world. So we only met after we started encountering each other in the Bankruptcy Courts. Too bad I didn't know him. He's a great guy and

probably we could have got in some really good trouble together. Maybe we still can. I'll see him again soon.

and had friends.

MR. SASSER: Did you take bankruptcy in law school?

MR. HINSON: No. Wake Forest was a small school.

Now, while I mentioned to you a moment or two ago that I have trouble remembering names everybody knew everybody. It wasn't like you only knew the folks in your little clique or you just knew the folks in your class. You knew everybody. In about five minutes you could walk around the whole campus at Wake Forest. We didn't know folks in the undergraduate school because we just didn't mingle unless you went to undergraduate school at Wake and then maybe you knew somebody

But there were a number of us -- now Judge Howard went to Wake. He was a little ahead of me so I did not know him in law school. I got to know him later on after law school. Bob Fuller in Goldsboro was in Wake. Many of you -- some of you may remember Larkin Pahl who practiced at one time in the Eastern District. There's a number of them that will come to me. And if I happen to pop the name out at you it'll be because a lightbulb went off in my head.

But we enjoy seeing each other and talking about
Wake Forest and how it's just a matter of another year or two
before Wake Forest will dominate the Atlantic Coast
Conference. It may take more than a year or two. So, yes,

there's a lot of us that we run into -- that I run into both in the bankruptcy court and outside the bankruptcy court in my -- what was, until I retired, what was my sort of general, we'll call it nonbankruptcy practice. So a lot of good folks.

MS. OLIVER: What year did you graduate from Wake Forest?

MR. HINSON: When did I graduate from Wake?

MS. OLIVER: Yes.

MR. HINSON: I graduated in 1973.

MS. OLIVER: Do you recall how many women were in your class?

MR. HINSON: That's interesting, because I didn't recall that. And I don't recall how many, but Wake Forest was a little slow on integration both bringing in female lawyers and bringing in those of color. There were probably half dozen. And now it might be that there's half of them are. But I would say there's probably not more than six or eight in my class. And when I was in my third year Wake Forest brought in the first black female.

So that's -- I'll just say that Wake Forest was probably not at the forefront of getting students from all over and all colors and races. And that was probably too bad, because there again it would have been an opportunity to learn a lot of other different cultures that would have been

helpful in life to come. '73 was a long time ago. Some of you weren't even born. A long time ago now that I think about it.

MS. OLIVER: Where did you go when you graduated from law school?

MR. HINSON: I came to Wilson. I've been in Wilson since I finished the bar exam.

MS. OLIVER: Why did you pick Wilson?

MR. HINSON: That's where they offered me a job.

Being offered a job helps. And truly I could have gone to some other places, but Wilson was not far from my home. I actually had a family member that worked for the firm that I went to work with. She was a legal assistant. She wasn't called that back in 1973, but that's what she was. And got here and I was impressed with them, they apparently were impressed enough with me and they offered me a job and I took it. And I've never regretted it. I have found a splendid home here in Wilson and made a lot of close friends and while I'm sure I could have done the same in some of the other towns where I ultimately was offered some opportunities nothing has beat Wilson.

MS. OLIVER: What was --

MR. SASSER: Is that who you were hired by?

MR. HINSON: I'm sorry, I heard -- there were two of you talking.

MS. OLIVER: Go ahead Travis.

MR. SASSER: What's the firm that hired you?

MR. HINSON: Parker & Miles. Not a well-known firm. Mr. Parker was on over in age and anticipated that he would retire. So they were just looking somebody come in and kind of take over. And Mr. Miles also was not a young man, and he had had some health problems. I think they both were just looking somebody that they thought would fit in and maybe carry on after they decided to leave. So, it's not a name you're going to remember. A small two man outfit.

MS. BUTLER: What areas of practice did you start out doing when you first came to Wilson?

MR. HINSON: Well that's an interesting question.

They did -- because if you were in Wilson County you had to do agricultural law if you were going to do anything. They did a fair amount of real estate work which I never warmed up to particularly though in later years particularly as a trustee and in the bankruptcy area I ended up doing a fair amount of real estate work. And oddly enough they had developed a good reputation as a collection law firm.

Now, understand in 1973 if you were called a collection lawyer that was not necessarily a compliment. But I don't know what I'm saying about myself, but I kind of enjoyed the work. You got out to do different things, and you saw different sorts of people not unlike proved to be the

case that got me where I am in this interview. And developed a reputation such that we did some debtor/creditor work almost exclusively on the creditor side in apparently a wide area in eastern North Carolina. And that really is what began to open the door to meeting Judge Moore and meeting some of the other folks in the bankruptcy practice.

And that's probably another answer for another question at some point. But that's what got me started. And a lot of people here my age so it was just a lot of enjoyable things going on and it was an enjoyable practice. And I was fortunate I came just the right time when Wilson was growing and there were a lot of new folks coming in and some new industries coming in. And as an example Cargill the grain folks had facilities here and I got to know the guy that ran their feed operation.

And from there I did some work for Cargill and reached the point that I did a lot of work for Cargill. And Cargill was heavily, beginning to be, heavily in the swine production business out of Wilson. So I got to be a pretty decent jack of all trade, sort of, in swine production. And so as I went along and I met folks in that business and don't know how many hog producers I've actually done work for, apart from the bankruptcy practice.

And one of the things I'll tell you if you ask me about interesting cases is, a couple three years before I

retired down in below Farmville we ran a hog facility for about six months or longer. We sort of were offsite managers and actually turned the hog facility into something more valuable and it sold for more money than what it was worth when the petition was filed. So, I've done lots and lots of stuff, and enjoyed it. There were days when I would just as soon stayed home, but by and large it was -- being a lawyer in Wilson has been a splendid opportunity in lots of other ways.

MR. SASSER How did you start to get into the bankruptcy industry?

MR. HINSON: Well, Wilson, Mickey Moore, the bankruptcy judge was in Wilson. My senior partner was a Republican, Mickey Moore was a Republican. There were occasions when we were doing creditor work that we get something in the bankruptcy court. So, it was just a natural — and there weren't that many lawyers in town at that point in time so it was just a bit of a natural course that I got to know Judge Moore and he got to know me and we just started — I just started spending more time in his courtroom. And the more I spent in his Court the more I liked it so I did what I could to promote the bankruptcy practice.

MR. SASSER: You were being appointed as a trustee, basically, those early years?

MR. HINSON: I was appointed -- I probably was

first appointed trustee in, I would guess, 1975. I think I was appointed as a trustee back under the old Bankruptcy Act of 18 whatever it was when Mickey was a referee as opposed to being a judge. And I kind of hung with it and apparently did enough jobs that he kept appointing me. And at that point in time the bankruptcy field -- the bankruptcy area of law, too, was not big. So, there were not a great many of us in it.

There were those that looked upon the bankruptcy practice as just a glorified collection lawyer. And so, you know, you got to know -- that's how I met Mack Howard, Buzzy Stubbs, any number of other folks. And apparently the judge thought well enough of what I did that there was an occasion that he needed a trustee and asked me to do it. And I quite frankly learned to be a trustee by the seat of my pants and with Mickey Moore's help. He was a -- for all that gruff exterior that he could exhibit on occasion Mickey Moore was a kind and gentle soul.

So, just kept digging my foot in and getting requested to do something. And then the bankruptcy practice began to grow in eastern North Carolina and so it was not uncommon on a day like today, Friday, somebody from Timbuktu would call and say I've got a matter in the bankrutcy court next Wednesday. I don't want to travel from Minneapolis to Wilson, North Carolina, wherever that is for this. Will you stand in for me? Sure. Well, so we got a fair amount.

Steve Beaman and I particularly got a fair amount of work in bankruptcy court simply because of folks that didn't want to come to Wilson. And truly maybe it was just not something that warranted them getting the travel expense that it would create. Some just didn't want to come. But didn't matter to me. I'm sure it didn't matter to Steve. They paid their bills and we did the work.

