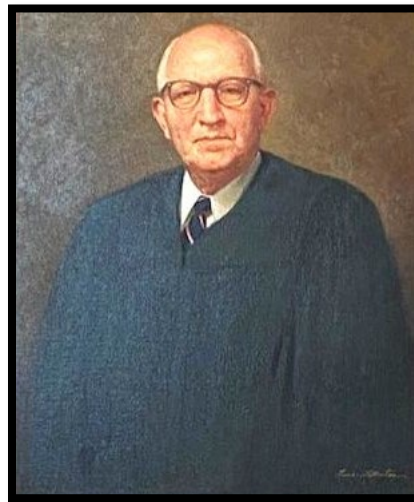


The History of the Bankruptcy Court in the Middle District of Florida Part I

It's hard to imagine, but just 65 years ago, the Middle District of Florida did not exist. Back then, Florida had two districts: the Northern District and the Southern District. As of 1960, Tampa was part of the Southern District of Florida.

At that time, there was no such thing as bankruptcy “judges.” Instead, bankruptcy cases were heard by “referees,” who were appointed by the district court to exercise all the powers of a district judge under the Bankruptcy Act of 1898, which was in effect in the 1960s. Decisions by bankruptcy referees were reviewed by district court judges, including U.S. District Judge Joseph Lieb, who had been transferred to the Tampa Division of the Southern District in 1961 after serving five years on the federal bench in Miami.

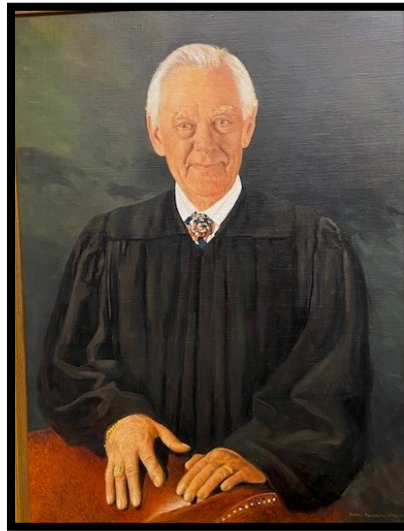


United States District Judge Joseph P. Lieb

When Judge Lieb was transferred to the Tampa Division, he brought with him a law clerk he hired three years earlier—a Hungarian refugee fresh out of the University of Miami School of Law, who had helped Judge Lieb and U.S. District Judge Emmett Choate review bankruptcy cases: Alexander Paskay.

In 1962, Congress created the Middle District of Florida, which was carved out of the Southern District. Three district judges were reassigned from the Southern District to the Middle District of Florida: Judge John Milton Bryan Simpson; Judge William A. McRae; and Judge Lieb.

Alexander Paskay, who continued to clerk for Judge Lieb after Judge Lieb was formally reassigned to the Middle District of Florida, told Judge Lieb that if there was ever an opening for a bankruptcy referee in Tampa, he wanted the job. As luck would have it, there was an opening, and Paskay was officially sworn in as a bankruptcy referee in Tampa on July 1, 1963.



United States Bankruptcy Judge Alexander L. Paskay

Judge Paskay served as a bankruptcy “referee” until 1973, when the Supreme Court issued rules changing the title of bankruptcy “referee” to bankruptcy “judge.” Around that same time, Congress created a commission to study the need for changes to the bankruptcy system.

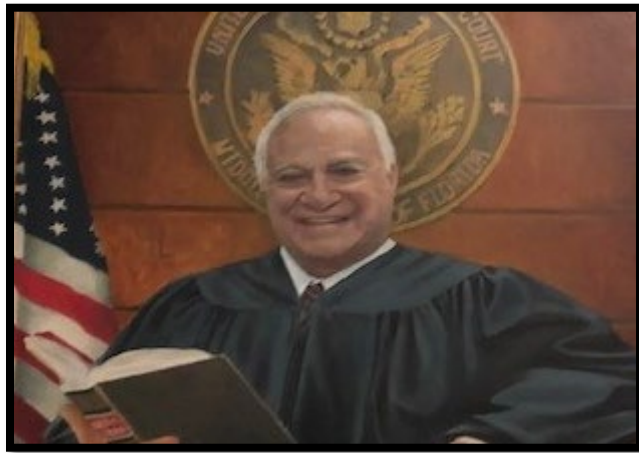
In 1978, Congress passed the Bankruptcy Reform Act of 1978, which reorganized (pardon the pun) the bankruptcy system: The 1978 Act established United States Bankruptcy Courts for each judicial district; created bankruptcy judgeships; established that bankruptcy “judges” would be nominated by the President, confirmed by the Senate, and serve 14-year terms; conferred broad jurisdiction on bankruptcy judges; and established the United States Trustee Program to monitor the bankruptcy system (including parties and private trustees), oversee certain administrative functions, and ensure compliance with applicable laws and procedures.

Although the U.S. Supreme Court, in *Northern Pipeline Const. v. Marathon Pipe Line Co.*, 458 U.S. 50, 57 (1982), later declared the broad jurisdiction conferred on bankruptcy judges under the 1978 Act to be unconstitutional, Congress passed the Bankruptcy Amendment and Federal Judgeship Act of 1984, which resolved the 1978 Act’s constitutional infirmities by conferring bankruptcy jurisdiction on the district

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courts and permitting district courts to refer bankruptcy cases to bankruptcy courts; and provided for the appointment of bankruptcy judges by the Circuit Courts of Appeal.

In the meantime, Judge Paskay served as the only bankruptcy judge in the Middle District of Florida until 1975, regularly traveling to Orlando to hear bankruptcy cases. In 1975, another full-time judge was appointed in Jacksonville: George Proctor.



United States Bankruptcy Judge George L. Proctor

Judge Proctor, a worker's compensation lawyer and former deputy commissioner of the Florida Industrial Commission, was offered an appointment as bankruptcy judge in 1975 and eventually presided in Jacksonville, while Judge Paskay presided in Tampa. Judge Proctor and Judge Paskay shared the Orlando docket, with Judge Paskay also traveling to Fort Myers. However, because there was still no Orlando Division, all Orlando cases were filed in Jacksonville; in time, Judge Proctor took over all the Orlando cases.

In 1979, Judge Paskay and Judge Proctor decided that it would be appropriate to have a clerk of court. They selected Aaron Nathan, a Chapter 13 trustee and retired military colonel. He served for five years from 1979 to 1984.

Excerpted from *Fifty Years of Justice: A History of the U.S. District Court for the Middle District of Florida*, by James M. Denham. Gainesville: University Press of Florida, pp. 16-17, and 137-141; and reprinted with permission of the University Press of Florida.