

ROSANNE CIAMBRONE

Making the Best of Difficult Bankruptcy Situations

by Keith D. Picher

Lawyers who like neat and tidy outcomes probably are not drawn to bankruptcy and workout law. If a bankruptcy proceeding were a golf tournament featuring creditors and debtors, no competitor would finish near par.

"It's a difficult situation," says Rosanne Ciambrone, a bankruptcy litigator and a partner in Chicago for **Duane Morris LLP**. "It's not like typical litigation where a win leads to a judgment or keeps a client from having to pay one."

In a recent matter, her firm represented a bank with a large line of credit that had been extended to a troubled homebuilder. It took extensive evidentiary hearings to reach a good result. Even when clients face inevitable losses, Ciambrone says, they appreciate outcomes that prevent more red ink.

company that provides interconnection solutions for carriers.

Monto describes Ciambrone as very customer friendly, practical, and business-savvy. "No matter the hour of the day, she was available to provide very good guidance," he recalls.

Lawyers who represent debtors must quickly grasp a company's business to properly advise the debtor, Monto says. That includes helping the company determine which contracts to reject, resolving insurer issues, and finding ways for the business to keep its doors open during bankruptcy proceedings.

"You hear a lot of lawyers proudly claim that they really understand business," Monto says, "but then they get down into the minutiae of legal issues and lose track of the business matters."

One of her favorite parts of being a bankruptcy lawyer is learning about a variety of industries. Troubled credits can involve any number of different types of businesses, making each new case a learning experience.

"I like the advocacy part of it, so I don't know that I'd want a job where I was more on the sidelines, not taking a position," she says.

Ciambrone also enjoys the analytical aspects of work, though she exudes the most enthusiasm for writing, especially more complicated motions and briefs and appellate work.

Ciambrone also serves as the senior editor for her practice group's annual book on developments in business reorganization and commercial finance. *Risk & Recovery* averages about 400 pages and includes every significant U.S. case.

"Her dedication to this piece is just incredible," says Rudolph J. Di Massa Jr., a Philadelphia partner who chairs the 45-member group. "She has just been fabulous and so energetic in getting the thing together the last several years."

When Di Massa joined the group 31 years ago, it held its first seminar featuring four mimeographed sheets. Gradually, the firm's efforts morphed into a total of two to four seminars each year, built around the latest edition of the book.

"She is a wonderful person and a terrific lawyer who is easy to get along with," Di Massa says. "She has all of the traits we look for in our practice group and in the firm. She can deal well with clients and deal well with both attorneys and staff."

Ciambrone's interest in the law grew from observing her father, Angelo A. Ciambrone. A former two-term mayor of Chicago Heights, he continues to practice there at Wilczynski Wilczynski & Ciambrone, Ltd.

Ciambrone remembers spending time in the law office frequently as a child, especially on Saturdays. Her father and her uncle were law partners, and her father practices in the same building even today.

It was natural, then, for Ciambrone to emulate her father. She remembers grappling with a kindergarten worksheet that offered pupils possible careers to consider, based on perceived gender roles at the time. There were a variety of choices.



For nearly her entire legal career, Ciambrone, 48, has concentrated on bankruptcy law. Most often, she represents creditors. In 11 years at her firm, the business reorganization and financial restructuring group less frequently has assisted high-profile debtors.

One such debtor was Universal Access, a Chicago telecommunications wholesaler. Ciambrone and her colleagues represented the business from the first stages of bankruptcy until its eventual sale to a British company.

"She did a phenomenal job, and I recommend her very highly," says Richard L. Monto, who once served as in-house counsel for Universal Access. Monto now is general counsel for Inteliquent, a global telecommunications

Ciambrone never did that, he adds. "She always understood what was realistic and practical and what the business needed."

"That's very helpful when you're inside counsel because you don't like to go back to your business people and tell them we can't do something a certain way because of legal issues," he says, "and [that] we're going to go down a different path that's actually counterproductive from a business perspective."

'I Like the Advocacy Part of It'

Although some attorneys become disenchanted with the profession and long for other pursuits, Ciambrone genuinely enjoys being a lawyer.

The girls' side of the page included drawings of a teacher, a nurse, and a secretary. Ciambrone's mother, a reading specialist for first graders, was one of the few college-educated mothers in her community with formal employment.

But Ciambrone didn't want to be an educator or work in any other of the suggested women's roles. "I was looking for the picture of the man with a briefcase, and it was on the wrong side, so I wasn't allowed to circle it," she recalls. Her mother still has the page in her archives.

Ciambrone attended her mother's alma mater, the University of Michigan, majoring in her father's specialty, political science. She was one course short of a second major in Italian.

After graduating, she went to law school at Notre Dame, where her brother was completing an undergraduate degree. Although she appreciated the benefits of a large university, she also appreciated being in a law school class of 150.

Becoming a Bankruptcy Litigator

Ciambrone never studied bankruptcy or considered the field during law school. Her legal education developed thinking and analytical skills and helped her appreciate that sometimes there are no clear-cut answers.