But that brings me full circle. That's how I got to know Judge Moore.

MR. SASSER: I think Judge Moore's father died in 1972 if I'm not mistaken. But do you have any kind of knowledge just basically from your discussions with Mickey or your involvement in the bar about Judge Moore's father and --

MR. HINSON: Well, Judge Moore's father was a pharmacist I believe, wasn't he? I wasn't expecting that question. So bring them on. I'll do the best I can with them.

MR. SASSER: He was both. He was a pharmacist and a lawyer.

MR. HINSON: A pharmacist and a lawyer. Okay.

Well, his father died before I came to town. I never knew his father or his parents. Now I knew his children some, particularly their son, and I knew Mrs. Moore. She was a lovely lady and she just died a couple three years ago herself. And saw lots of folks that I hadn't seen in a long

time when I went to the funeral. So I knew them a long time. Yes. But I'm sorry I'm not able to help you with any history of his parents.

MR. SASSER: What do you recall about when the Bankruptcy Code replaced the Bankruptcy Act? What was involved in the transition and how the bar handled that, Judge Moore handled that?

MR. HINSON: Well, it was a learning experience for everybody including Judge Moore. All of a sudden he was no longer a referee but was actually a judge and had some judicial powers so that he didn't have to then refer everything back up to the District Court. I think pretty quickly there was a standing order that anything that was filed under the Bankruptcy Code was referred down to the Bankruptcy Court so it didn't have to go through any sort of stepping stone process. It created a clerk and that's where Peggy Deans came in.

Up to that point, basically, the Judge's clerical staff, which included Peggy, did his work as both clerical work and whatever legal work. You know, there's a lot of good law practiced by a lot of good paralegals. And there's lots of paralegals that are a whole lot better than some of us lawyers. And Mickey was blessed to have some of those. And then I think the judge also at that time, maybe it was later, but along about that time the budget provided for him

to have a law clerk. And so I met some great people that clerked for him that are still practicing today, some of whom are not.

And then, of course, you know, one of his more outstanding clerks, and I want to say this clearly so it goes onto the transcript, none better than Judge Warren. Did you hear me say Judge Warren. It was a learning experience and the judge was typical in that he grasped it. I never got any sense that he didn't grasp either the Act or the Code. And it was kind of early in my career so there were lots of things I didn't know to start with that I didn't have to then unlearn. I really had some advantage of learning the stuff for the first time as it should have been practiced under the Code. And Judge Moore was good, not just to me, but certainly to me and others.

You know, every once in a while you'd get a call and say son, that's just not the way you do it, you know, you're going to have to do this and do that. Then you immediately say yes, sir, and did it that way. And you remember he not only was a bankruptcy judge, but he was a two star general in the Army Reserves. So he was accustomed to giving orders and that's part of the way that we all learned it. And I apologize to you. You asked a question and about five minutes later I was still talking and then kind of got off the topic of the question. So let me quit. We'll get

back on your topic of -- Travis, I think you were the one that asked the question.

MR. SASSER: I'm going to defer to somebody else.

MS. BUTLER: I'm gong to ask a question that we didn't provide earlier, and I don't think we've asked it of anybody. Do you recall the atmosphere, the reaction of the bar when the <u>Marathon</u> case came down and the bankruptcy judgeship was sort of called into question?

MR. HINSON: No, I don't think it ever really -- I don't recall. Now maybe at higher levels than me those folks that were more politically astute or politically connected such as Mack Howard or the judge or Stubbs probably would be better ones to answer. But Marathon was just Marathon. And we just kept on keeping on. Maybe I'm the only one in the whole bankruptcy bar that was so naive as to think that. I'll be interested to hear what other answers there are to that question.

MS. OLIVER: So did the bankruptcy bar change at all when Judge Small was added to the bench?

MR. HINSON: Well, let's talk about changes before Judge Small. When I first came to town Mickey Moore was a referee in his own building. He owned the building. And then a referee meant that he was a part-time judge. He had his own law firm. Steve Beaman came to town about the same time I did and practiced with Mickey Moore. And over time,

particularly when the Act came in and there was a clerk and,

I'm sure we'll talk about this later based on the list of

questions, there was a bankruptcy administrator. All of this

got to be way too small for Mickey's office.

And sometime when you're in Wilson and just want to take a bit of a scenic tour everybody that practices in the bankruptcy court should go down Green Street in Wilson and see Mickey Moore's old office. Some of you probably had apartments in college that were bigger than that office. You will probably say how did they practice? The point being here that — and the office is still there. I think it's used now

-- it's been used for some various things over the years.

But the point being they needed bigger and bigger facilities. And so Judge Moore kept moving into bigger and bigger facilities and this maybe gets us back to the point because there were a growing number of bankruptcy cases. People were beginning to see that the word bankruptcy was not an ugly word, it didn't bring down hell fire and brimstone on you to suggest to a client that they maybe should seek some bankruptcy protection.

And then there was obviously folks that sought the protection and got it and did well with it. So bankruptcy was growing. So along about the time -- what triggered, I think -- part of what triggered Judge Small's appointment was

that Judge Moore needed help. And I think, probably again, through politics the Eastern District was allotted another judge. And I think Mickey Moore welcomed Tom Small. From my observation he and Tom Small got along very well together. Neither of them made any sort of serious decision that would affect the future of other debtors without first consulting with each other.

There was never an occasion, and they were very conscientious to make sure that there was never an occasion, where one judge's decision on an issue went way out this way and the other judge on the same issue went way out this way, part of which was to help avoid judge shopping. The part of which was just to stay together. Judge Small's coming into the court system, based on my observation, and with some of the things that Mickey would tell me, was a welcome benefit to all of us. And he did a great job. It's not like he wasn't making a great effort himself to do a good job and he was successful at it.

MR. SASSER: You mentioned sometimes you would advise clients to consider bankruptcy. Did you actually represent debtors at anytime?

MR. HINSON: Oh, yes. Yes. Theoretically being a trustee is a -- solely a trustee is a great way to go broke in the practice of law. A trustee is paid a very small percentage of what he's able to pay to the unsecured class of

creditors. Not the gross that comes in, but to the unsecured class primarily. I mean, certainly you get paid some if you do some of the work. And you get paid as the attorney for the trustee. But I worked -- I ended up being an agribusiness lawyer as much as anything else part of because Wilson was an agricultural community, still is in large part.

As I said I kind of got into the area of representing pork producers. I did some creditor work. I did a lot of creditor work. And did debtor work. I mean, if you could breathe and come in the door, and if you couldn't I'd help you get in the door, if you could breathe and get in my office I'd figure out some way to represent you doing something.

Ended up towards the end of my career doing a lot of PACA work. It's a Perishable Agricultural Commodities Act. Done more so in Florida and Louisiana and California and some of these perishable crop states than you see it here. But with sweet potatoes PACA actually hasn't developed as much as I would have guessed. But PACA is still a big area of the agricultural law. So, I ended up doing a fairly general practice with an emphasis on small business, family businesses, small corporations, and agribusiness. I quickly learned that criminal law was not my strength. Domestic law — it kind of got to the point that really I didn't particularly enjoy doing some of the other things as much as

I enjoyed the area of practice that I was doing when I retired.

What got me out of the criminal business was I got appointed to represent a guy that was charged with armed-robbery of a school bus. Armed-robbery of a school bus. Now think about the money you're going to make if you rob a school bus. Anyway they said he had a pistol in his pocket. He said it was a cigarette lighter that he was just holding in his hands. And I got him found guilty of common law robbery, and I was so proud of myself, because he didn't make time, and if it had been armed robbery he'd been making license plates within a few days.

But I thought, well, here's my opportunity to get out of the criminal practice as a winner. And I never, ever showed my face in the criminal court again. Don't plan to. And so, again, whoever asked that question I tend to get off on these tangents. Gosh, it's interesting things that you'll remember. I had forgotten that common law robbery -- that armed robbery of a school bus myself until just now. But that's how I didn't go into the criminal practice.

