

Chicago Daily Law Bulletin

Volume 158, No. 87

Professor delivers 'Kilborn ultimatum'

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SPRINGFIELD — Jason J. Kilborn's study of comparative consumer bankruptcy may never lead to an action film based on his life.

But his name's similarity to the title character in the Matt Damon "Bourne" movie franchise did lead a major Irish newspaper to herald his remarks at an April conference as a "Kilborn ultimatum."

"I was very surprised I was sort of the center of this media hurricane," said Kilborn, a professor at The John Marshall Law School. "Local commentators had been making all the comments I'd made for quite a long time. The moment someone comes in from abroad, it's like, 'Oh my gosh, why haven't we noticed this?'"

Kilborn delivered his strong message at a Dublin event hosted by an Irish organization akin to American legal aid groups.

If Ireland fails to reform its personal insolvency system, Kilborn told the gathering, its economy will continue to sputter and struggle.

"When you've got thousands of otherwise productive members of society who are debilitated by debt that's realistically never going to get collected," he said,

"that produces a huge array of direct and indirect costs to society."

Kilborn said he didn't intend to cause controversy, though. His invitation to the conference came because of a paper he wrote nearly two years ago on the development of consumer bankruptcy systems in Europe.

In that document, he tracked the issue's growth over 30 years — a period in which many European countries wised up and began dealing with the problems caused by weighty consumer debt.

Ireland, though, remains one of the few European nations that clings to outdated bankruptcy laws that offer no relief to consumers. Reform now under consideration by the Irish government doesn't fix the problem, he said, but just "kicks the can" down the road.

Kilborn said he assumed the conference, formed to discuss alternatives to the current reform proposal, would be just "25 people clapping politely and that'd be the end of it."

When he arrived, however, he found the entire event structured around his paper. And his comments, in turn, led to an appearance on a national radio show and several mentions in Irish print publications.

"I'm sort of in this unique



Jason J. Kilborn

position of being an American who comes over to Europe and tells Europeans about other Europeans," he said. "It's not something that's on people's radar screens, really. It's a very narrow niche of inquiry."

Though Kilborn describes his area of study as somewhat obscure, colleague Jay L. Westbrook, chairman of the business law department at the University of Texas at Austin School of Law, said Kilborn shows unprecedented devotion to the subject.

The fact Kilborn now knows 12 languages, including Arabic, solely to study bankruptcy laws indicates he grasps the topic better than any other scholar, Westbrook said.

"To learn a language in order to find a hotel and chat over dinner is one thing," Westbrook said, "but to learn a language well enough to understand legal concepts is a whole different world."

The key to reform in Ireland, Kilborn said, involves creating a way for people to settle debts for less than what they owe. That helps individuals regain confidence, an essential piece of economic health.

"Give up the illusion that these debts are collectible," he said. "These illusions are keeping society in a bad situation."

Kilborn's research also led to his appointment as chairman of a World Bank project drafting a document for countries to use as a basis for consumer debt reform.

Melissa Kibler Knoll, a Chicago financial consultant and chairwoman of the American Bankruptcy Institute's board of directors, became familiar with Kilborn's work last year when he served as that group's resident scholar.

Kilborn's document for the World Bank could prove extremely influential, she said.

"It certainly has the potential to have a great deal of impact in expanding protections for consumers and for everyone involved in any credit market," she said.