After serving as a summer associate in Minneapolis, Ciambrone wanted to work in Chicago. She interviewed with several firms and chose Chapman & Cutler, where two law school friends had joined a year earlier.

The firm allowed her to clerk for Judge Anthony J. Scariano of the Illinois Appellate Court. Scariano had served in the Illinois legislature and once was Angelo Ciambrone's boss. When Scariano could not escape Springfield for White Sox games with his son, he would send Angelo as a surrogate.

After the clerkship, Ciambrone intended to practice corporate law. Instead, she agreed in 1989 to assist the incredibly busy bankruptcy group for a year in exchange for a choice of practice areas at the year's conclusion.

"I did it for a year, and I really loved it," she says. "Chapman was doing some high-profile, exciting work at the time."

In 1996, Ciambrone took a break from bankruptcy and became a partner and litigator for the law firm where Scariano's son practiced. About 80 percent of her work with Anthony G. Scariano involved the desegregation of Rockford's school district. She also litigated employment discrimination cases.

"Rosanne is a wonderful litigator, a very good lawyer, very professional, and just a really nice human being," says Scariano, an equity partner at Scariano, Himes and Petrarca, Chtd.

Three years later, a former colleague from Chapman, John R. Weiss, recruited her to Bell

Boyd's bankruptcy team. After two years, Ciambrone joined Duane Morris as a partner, where eventually, once again, she was reunited with Weiss.

Her firm typically represents creditors in restructuring scenarios from the moment a loan is in default. Ciambrone's clients include banks, institutional investors, and insurance companies.

Unlike the early part of her career, bankruptcy no longer follows predictable cycles lasting from three to five years. "The high part of this last cycle was high for so long," she says, "and the dip hasn't been a consistent period like we saw for so many years."

Also different in this downturn is the scarcity of money, which used to provide alternatives for troubled loans and financially stressed businesses. Ciambrone says the lack of financing limits the options of both debtors and lenders.

The woes of the real estate world account for many of the defaulted loans with which Ciambrone deals routinely. The effects can be seen on hotels, apartment buildings, home builders, and land purchases.

"We keep thinking that, especially in Chicago, the real estate aspect of our work will slow down, but it hasn't," she says.

But the situation does show some hope. Increasingly, companies have resorted to asset sales during bankruptcy proceedings since many banks haven't wanted to continue lending, and alternative financing was unavailable.

That phenomenon is beginning to change. Ciambrone says, and more options are available now than over the last three years. Banks are lending more. Private equity groups and alternative sources also have shown greater interest in highly valued assets.

Wearing a Variety of Hats

Ciambrone has many roles at her law firm and in the community.

She is the marketing partner for the firm's restructuring practice group. Three lawyers practice in Chicago. The rest work in San Francisco, New York, Boston, Philadelphia, Miami, Newark, Las Vegas, and Wilmington.

Her role includes producing the group's book, planning and executing the related seminars held mostly on the East Coast, getting attorneys to speak in public and to serve on panels, and assuring that the lawyers belong to appropriate associations.

Ciambrone participates in the Justinian Society and International Women's Insolvency & Restructuring Confederation for their networking and educational benefits.

She belongs to her firm's women's initiative steering committee. Looking back to 1989, Ciambrone recognizes the progress.

"It's much easier to be a woman in our field now," she says. "There was a time when women in law had to assimilate to what was a man's profession. I think it has changed so that you are free to be a professional today with your own style, without a focus on gender."

Numbers also have helped. It's far more common for a woman to be present in a room of lawyers in recent decades, she says, and more women lawyers mean a greater choice of mentors and women in leadership to serve as role models.

"If you're a good lawyer, you do a good job, you get good results for your clients, and you come up with good strategies, gender shouldn't matter."

And yet, she says, statistics show that law firms must continue to discuss what they are doing for women and be cognizant of a gender gap in the law that does exist. The numbers of women drop off dramatically at each advanced level, from partner to equity partner to management, regardless of practice area.

Ciambrone's family roots and her concern for the underprivileged led her to serve as president of the board of the Jones Memorial Community Center in Chicago Heights for the last eight years. Her final term as president ended on June 30, although she remains a member of the board.

The center now serves a community primarily of African American and Hispanic children living below the poverty line. Over its long history, the center has been vital to many ethnic groups living in Chicago Heights. Ciambrone's father once played basketball at the center and her mother had piano recitals there. Her grandmother took citizenship classes at the Jones Center.

"The center is part of who I am and where I come from," Ciambrone says. "If the center didn't exist, the population it serves wouldn't have any other options. There would be no safe haven for these children."

Cheryl Roop, the executive director of the center, appreciates the business insights and the legal assistance Ciambrone and her firm have provided. The firm assisted the center with property transfers, title issues, and its tax-exempt status. Sometimes, Ciambrone would review everyday documents and outgoing correspondence to highlight issues that required careful attention.

"She was always accessible via phone or e-mail, and she came out for as many events as she could," says Roop, who describes Ciambrone as down-to-earth and having no airs.

Like Ciambrone's legal clients, Roop is grateful to have someone to turn to with the business knowledge needed in a financially difficult time.

"She just adds that professional touch." ■