MS. OLIVER: Was he planning on robbing all the little kids on the bus?

MR. HINSON: Well, you tell me. I mean, it couldn't have been a very lucrative lifestyle robbing a school bus. But it was a public school bus. And maybe he

wasn't the brightest student (indiscernible) either himself, but he was not a student. I'm not trying to tell you that. The bus just stopped and was either taking on a child or putting off a child and he just jumped on it and starting asking the driver, I think it was, somebody, it's been a long, long time, for money. Hence he was charged. Probably not the brightest client I've ever represented. But then again he may have been as good as his lawyer. Who knows.

MR. SASSER: When did you first attend the Eastern Bankruptcy Institute?

MR. HINSON: I saw that question. I think I've attended every Eastern Bankruptcy Institute that has been held. I can't tell you when the first one was, I truly don't remember. But it was held in Wilson at what was the -- called then and to this day is still called the Heart of Wilson Motel. The Heart of Wilson Motel's clientele probably isn't like what it once was, but back in the days that it started, which had to be maybe mid to late '70s it was held in a meeting room on top of the restaurant at the hotel.

And there was, well, there again that's how I met Buzzy. That's how I met Mack Howard and a number of other folks. But it was sort of a self-produced thing instigated probably by Judge Moore and put on by whoever were some of the senior lawyers at that time. And I truly Travis don't think I've missed one since.

Now, I'm not sure they've been held every year.

Perhaps have not, because I can't tell you. But they moved from Wilson, they went down to North Carolina, one or two of the North Carolina beaches. And as it progressed the Institute just kept getting bigger than the hotel that we would use until it finally ended up in Myrtle Beach where it is today, hopefully it will continue to be, simply because they had the facilities, banquet facilities. They could partition off rooms for some of the seminars and that sort of thing in Myrtle Beach. And I think it got to where everybody kind of liked going to Myrtle Beach. It was a nice trip. It was fun. So, I don't remember the first year. But I was there.

MS. CASTELLOE: When was the first year?

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year?

MS. CASTELLOE: When was the first year?

MR. HINSON: Does anybody know when was the first

MR. SASSER: I was thinking it was '73 because that would have been right around what you're talking about. I think maybe --

MS. CASTELLOE: That's the year you started practicing.

MR. HINSON: Well, then, that's the year I started practicing. So, I came to town and went to the Institute.

MR. SASSER: What do you recall about Judge Moore's attempts to keep the bankruptcy court in Wilson?

MR. HINSON: Well, he was in Wilson. Why wouldn't you? If they appointed you judge, Travis, where would you want the court to be? In Raleigh. Everybody wanted the court to go to Raleigh because that's where the seat of the court was in the Eastern District and the facilities that were available to him in Wilson kept getting smaller in comparison to his staff. But it was a continuing effort to keep the court here. And again, I'm probably not the one to talk to you about the politics of who wanted it moved and who was in the forefront of the effort to keep it in Wilson. But he succeeded in doing so through those efforts.

And of course that was fine, because my office was — sometimes depending on where his office was I would drive, sometimes I would walk, because it was easier to walk down the street than it was to get in your car and try to find a parking place two blocks away. In fact, sometimes the bankruptcy court was closer to where my car was parked.

MR. SASSER: What do you recall about the, if anything, about the opposition to the U.S. Trustee expansion?

MR. HINSON: I was involved in that by some invitation. What I ended up doing was watching and getting a good lesson in politics by viewing somebody else. But, you know, Alabama and North Carolina are the only two states that do not have a U.S. Trustee. And there was a lot of pressure. And Judge Howard who had earlier spent a fair amount of time

in Washington knew his way around not only the legal system in Washington, but it set him up probably to be a good lobbyist.

And it was an Alabama representative Hugh Heflin, I don't think I'm getting that name correct, worked to keep trustees in North Carolina and ultimately with the give and take that you see on lots of bills every other state in the union had a U.S. Trustee which was court appointed, I think, certainly it was, and then I think maybe they have full-time staffs. Maybe they -- I don't know -- I really don't know how they work all that well and was glad that I didn't have to learn so much. And North Carolina and Alabama had a bankruptcy administrator who then looked to the private practice sector for a panel of qualified trustees. Am I answering your question? I'm not sure I am, Travis.

MR. SASSER: No, that's fine. I was just asking what your recollections were especially Judge Howard was primarily involved in that.

MR. HINSON: And I'm sure Judge Howard wasn't the only one, but -- and Judge Moore was not without his contacts in Washington and in the congress. So there was a lot of politicking, that I can tell you. Now, who may have followed who was a little above my paygrade at that point. A lot above my paygrade.

MS. BUTLER: Since we're talking about politicking

and Washington what do you remember about the drafting and enactment of Chapter 12?

MR. HINSON: Well, there again, this was -- a lot of effort was made in Washington to get this new chapter enacted. My recollection, and I don't think it was anybody that disputed it, the Act was primarily written by Judge Moore and Judge Small, and I'm sure with the help of some others. And Congress was convinced that it was something worthwhile and enacted it and, well, the value of Chapter 12 -- I don't -- I've done some Chapter 12 work. Obviously, I wasn't a Chapter 12 Trustee, but I filed a number of -- in fact, I probably filed among the first Chapter 12 petitions.

I don't know if I was the first by any means, but I think if you look you'll see my name as attorney for the debtor on some of the very first. Somewhere back up there. It has proven its worth. There are a lot of farmers today that are still farming because of Chapter 12 that had they had to rely on Chapter 11 would not be able to do so. In fact, just back during the summer I closed up my last Chapter 12 case where I represented a farmer who I had known for a number of years because he was down near Summerlins Crossroads which is where I was raised, if you recall, and he's farming today. And he may not say he's prospering, but I think he's doing pretty well who might be unemployed today had it not been for the ability to succeed in Chapter 12.

And there are lots of others. And I had lots of others.

I couldn't begin to tell you how many I filed over the years, and then not nearly as many as some of the other attorneys appearing before the Bar. But in Chapter 12 was, you know, it was an action. In fact, I remember, and this is another Mickey Moore story, Mickey called one day and said don't you want to go with me to Lubbock, Texas? I've been asked to speak at the Southwestern Bankruptcy Institute, I think. It was a name similar to ours, but it was the Southwestern.

Well, what are you going to say? No, judge, I got no -- what in hell's in Lubbock, Texas? You said Lord, yes, judge, I'd love to go with you. And as it turned out we had a good time and it was one of the opportunities to sit with a judge in a more or less non-legal setting and, I think, getting to know how he felt. So, Judge Moore and, I think, probably Judge Small, as well, spoke nationally at various programs about Chapter 12. And they had a great big crowd. And it was interesting because with Chapter 12 you do have some debt limitations.

And where you're a big farmer in Eastern North

Carolina if you've got two combines I discovered in Texas you

don't get to be thought of as a big farmer until you have

about 12 combines. And I kept thinking how are these people

qualifying for Chapter 12? Never got a good answer, but it

was farming on a whole different scale than doing a little row crop farming in Duplin County.

MS. OLIVER: Have you ever done 13s?

MR. HINSON: I never -- I did some, certainly. I filed a few, but I never did a whole lot of Chapter 13 work.

There was a lot of competition for Chapter 13 work. You know, one of the first lawyers to advertise was Tarboro. And you mentioned his name earlier. Frank --

MS. OLIVER: Allen.

MR. HINSON: Allen. Thank you very much. Frank
Allen put these subtle little ads in the paper and whatnot
and Chapter 13 work got to be a retail sort of who can out
brag the other, you know, about what they could do for you in
Chapter 13. And that just never was my strength. So, you
know, the guys that wanted to be seen on TV let them have it.
So, the answer to your question ultimately, I think, Cindy,
is no, I just never did do much Chapter 13 work. And I've
really never regretted it.

