

DEBBIE EBNER

Finding Creative Solutions to Support Bankruptcy Clients' Goals

by Maria Kantzavelos

Deborah Kanner Ebner likes to say that she follows a different sort of business model for her bankruptcy law practice.

It is, perhaps, a model that reflects her inherent, cut-to-the-chase style of assessing a situation and arriving at a conclusion.

"I don't operate according to a template—not at all," says Ebner, of the **Law Office of Deborah K Ebner**. "Everything is custom built for whomever I'm dealing with. Lots of people come in thinking one thing, and they leave with something very different."

Take, for example, a recent resolution to a case referred to her by a Collar-County litigator who insisted the only solution to his client's predicament was for Ebner to file for bankruptcy on the restaurateur's behalf.

"I could've made a lot of money had I put him into a Chapter 11 and reorganized all his debt," says Ebner, referring to the client who had overbuilt his restaurants with a bank loan that "if he lived to be 200, he could never pay back."

"I said to this guy: 'The 10-million-pound guerilla is the bank. I can't successfully reorganize this case for you in bankruptcy unless I can get their cooperation. And, if I can get their cooperation in court, I can get their cooperation out of court.'"

Ebner negotiated a deal and, much to the client's surprise, "this man did not have to file a bankruptcy; his business didn't have to go through Chapter 11; and he has a renegotiated 3 percent mortgage that will balloon in five years and then automatically renew for another five years at 5 percent—so long as he makes timely payments," she said. "He's so ecstatic he sent me two referrals."

Creative Problem Solver

Described by her peers as a "straight shooter" and a "tremendously creative" problem-solver, Ebner, who has nearly 30 years of experience practicing bankruptcy law in the Northern District of Illinois and 24 years as a federal bankruptcy trustee, likens the practice of law to parenting.

"The practice of law is very much like settling disputes with the kids and getting them to identify with one another, understand where the other one is coming from, help them understand their dispute, help them solve their problem, and move forward amicably," she says.

She should know. Her North Shore household features four college-age sons: a freshman, a sophomore, a junior and a senior.

A single mother of two sons for many years after a divorce, Ebner met Ira Bloom, a scientist at Argonne National Laboratory, over a lunch date more than 10 years ago, after an introduction by a mutual friend. The two had a lot in common. He, too, was a divorcee raising two sons, and he was also a professional who shared the same socio-economic and Jewish background as Ebner.

They did get married, but merging the two families—"That's a whole other piece," Ebner says.

Ten years later, Ebner relays the words of Alex, her youngest biological son, to tell the outcome.

"He said, 'I don't think of Sam and Matthew as biological brothers, but I do think of them as

the worst economic downturn in decades.

In addition to her bankruptcy trustee work, Ebner represents venture capitalists, individuals, and small business owners experiencing financial distress, creditors of Chapter 7 and 11 debtors, and litigants attempting to enforce or defend against Domestic Relations Court awards in federal Bankruptcy Court.

She has handled pieces of major bankruptcy cases, including cases involving such parties as Montgomery Wards, Outboard Marine, K-Mart Corporation, and Ty-Walk Liquid Sales. And one of her automotive equipment manufacturing clients has now propelled her into dealing with the Chrysler and GM bankruptcy cases as well.

In the Outboard Marine case in 2000, involving dozens of defendants who were represented by lawyers from top-flight firms



close cousins.'" That, Ebner says, "absolutely works."

"It's kind of like we have Beaver Cleaver's house. These kids are four wonderful young men. ...It's a blast."

Major Bankruptcy Cases

So is her bankruptcy law practice, which has kept her busier than ever in the midst of

around the country, Ebner represented a small business that was being sued by a bankruptcy trustee for about \$110,000.

In the end, Ebner says, most of the defendants had to come up with money to settle the cases against them. Her client did not.

"I was just watching this parade [in court]," Ebner recalls. "I could see all the big players from all over the country marching in with

three lawyers and I was just looking at the billable hours."

She turned to her client and asked: "If the trustee wins, do you have the ability to pay the judgment?" The client replied with a "no," and Ebner rolled up her sleeves.

"Instead of going into court each time this case was called for status, I called the trustee and would say, 'hold off—we're not ready yet.' Instead of billing the client for time waiting in court, I spent my time studying his financial situation and negotiating an exit."

Her negotiations as a bankruptcy lawyer tend to model the tack she took with her sons, resolving disputes through a discussion of "who did what and why they did it, what the reaction was, and why the behavior elicited a certain response—and then the offender would modify his behavior."

"The creditor and the debtor have to work hand-in-hand and make it happen," she says. "It's the same thing."

Of course, there are exceptions.

"If a client walks in and their adversary is a nut case, or completely unreasonable, or is extremely well-funded or is motivated by anger, you can't talk to a person like that," Ebner says. "Very often, that person has a lawyer who's getting paid very well, so there's no incentive for a settlement. I'm not going to waste my client's time and money."