Now, I think there's a lot of folks not unlike
Chapter 12 that have benefitted greatly from a Chapter 13
because it allowed them to keep their house or their car or
something else that was essential maybe to running their
household. So I don't suggest to you that there's not a lot
of value to the relief you can get in a Chapter 13. But it
just, it never was my strength in practice.

MR. SASSER: You mentioned traveling with Judge
Moore. Was he in relatively good health in his later years?

MR. HINSON: No. Now, Judge Moore was a smoker.

And one of the reasons he liked to go to these things -- I went with him, I believe, to Lubbock twice. And one of the reasons he liked to go was because he could get away from the watchful eye of his wife Frances and smoke all he wanted to. And she wouldn't let him smoke, and he didn't need to smoke, and smoking was not good for him. When I first got to know him he was in reasonable health for his age. But as time progressed he probably got -- he probably aged a little more every year than a year. Does that make sense? And so at the time of his death he was in poor, poor health.

And probably -- you know, you look back and think well, do you foresee things like this? And who knows. I never discussed it with him, and I never heard him discuss it. But, you know, maybe one of the reasons he wanted to see Judge Small was that he knew that his days of having the strength to sit on the bench were finite and he was trying to make sure that there was a good judge to step in whenever he left. So think about that, folks. You never know what's on somebody's mind.

MS. BUTLER: From everything I've heard about Judge Moore that sounds like exactly something he would do, is try to make sure that the court was taken care of.

MR. HINSON: Yeah, he would look after the court before himself.

MR. SASSER Do you have any recollection -- sorry, go ahead.

MS. BUTLER: Go ahead, Travis.

MR. TRAVIS: I said do you have any recollections about the construction and development of Parkwood Boulevard facility?

MR. HINSON: Again, having got this list I saw some mention of that and had an opportunity last night to think through it. The Bankruptcy Court in eastern North Carolina was growing, and when it became obvious early on that Judge Moore's office just was not going to work and then when the judge became a judge as opposed to a referee he had to sort of separate himself from the private law practice. And so then it was a bit of trying to find a suitable site in Wilson for the court which had facilities for the judge, for the bankruptcy administrator, for the bankruptcy clerk's office which was growing. And the court as a whole went to a couple of different places.

Around the corner from Judge Moore's office was an old Merrill Lynch building. Merrill Lynch had a nice building literally around the corner, but had outgrown it and moved into a new building somewhere else in town. Though it proved to be very suitable, but still you had to go from the

Merrill Lynch building around to the judge's office which was well and good on a pretty sunny spring morning. But on a rainy day or a snowy day or just any day if you needed to send things to the judge's office for his signature or whatever you had to leave the building and go around the corner and find the judge and make a round trip.

From there, and I think I've got my sequence correct, there was the old post office building in Wilson which had been used by an earlier U.S. District Court judge, Judge Connor. And you had courtroom facilities, facilities for the clerk and facilities for the judge and I think everything was in one building, judge, clerk and that sort of thing. Still again, not a very big building. And along in there is where the Government through GSA quit owning its own buildings.

They saw the wisdom that it was a better situation for them, more economical, less stress, less responsibility, less manpower if they would just lease their facilities making the government a very popular tenant, because they would go into a community, and this is what they did in Wilson as I remember it, and advertised for a building. Gave all the specs of what they needed and someone would come in and find the property and draw up the specs and negotiate a little back and forth, and build the building and give the court a long-term lease, the court or the post office. I

doubt if you can find -- maybe the post office building in Raleigh is still owned by the government.

But the other facilities, and you'd be hard pressed unless it's an old building like an old post office or something that the government owns the building anymore, the federal government. And so that's how the bankruptcy facility was built in Wilson behind what was then Parkwood Mall. It was owned by a private group, leased to the government, built to the specs of the court system, and gracious, that was just such a wonderful facility that Judge Moore had his office right off the courtroom, the clerk had offices down over in her little compartment, and the bankruptcy administrator had offices, and a meeting room. And then off the courtroom.

It was heaven sent, I mean, because it was made just to be able to run a court. And not just a court, but a court with somewhat out of the ordinary particularly compared to state courts. Facilities with both the clerk and administrator. And oddly enough I tell you, and you maybe get to this, when the lease ran out and that building was emptied that building has not been occupied since. It still sits right where it was. Thank goodness it doesn't appear to have been the subject to vandals which would make it attractive.

And they'll rent to a little tenant on a short term

basis. In fact, I think there's a little ambulance service that works out of one corner of it now. But by and large that building has not been occupied since it was -- since they left it ten, 15 years ago or longer.

MS. BUTLER: 2013.

MR. HINSON: Oh, 2013's not been that long. And to show you how it worked the folks that owned it leveraged it a hundred percent. And it was easy enough because you had guaranteed income. Leveraged it a hundred percent and used the rent to pay the mortgage. Well, when the lease ran out they had no more money to pay the mortgage. And subsequently, and this is odd, subsequently that building was foreclosed by whoever the lending group was. It was one of those BR549 Trust 21 folks out of somewhere. I have no idea who owns it at this moment.

But Travis it can be yours probably for I'd say probably a couple million dollars. It's a big building. And despite the fact that the mall has closed it's in a great location. It's location doesn't diminish it's value.

MR. SASSER: We're going to buy it, and we're going to try to enter the bankruptcy history museum actually.

MR. HINSON: It could make a great bankruptcy history museum if you ever -- and when Buzzy Stubbs dies we'll send him to a taxidermist, and you can nail him right up there somewhere in the front loft.

MS. OLIVER: He'll go for that.

MS. BUTLER: Yeah. And we can have his whole history playing the whole time.

MR. SASSER: What do you recall about either Judge Moore's death or Judge Leonard's eventual replacement?

MR. HINSON: Well, I can't imagine that there was anybody that thought Mickey Moore was going to live forever. And there were probably some of those that were glad he didn't live forever. I can't imagine who they are. And I don't particularly want to know them. But, you know, I'm sure he had those that didn't think as much of him as I did. He died, we needed a new bankruptcy judge, and into it went the usual politics and efforts to get the job and the interviews and all those things that have gone into every judge we've had since Judge Moore.

And the District Court, I think, made a great choice in Judge Leonard. He's learned, he's probably the right man for the job because he came in at a time when the court was going almost totally electronic and the judge just loved that. He promoted it as a matter of fact. It might not have even come as fast as it did but for Judge Leonard. And did a great job. I missed him. We got great judges now. Let me be sure I say we got -- I'll repeat it loudly, we got great judges now, but Judge Leonard did a great job. And so there's never -- should have never been any doubt in

anybody's mind or any disappointment in him coming onto the bench.

MS. BUTLER: Are there any specific things you recall about practicing in front of him that maybe stand out that you compared to practicing in front of the other judges?

MR. HINSON: Judge Leonard?

MS. BUTLER: Mm-mm.

MR. HINSON: Is that the question, Judge Leonard?

MS. BUTLER: Yes.

MR. HINSON: Well, Judge Leonard had a lot of experience having been both a clerk and a U.S. Magistrate. Judge Leonard probably paid a little more attention to rulings. I hesitate to use the word scholarly for Judge Leonard, because it might give the appearance that I'm thinking that Judge Moore or for that matter Judge Small weren't scholarly. And certainly Judge Small was scholarly. But we begin to get a more scholarly approach to practicing law in the bankruptcy court. It was not -- and again, not suggesting that any of the other judges went contrary to the law.

Sometimes they had to make very difficult decisions that weren't necessarily in the best interest of some of the parties simply because the law just didn't work in their favor. But that was the beginning of scholarly approaches.

Judge Leonard enjoyed not only the developing of the system,

the electronic system and communication system, but he enjoyed going out and speaking to folks about the bankruptcy court in the Eastern District and being able to hold it up as an example of here's how you do this, and here's our experience, and you learn from that.

Namibia. I think that's the name of the country he was in.

And I can't speak so much for Judge Small, but Mickey Moore had no interest whatsoever in going to Namibia. And the only reason he wanted to go to Lubbock, Texas was so he could get away for a while and smoke cigarettes. But Judge Leonard relished that kind of promotion of the court. And it certainly made our court stand out.

MS. OLIVER: What was it like practicing for Judge Doub?

MR. HINSON: Judge Doub and I were trustees together and we moved to East Carolina at the same time, thereabouts, but didn't know each other. So we had a lot in common. Judge Doub probably was a judge that was inclined more so than the others to rule from his heart. And he wouldn't go against -- he wouldn't go contrary to the Code. He wouldn't do anything that was just out and out wrong, but if it got to be down to between what's good and what's bad he looked for what was good in helping him make his decision. A compliment, I want you to understand, from me to him.

But, you know, and Judge Doub just like the other judges before him or along with him each had their own personality. They each had their own traits. You kind of learned who liked this and who particularly didn't like something. And while you couldn't judge shop it did maybe sometimes help you know how to present things when you knew what the judge's political or moral or social thoughts were on that topic. And Judge Doub was a good example of that. He was a good man and he did a good job in the practice of law and make a lot of good decisions.

MR. SASSER: Early you mentioned Larkin Pahl and of course in the mid-'90s there was a couple of sort of high profile scandals. Certainly Larkin Paul and Mark Kirby. Was that a sobering thing for the bankruptcy bar, was it a demoralizing thing? What was the -- what was sort of the sensibility there in the mid-'90s as those were transpiring?

MR. HINSON: I hadn't thought about the word,
Travis, sobering. It had to be. Yes, I think it was a bit
demoralizing, because there were those of us that have been
in the bankruptcy court for a long time doing our best to
promote it and make it be seen as the professional scholarly
court that we thought it was and get the recognition that we
thought it should have and along comes these sorts of things
and you sort of see things they've been a world apart for and
accomplished a great deal of, and then you have these

scandals.

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And I'm not making a judgment of whether these folks were right or wrong or whether they did the wrong thing or the right thing, but, you know, it's -- and gosh you can hear it now more so than you ever could. The news media would much rather print bad news than good news because it sells more papers or it gets more viewers. It was bad news. It was about a lawyer, and everybody wanted to catch a lawyer doing something he shouldn't. So, it was demoralizing that these things should have happened. And I think we've overcome it a great deal. A great, great deal. But it was bad things that happened at a time when the bankruptcy court needed and should have -- and deserved positive recognition instead of negative.

That can't be all, folks, somebody think. Do you want me to tell you what's the next question on your list?

MS. OLIVER: Was your practice impacted at all by the move of the court to Greenville?

MR. HINSON: Most certainly.

MS. OLIVER: Having to drive further?

MR. HINSON: I was impacted by it because I mentioned earlier I couldn't do it when it moved -- the bankruptcy court moved to Parkwood, but actually when the bankruptcy court moved to Parkwood I moved my office from downtown out to near Parkwood. So if I hadn't been so sorry

and lazy I could have walked to the bankruptcy court still when it was in Parkwood. But obviously you couldn't get out on a pretty day and walk a couple of blocks to the court.

So, it was -- yes, it was somewhat inconvenient.

But everybody understood the politics of that. The lease had run out in Wilson, you had to go somewhere. And either a new lease in Wilson or you had to go somewhere. And Judge Doub was in Greenville. If you're the judge where do you want it? If I were the judge I'd move it back to Wilson. So, it went to Greenville.

Greenville admittedly may be a little more centrally located than Wilson in the Eastern District. So nobody was surprised. I think we'd have been surprised if it had gone anywhere else. I mean, it's the judge's court. The judge ought to have it where it's convenient to him.

And I'll tell you what really lessened the inconvenience. By that time nearly everything, and perhaps everything was filed electronically. You didn't have to step away from your keyboard or your mouse to file something as opposed to earlier times when whatever you wanted to file somebody had to go to the clerk's office in Wilson or mail it. And if you needed it right away, if you needed some sort of restraining order or some sort of equitable relief in that manner then you had to go to Wilson or Raleigh. And now if you're in Elizabeth City or Wilmington then you can file

something just as quickly as I can in either the Wilson Court or the Greenville Court or the Raleigh Court. You didn't have to jump in your car and drive.

There was times when because I suspect Steve had the same experience, Steve Beaman where we would get calls from folks who would say let me fax you this. And will you sign my name to it -- I hope that's proper -- but will you -- you're authorized to sign my name to it and carry it across the two blocks to the clerk's office, because I've got to have it. I've got to have it right now, and I'm in Lumberton or I'm in somewhere and I've got to have it before I can even get somebody down there by car. So, we would do that. Not frequently, but occasionally.

So, probably what lessened the move to Greenville as much so as anything was electronic filing. You could spend a lot of time practicing bankruptcy law and never go to Greenville.

MR. SASSER: What are some of your most memorable bankruptcy cases regardless of whether or not you were acting as trustee or as attorney for the debtor or creditor? What are some memorable cases?

MR. HINSON: I think what I enjoyed most being a trustee in particular, but practicing bankruptcy law on the whole was I became a jack of all trades. Mind you, a master of none, but a jack of all trades.

In fact, we'll be at a cocktail party back a year or two ago and earlier when you could go to cocktail parties, and I'd start telling folks the kind of businesses that I had been involved with, or personal situations, too, to some degree, but mostly businesses, that I had been involved in in my 40 some years of practicing bankruptcy law. And of course some of them enjoyed hearing it, and then some of them had heard it that was the third or fourth time and they kind of do this and start looking around to see if there was another conversation they could get into besides hearing my same old story.

But I think I've built boats, Carolina Skiff boats, nice boats. I was very fortunate for a number of years almost consecutively of having something in the fall of the year that required me to do onsite work at the Outer Banks.

Man, you can't get any luckier than to have a case that carries you to the Outer Banks after school has started, but before it gets cold. It's the calmest, most peaceful place.

Well, I had lots of stuff out there. I represented a boat builder who to this day owes me a deep sea fishing trip and I've got to go cash in on it one day. I mean, not just boats, but yachts that were designed by marine architects. And once you learn -- I ran a condo -- combination condo/rental unit on the Outer Banks. I raised, and I think I mentioned this earlier, over outside Farmville

I had a hog operation that we had to -- you can't just go in and sell those animals because you start flooding the market and there's not enough slaughter ability to handle it and next thing you know you're selling them for near nothing.

So, you have to bring in the animals -- you have to sell the animals as they mature, and that's different stages. And I learned that. And if you then are going to sell it as an ongoing business well, you have to bring in new weaned pigs to keep it as a cycle. And we were offsite management not unlike maybe a CEO who knows how it's supposed to look when you look across the top, but you don't necessarily know how the gears always mesh. But we had some onsite management that knew the ends and outs of managing the operation. But I was real pleased that that operation was worth a lot more money when it was sold than what it was when we took it over.

I farmed. I'll sit here and think of them, but I can't begin to tell you the different -- I had a hunting cabin in Wyoming. I had all sorts of things that now that you've asked me of course won't come to my mind, but they'll pop in as soon as this interview's over they'll all pop into my mind and I'll say I wish I had told them about this. But it's just amazing the different things that you are going to get into that when you go to the office this morning you may have no clue that tomorrow you're going to be running a

tractor dealership somewhere in Eastern North Carolina. So that to me was the fun part of the practice as a whole and being a trustee in particular. Did I get that question? Did I finish it for you?

MR. SASSER: Tell us about the <u>Celeste Broughton</u> case.

MR. HINSON: Oh, the <u>Celeste Broughton</u>. I did overlook one, didn't I?

MS. BUTLER: I don't know how you could ever overlook that.

MR. HINSON: Trust me, I didn't overlook <u>Celeste</u>.

Celeste Broughton filed a Chapter 13 petition about mid -earlier to mid-December in 2014. The case was converted the
following June, I believe it was June, to one under Chapter
7. And I'm not certain whether I was picked because I was
such an ideal person for the case or if I got picked because
I was on the Bankruptcy Administrator black list that day.
She won't tell me which it was, and maybe it's better for me
not to know.