"When you can't negotiate with somebody who's irrational, you go for the bottom line. You go for the jugular," she adds. "I still look for the most cost effective way to represent the client in this situation, but I go for blood."

Michael J. Davis, a partner in Springer Brown Cover Gaertner and Davis, a bankruptcy boutique in Wheaton, has been on both sides of cases with Ebner.

"A lot of attorneys will not be cooperative and will fight you every step of the way. I've always found her to be very cooperative in terms of getting you to the stage where you'll try the case," Davis says. "However, I've also found she's a very worthy opponent when she gets to trial."

He also admires her ability to get "right to the heart of the matter."

"Ultimately, that's what you want in an attorney," Davis says. "You want somebody who can tell you where you are—now. She's very good at that."

Reading People Quickly

Ebner is well aware of her "uncanny ability to read people really quickly."

"They may say X, but that's not what's driving them," she says. "I can ascertain what's driving them and solve their problem a lot easier."

That ability to size-up people and situations kicked in early, when Ebner, who grew up with parents who were both ill, found herself in the position of caretaker from a young age.

"I had to be very attuned to my parents. I had to read them quickly, all the time," Ebner says. "That shaped my life."

Ebner, who grew up in West Virginia and Miami Beach, was drawn to psychology, history and political science as an undergraduate at Auburn University in Auburn, Ala. After graduating with a degree in public administration, she "wasn't ready to go out into the world."

So she headed to Samford University's Cumberland School of Law in Birmingham, Ala.

After graduating in 1981, she moved and landed her first job as a lawyer at the collection firm of Teller, Levit & Silvertrust.

That was around the time when a new bankruptcy code opened the door for more firms to practice in that area, creating a demand for people who could be trained as bankruptcy lawyers.

"I just kind of hit the ground running and went knocking on doors and stumbled on a collection firm. They had a bankruptcy department, and they were frantically grabbing young bankruptcy lawyers," Ebner recalls. "They needed bodies."

She moved on to a bankruptcy boutique and then to Wildman Harrold where, as a new mother, she was told she was the firm's first part-time lawyer. She ultimately returned to the collection firm, but soon after, she decided it was time to be on her own.

In 1992, Ebner hung out her own shingle.

"I have no desire to build a huge firm," says Ebner, whose Chicago-based office includes three other lawyers who serve as of counsel.

"I'm like in the middle of a bicycle tire with all the spokes. I've got many, many lawyers in many, many different areas that I deal with on a regular basis, and I will refer out a piece of the case."

Faye B. Feinstein, a partner in Quarles & Brady, is among those lawyers. Feinstein and Ebner are also friends who often get together outside of work with their respective husbands.

"They're just great fun, smart people to be with," Feinstein says. "And they're not showy; they're not pompous. And they sure can be, because the brain power of the two of them together is so in the stratosphere."

Longtime Peoria bankruptcy lawyer Timothy J. Howard, who has opposed Ebner on cases, says it is her "intelligence, her creativity, her responsiveness and her ability to not wait around, but to get ahead of the problem" that distinguishes her from many other lawyers in

her practice area.

"She's an ahead-of-the-curve person. She's just not responsive, she's assertive," Howard says.

"She is one of the best bankruptcy lawyers who represents debtors that I've ever had the privilege of dealing with," adds Howard, who has been in practice for about 30 years.

About 15 years ago, Ebner says, she reached a point in her career that has enabled her to customize her practice to the right fit for her—and for her clients.

When investment banker David Doerge lost, on a technicality, a lawsuit that resulted in a surprisingly large judgment against him, a major law firm in town advised him to turn to Ebner.

She ultimately worked out a strategy that kept him out of bankruptcy—as he wished—and helped negotiate a settlement.

"It is my reputation and integrity that made me not want to take the bankruptcy route," says Doerge, who worked at a prominent international investment bank in Chicago for many years. "I never felt that this judgment would actually go through, and I thought that if people sat down and talked to each other, and went through the details, it could be worked out—and she listened."

But Ebner also spoke her mind about her client's challenging proposition.

"She's very professional; she's very thorough. She's the real deal, and she's very direct," Doerge said. "She was preparing me for the worst—she doesn't hold back on the reality of the situation."

Frank Feraco, chairman of Great Lakes Equity Partners, is another of Ebner's clients.

"I'd call her at 6 in the morning and she was available," Feraco recalls. "She's very dogged, very helpful, and quite approachable. ...I'll use the word 'brilliant' in terms of what she knows in her specialty."

For Feraco, who deals in buyouts of basic manufacturing companies, time is important.

"In terms of getting through court systems, she's so knowledgeable of judges, people, the process, that it cuts the time," Feraco says. "Our single largest costs when we do a transaction, short of the transaction itself, are the legal fees, and that's all based on time. That's why I like Debbie—she's very efficient that way."

After nearly three decades in bankruptcy law, Ebner offers the following advice to others who may be considering a similar career: "Be honest with yourself. Don't waste time or energy on rationalizations to yourself. Don't try to justify things. Just be painfully honest in whatever you do. Be true to yourself and do what you do well." ■