That has been an odyssey, folks. Mrs. Broughton -I'm trying to get it concise, because we could talk for
longer than I have or that you have. Mrs. Broughton was
originally from Wilson. Her family was the Gold family. Her
name is Celeste Gold Broughton. Her family was the Gold
family that started the newspaper in Wilson. Now as I

understand it she kind of early in her life kind of got away through some domestic things kind of got away from the main family and maybe she and a brother.

So, the <u>Celeste Broughton</u> tales of people's experience with her are legion. And you could write — a good writer could write an interesting book. She was married to Robert Broughton who was quite a prominent lawyer in Raleigh, and her father—in—law was Governor Broughton who was also, I think, in the senate. And her brother was also Broughton. One of them was named Needham. And I'm not sure that was father—in—law or brother right at the moment. Her brother—in—law was also like in the state senate or something.

They moved into that house at 2529 White Oak Road. I'll never forget that address for so long as I live. She and her son Robert, who lived with her, occupied it, but she and Robert moved into the house I believe maybe into the '70s or so. And it wasn't long after that that they had some domestic dispute and separated. She remained in the house along with her two young sons.

At that point Mrs. Broughton dedicated her life, every ounce of her being was dedicated to bringing misery to her husband and then later ex-husband Robert Broughton. Or misery to anybody that, by her observation, may have supported Robert Broughton. I think she was successful in

that effort to bring misery upon him, because Robert
Broughton himself eventually sought relief into the
bankruptcy court and there are those that feel Robert
Broughton died years earlier than he should have. If nothing
else God just gave him a break from Celeste.

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And her Chapter 13 was -- the plan that she filed was to sell the house. And she never acted on selling the house. And probably had no intention of selling it. She was a bit of a self-taught lawyer. She knew certain key words that to her were trigger words. But she probably never had plans to sell the house. But she had read up on bankruptcy enough to know that Chapter 13 was frequently a good chapter in bankruptcy to protect a homeowner who was unable to make their payments.

And there were two, maybe three mortgages against the house plus a judgment and the house was on the verge of being sold by the sheriff at the courthouse door based on the execution on the judgment. Sid Aldridge represented the judgment holder and Sid Aldridge is in the case to this day.

And if you want some history, and if you want some history on Celeste Broughton Sid Aldridge is the guy to talk to.

MS. OLIVER: Did she file pro se?

MR. HINSON: She filed pro se.

MS. OLIVER: And she converted it on her own?

MR. HINSON: No, no. I think it was on the Chapter 13 Trustee's motion to convert it or to take some action, because she had done nothing. She file a plan, but she'd done nothing to execute the plan from like December on over to June, roughly six months. So the court converted it based on that hearing. She never during the course even through today because the case is still opened. I have not yet been discharged as trustee. I'm looking for it soon. I'm thinking that would be a great Valentine's sort of thing for me. And be prayerful friends that it will happen.

Part of the reason that she did it pro se is that over the years before she could -- because see, she didn't enter the bankruptcy court until 2014. She and her husband separated in the area of '73. There's a lot of years between '73 and '14.

MS. BUTLER: I think he died in the late '90s, didn't he, Walt?

MR. HINSON: That's probably about right.

MS. BUTLER: So she continued to fight his estate after that.

MR. HINSON: I'm sorry?

MS. BUTLER: I said she continued to fight his estate after that.

MR. HINSON: Well, she started while he was still living and went through a marathon of actions in the State

Court from about '73 on up. And even after his death she then started suing Wachovia Bank who was his -- the trustee of his estate, or they were the executor of his estate. I'd have to think a moment exactly what their role was. And so, yes, Wachovia Bank had plenty of her. The court system had plenty of her. She was held in contempt in the state system more times than I can remember, and probably more times than I even heard about. She went through about every lawyer and law firm in Wake County.

That's part of the reason if you notice there is not a single judge in the Eastern District of North Carolina that hasn't opted out of that case -- conflicted out, excuse me, conflicted out of that case,. Every judge we've had, and we have had six or seven judges in that case, have all been out of district. The current judge is a U.S. District Court Judge out of South Carolina. And she then assigned it to a bankruptcy court judge out of Greenville, South Carolina who had it last couple of years probably,.

And so there were -- and maybe one of the reasons that I got the job as trustee was that most all of the trustees on the panel from the Raleigh area were conflicted out because she had consulted with them or a member of their firm had been involved in litigation representing the various parties that she sued. So on my good days I like to think I got it because I had a reputation and history of being such

an excellent trustee. On a medium day I like to think I got it simply because I was the one available. And on my bad days when I'm really down I just wondered what I did wrong to Margie on that day. Where did I go wrong Margie?

It has been an experience and I wouldn't trade it, because, you know, there are days when -- probably I didn't feel this way, but from the moment she filed until it was converted she started suing and started filing motions. And this is in the courtroom now. Everybody including the judge was a crook. The RICO Act, she loved the RICO Act and everybody, and you know I said including the judge, was guilty of theft. They were guilty of violations of the RICO Act, conspiracy was a key word.

There was just, you know, all sorts of accusations of misdemeanors and felonies and that sort of thing. And somewhere along the way the judges would -- and we had good judges, we haven't had a bad judge, and we've had some patient judges. They would exercice the greatest degree of patience with her while she stood down there in front of them and basically called them a liar or a thief or some other accusation that perhaps someone with a little lesser patience would have marched her out of the courtroom and into the custody of the marshal. And some of them finally had to do that.

She actually spent, on one occasions 44 days in

custody of the United States Marshal. In fact, we had a hearing and, Stephanie, I believe it might have been your husband that told me that he wasn't certain that the Wake County Sheriff's Office would take her back once she left the facility to come to court. For those of you who are either listening to this or maybe reading it later in most counties one of the ways that the Sheriff's Office operates its jail is to take in federal prisoners and charge a per diem charge. And that's how Mrs. Broughton ended up in the Wake County Jail.

But as I understand it she was by no means a model inmate. First thing they'd have to do is carry her to the emergency room. She made all sorts of demands. She couldn't get to a type writer. She couldn't get to her computer. She couldn't do this, couldn't do that. Hence why Stephanie, Marshal Butler indicated that the sheriff might just use that opportunity to say I ain't taking her back, you know. Carry her to Johnston County or somewhere. So she knew what the -- even in the State Court she knew what the inside of a jail looked like because she was also held in contempt.

All this while, folks, that this is going on in the court system which is publicly visible, what a lot of people didn't realize is that she continued to live in the house and would not leave, refused to leave. I'd go to the house, go in the door, there she was. So, I got in the habit I never,

ever went in that house that I didn't stop right inside the door and yell out her name to be sure she wasn't there. And early on lots of times she was there. And of course she would come down and accuse me of breaking and entering and that sort of thing.

MS. BUTLER: She assaulted you one time Walt, didn't she?

MR. HINSON: She assaulted me one time. I was trying to hold her off with my arm. You can't see it, but I was trying to hold her off with my forearm and she just grabbed my forearm and whacked me good across the face. I don't think I've ever been assaulted in a bankruptcy case before. So, like I say, I had all sorts of experience as a bankruptcy practitioner that some lawyers can't talk about because it hadn't happened to them, including being assaulted. There may not be any other trustees other than me that can talk about that.

But, finally, we got an order from the court ordering the marshals to remove her from the house, and they did their duty. They went over there and removed her from the house. And at that point I had a locksmith from Raleigh go in and change all the locks. Do you think that stopped her? No. Even with new locks, and this is after the locksmith and I walked around, checked the locks and make sure we had all reasonable ways of coming in to that house

secured she still got in the house.

Now, how she got in was her son Robert would actually quite literally find a way into th house. He'd get a ladder, climb up to a second floor window and open it and then go downstairs and unlock from the inside a door at ground level so his mother could come into the house.

Because if you realize during this she's been in her 90s.

She is 95 or six years old -- I think she's 95 and will be maybe 96 this coming December or I may be a year off. But she's at least 95.

So, even as spry as she is, you know, she can't climb up to a second floor window to get in. So somebody got in the house and would open a ground floor door or window so she could get in in that fashion. So I'd go up there and there she'd be. And I'd have to call the police. And the police reached a point that they knew who she was and knew who I was. I was on a first name basis with the police. And it reached the point that I was going up to Raleigh at least once a week.

I'll bet if you look back over the years that I've been in this case I have been on average to Raleigh to that house once a week up until we sold it back December of last year or December of 2019 I guess it was. And I would go and figure out how they had gotten in and then it was my job to get that window or that door screwed to the wall or put a

hasp over it and screw them down so it couldn't be opened.

Every week I'd get there it was a game. Let me see if I can

find how they got in this time. Because it was apparent.

There was food on the table in the kitchen, there was food in the refrigerator at least until I had the power and the water turned off. And that didn't stop them because then I would see the candles that they had been burning or the takeout meals that they had been bringing in. And I started out with a little tool bag that I could probably have held in my hands. It had a couple of screwdrivers. Not unlike a little safety kit that you carry around in the trunk of your car. And then I had to get a bigger tool bag. And then I had to get still a bigger tool bag.

And then I had to start carrying my drill and sometimes I'd have to carry a saw because I'd have to improvise something. A little lumber in the back of my truck in case I had to saw a piece and nail across a window. And so it reached the point, and I had it at one time on a video that I would wear the backpack, carry a toolbag in each hand. I looked as if I was an itinerant mechanic walking up the hill to the house.

And about every time I went I'd have to spend a minimum of an hour, but usually about two hours locking the place back up, getting windows screwed back down, screwing doors into the frame so that they couldn't get in. It was

right on up until -- I'm not sure I ever got to the point that they weren't at some point in that house, she and her son Robert.

And during the course of all of this she was ordered to stay out of the house and if she didn't she was going to have to surrender all of the household goods. Well, the house was full of beautiful stuff. Some old stuff that went way back into the Broughton family or maybe the Gold family. Just beautiful stuff. Livingroom furniture, diningroom furniture. There was not a chair or a table top of any sort that wasn't covered. I think you can see it in court papers where she had saved hard copies of state court documents. It probably cost the fellow that bought that house several thousand dollars just to get the paper out of it.

So, you'd go in and you'd sort through the paper and during the early part of it you'd go in and see what she had taken out of the house. She would take stuff out of the house which I'm pretty sure went over to get traded in at somewhere for a little cash for them to put gas in the car and eat on. During all this period when they couldn't get in the house they were living in her car. While it's simple -- I'm sorry.

MS. OLIVER: Was everything in her car on the property?

MR. HINSON: Were they living in her car? What was the last of that?

MS. OLIVER: On the property where the house is?

MR. HINSON: Oh, no, no. I don't think they were
living in the car on the property. I don't know that they
weren't. But if they were on the property the police patrol
would come by and see that car and immediately call for
backup and they would go onto the property without the
necessity -- they would call me after the fact. There were a
number of occasions where the Raleigh Police Department
removed her from the property and I didn't know about it
until it was -- they're already in progress or it had already
happened. So they would -- he couldn't drive on the property
because there's a great big gate there, cast iron, wrought
iron gate that I got closed and chained together. So, he
couldn't get on the property.

He could park on the curb and they could walk up the hill. So, you wouldn't have found the car on the property. Plus -- and I kind of circled around here and I apologize for that. If the police had seen the car on the property or even on the curb as they did on occasion or two they knew the car and that would trigger a police eviction. So, he had to carry the car and park it somewhere away from the house in a little park that I kept hearing about was where he was parking the car. And then he'd walk back to the

house.

So, he'd get in the house, he then helped her get in the house and then he'd go park the car and come back to the house. So, getting into the house was no small effort just doing the commuting that he had to do. Not to mention the damage he would do in ever how he got in through a window or through a garage door or any number of ways. He'd cut a screen door. He'd just -- mostly it was kind of literally breaking and entering. So, no, you never saw them there.

But it reached the point that she would not stay out of the house until the court order took effect that deemed that she had waived her right to any of the household goods and they were now assets of the estate. So that literally the only thing -- and that included clothes, that included shoes in the closet, it included the washer and dryer, it included everything. So she was in and out of the house, she might change clothes, but by and large the clothes on their back and the car was the only thing they had.

And today even as we sit here ladies and Travis I don't know where she's living. And as far as I know, now, she's got a lot of money because I've sent her some \$300,000. And she's negotiated the checks. So she's got money somewhere, but I have no idea whether she's living in a nice house in Zebulon or she's living in her car. Don't really know if she's still alive.

MS. OLIVER: Did you get her discharged?

MR. HINSON: Got her discharged in the last week.

MS. OLIVER: Last week?

MR. HINSON: Yeah.

MS. OLIVER: Did you get paid more than just the standard trustee commission?

MR. HINSON: I'm pleased to say I got paid for doing a lot of legal work. So if you ask me did I get paid what I deserved? No. Did I get paid handsomely? Yes. I mean, I --

MS. OLIVER: Good for you.

MR. HINSON: -- I was paid. There was some discussion -- in fact, I wrote -- I did about a 20 page fee application and then I did a memorandum of law to go with that discussing what is legal work and what is trustee work. I'm not certain about the other trustees, but one of the things that the Bankruptcy Administrator's Office has always found are things that I did on my fee applications that were not so much legal work as attorney for the trustee as they were trustee time that the trustee should be expected to do.

So, I did a lot of research and wrote -- I did a lot of research thinking back and wrote a memorandum of law of the distinctions and the case law and the various other jurisdictions about how they judged what was work by an attorney and what was work that should be compensated as a

trustee. And I think had I not done that I would probably have to tell you I was poorly paid. But I wasn't poorly paid. You know, no need in me trying to be coy about it. I got paid decent. Still could have used, in fairness, probably some more money, but hell every lawyer is going to tell you that on his fee application. So, I'm no different.

I have no more money. All that money has been distributed to -- and every creditor in this case was paid in full. There was a hundred percent payout to every creditor, secured and unsecured except one creditor -- one secured creditor with whom I had a dispute as to whether they had a properly secured claim. And this was early on. This was two, or three, or four years ago. And I made him an offer of a secured claim in a set amount and they would waive their right to an unsecured claim. So, I guess in a manner of speaking they didn't get paid in full. But otherwise everybody else got paid.

(Dog barking)

MR. HINSON Gosh.

MS. BUTLER: Sorry about that.

MR. HINSON: Was that you barking Stephanie? So everybody got paid in full with interest which is not much when you look at the interest rate, the federal interest rate. And all the money has been distributed and I'm just waiting for the judge to decide when it's appropriate to

discharge me.

MR. SASSER: Part of the success of that case, of course, has to do with the rising value of real estate in that neighborhood. In that sense do you think Mrs. Broughton actually kind of did everybody a favor by prolonging the entire thing?

MR. HINSON: Well, that was a nice neighborhood a long time ago. In its day it was probably as nice a residential neighborhood as could be found in Raleigh. Did you ever -- did any of you ever see the house? It's been demolished now. But even from the outside and even without several years of any sort of yard work or any sort you could stand on the street and look up the hill at that house and see, even then, even in the shape it was in that was an awesome house.

And had you had the opportunity to go in and be able to visualize what it must have looked like in the late '60s or so, maybe even into the early '70s before it got trashed up so bad that was just a -- it was an awesome house. So, perhaps I can argue that her -- let me assure you I don't have any thought whatsoever that her effort to stymie the sale was her effort to raise the value of the house. So, let's be sure who's thinking what.

But certainly an argument could be made, Travis, that the longer it took perhaps the more valuable the house

was. And it's -- well, I sold it for 2.1 million and was so happy with myself because I had spent several days patting myself on the back having done such a good job and the new owner has demolished the house and has cut it up into, I believe, five smaller lots and has sold only one or two of those lots for what he paid me for the whole thing. So, yes, it's valuable. And by and large --

MS. BUTLER: The morale of the story is she could have done that herself. She could have sold the house years ago and invested the money and lived out a very nice lifestyle for the rest of her life. But instead she let bitterness eat her alive and spent her entire life fighting.

MR. HINSON: That's right. The bitterness that she put herself — the bitterness that she suffered and the things that she put herself and her family through had to have caused her to have a miserable life. Whereas with a more positive attitude and a let's start over kind of, you know, fresh start, husband's gone, got two kids here to raise, and she could be an independently wealthy woman today. But that's her choosing. And the good news about that, Stephanie, is that's how you and I got a job.

MS. BUTLER: The other good news is that she's not our problem anymore.

MR. HINSON: I do point out to you that the reason the matter was in court and the reason that she -- it took so

long on her discharge is she recently, despite what's called a gatekeeper's order in both the State court and the Bankruptcy Court filed suit against the realtors that listed the house for sale. The realtor and the principle of the realtor. The names don't come to my mind right now.

So, Sid Aldridge who -- he's representing the realtor and the realtor's principle was in court to get her -- to get the judge to dismantle these efforts, and he did, and held her in contempt. So, she's once again in contempt of the court. Special order -- you ought to look at it -- and fined her some \$8,000 and has asked that the matter be turned over to the U.S. Attorney's Office for them to examine it to see if she committed criminal contempt. So, she did not show up in court. That's another part of the mystery of where is she, what is she doing, what's her health situation? So, I don't know, but there again, she's just still living on hate.

MR. SASSER: If you had to pick between any of the seven current and former bankruptcy judges to appear in front of who would you most liked to have appeared in front of?

MR. HINSON: Mickey Moore. And I say that meaning -- and you guys keep trying to get -- I don't know if you did it with Beaman and some of these other folks, but you keep asking these questions that you must think we're suicidal.

MR. SASSER: You're retired. What do you have to

lose?

MR. HINSON: Well, yeah, but there may be one day when I want to make an appearance back in that court and I don't want one of those judges pointing me out to the marshal like he had to do with Ms. Broughton. I think that's kind of a -- sort of a gimme. And I don't think there'd be any of the other six judges that wouldn't understand this and understand that I meant no disrespect. But, you know, Mickey Moore was a bit of a father figure to me, but more than just -- he was a father figure to me at least as to my professional career.

And just to be able to stand up there and he could chew me out. Because in a day or two he'd always call me and ask me to go eat a hotdog and basically tell me why he chewed me out. And so there's just a relationship there that I think a lot of the folks that I've heard you mention that either have been interviewed or on your list there are a lot of folks that it wouldn't surprise me would give the same answer. I'd be pleased and I'd be honored to appear before any one of them. But there's my choice if I only had one.

MR. SASSER: Okay. So, now if you held an unsecured claim in a case and you yourself could not be the trustee which current or former Chapter 7 Trustee would you like to administer the estate to maximize the principle of your claim being paid?

MR. HINSON: You know, in lots of ways the Eastern District of North Carolina has been fortunate. All the judges we've had have been fair. Maybe I didn't always agree with the decision. Sometimes I didn't like it, or did like it just because it went in my favor or didn't like it because it went against me. But I've never really been able to say well, you know, that was just a stupid decision and he didn't read the law and whatever. We've been blessed with scholarly professionals who want to make the right call and make an effort to make the right call. Judge Moore right on through to the three judges sitting today. Every one of them are good people who strive to do a good job and do a good job.

I'm not going to get into a contest of which trustee may be better at some things than others. I mean, if you were to ask me I'd say every trustee case ought to come by me because I'm the best. That sounds good, but it's not true. You know, you got Stubbs' office and now he's no longer a 13 Trustee. But if you had a -- if it was a 13 case you got some good Chapter 13 Trustees. Beaman and his staff are aggressive. You've got -- in Wilmington you've got --

MR. SASSER: Al Butler.

MR. HINSON: -- Al Butler, who's always been aggressive. A trait he got from his father. You've got Jim, and help me here again my memory problem is kicking in --

MS. BUTLER: Jim Angell?

MR. HINSON: I'm sorry?

MS. BUTLER: Jim Angell?

MR. HINSON: Jim Angell. Jim Angell, if I'm not mistaken Jim Angell has some experience and education as an accountant or CPA. So, you know, depending on what your case is and what your issues are and what you need then that would probably be how I would choose a trustee if I had a particular out of the ordinary case.

You know, Beaman's got a lot of experience in agricultural matters. He's from a little rural community in Snow Hill. So you'd have to give me some real specific issues, Travis, for me to then look at the panel and tell you why one wouldn't -- would be better than the others. Because -- and this is how I got off on the judges -- I think each of the trustees on the panel strive to do a good job. They don't take the job for granted. They don't sluff off things. They look for assets.

They -- well, theoretically that's how they're going to get paid. So you're encouraged to look for an asset that you can liquidate and create payment to unsecured creditors because you're going to have to put a certain amount of work in it no matter what's the case. And it's always nice to get paid.

MR. SASSER: Any particular -- well, anything you want to make sure that you put on the record? You want to

say good, bad, ugly about the District or your experience or \_\_\_

MR. HINSON: I could moan about this experience or that one. We've all had the experience in whatever. Had I been a doctor or an insurance salesman or a stockbroker we've all had bad days and things that could have gone a little better. I think I was fortunate, I think I have been blessed maybe from the day I was born in the Lenoir County hospital until they — on up through to today. I've worked with good people, professional people, people who wanted to do the right thing and have done the right thing which has enabled me to get into, a lot of time it seemed like luck.

So, if you have any religion you have to think well somewhere the Lord was looking after me and I'm certainly one that would have to say that. You know, to come to Wilson at a time when Mickey Moore was the referee in Wilson. To get into an area of practice that I have thoroughly enjoyed that I don't think the enjoyment could be duplicated in any other area of practice and to be a lawyer. I wouldn't have made a good insurance salesman. I wouldn't have made a -- well, anything else. I think all that was just a blessing to me.

And I have worked with good people which in turn has allowed me, I think, to enjoy a good life. Sometimes my ego kind of kicks back in and I wonder if I shouldn't -- if I should have retired as early as I did. But, you know, I

don't regret it, because my wife and I are enjoying each other and we go and come as we please. And it allows me on a Friday, -- golly, I've taken up a whole lot of time. It allows me to do what I want when I want. And I think somewhere along the way, folks, Travis, I've done some good for people.

I think there's some people who are living better lives, who have a level of comfort whose standard of living and then just their life on a whole may have improved because of something that I was — that God let me do for them. And I'm pleased with that. And I'm pleased to have been blessed to have that opportunity and to work with folks just like those of you on this call. I mean, I've learned a lot. I've never met a soul, I've never met a soul in this business that there wasn't something I could learn from them, including you guys, that I could learn from them on a way to live a better life. And I thank you all for that. And I thank my brethren and sisters in the profession and I thank God. And that's about the best I can tell you.

MR. SASSER: Thank you, Walter.

MS. BUTLER: Thank you so much for sharing your time with us today.

MR. HINSON: Thank you. I've been honored. I don't what -- I mean, except maybe for the <u>Broughton</u> case, you know, I don't have any great historical thing to add.

But it has been enjoyable for me just to go back through these questions and think a little bit and relive some things. So, thank you for honoring me by asking me to be interviewed. MS. BUTLER: We appreciate it. And like we said once we get the transcript done we'll send that to you so that you can review it and make sure that all the names are correct like you want them and all that. All right. MR. HINSON: Okay. All right. MS. OLIVER: Thank you.

MR. SASSER: Thank you very much.

MR. HINSON: Thank you all. Good day to you.

MS. BUTLER: Thanks.

## CERTIFICATION

I, KIMBERLY UPSHUR, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, and to the best of my ability.

/s/ Kimberly Upshur

KIMBERLY UPSHUR

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