

# CLEAR VIEWPOINTS

*From Industry Leaders We Know and Respect*



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Mandelbaum Salsburg

Jeffrey M. Rosenthal is a Member of Mandelbaum Salsburg and Co-Chair of both the Bankruptcy and Creditors Rights and Banking and Financial Services Practice Groups where he assists clients in the negotiation and documentation of loan transactions, workouts and bankruptcy cases throughout the United States and in many cross-border transactions. He has advised money center, regional and community banks, hedge funds, private equity funds, commercial finance companies, as well as borrowers, entrepreneurs and other interested parties in such transactions and bankruptcies. His unique background of also having an MBA and CPA, as well as having worked as a controller for a wealthy individual provides him with the tools necessary to help clients navigate difficult transactions to a successful closing. He not only knows how to assist clients in making loans, but he also works with clients to get them repaid by maximizing their recoveries from stressed and distressed companies and fraud situations.

**Q: When did you know you wanted to be an attorney? What led you to bankruptcy law in particular?**

**A:** I knew when I was 10 years old that I wanted to be an attorney. I had broken my leg on school property and my parents sued the school. In order to put the settlement on record I had to go to court. While I was there I was so amazed by the process and the courtroom that when the Judge called me into his chambers I told him and my father that I wanted to be a lawyer. My road to actually becoming an attorney wasn't that cut and dry however. I started out getting my MBA and practiced as a CPA in Pittsburgh. I ultimately worked as the in-house Controller for Gordon Gund and his various companies. I took and passed the law boards but didn't actually go to law school until a few years later. My plans for being a tax lawyer were done in by various tax law changes in the 1980s, so I started doing loan documentation work. In 1987 there was a recession and the front end loan work was very slow, so out of necessity I decided to reinvent myself and give my 10 year old self's dream a go and started going to courtrooms. So as far as becoming a bankruptcy attorney I didn't choose the field, but rather it chose me. My bank clients were calling with problems with the loans we closed, so I learned bankruptcy law and became a regular practitioner.

**Q: What would you say are the greatest challenges facing bankruptcy attorneys in today's legal landscape?**

**A:** I think one of the greatest challenges right now is that we as an industry have priced ourselves out of the market. The cost of bankruptcy has become so high that most small and middle market companies simply can't afford bankruptcy and have to liquidate. The cost of professional fees have made it extremely difficult even though it may be a logical step for many company's business cycle.

**Q: What is one mistake you witness clients making more frequently than others?**

**A:** I would definitely have to say that I notice one common mistake over and over again. Executives are waiting too long to contact professionals when they are facing issues and they are resisting the help of turnaround consultants who can help them. Often it is not until their lender forces them to hire a turnaround consultant that they listen. Amazingly enough, in many cases, they wind up really appreciating the turnaround consultants and even keep them on board as part of their advisory team after the process is over.

**Q: What types of situations will keep even the most skilled bankruptcy practitioners up at night?**



**A:** From personal experience I can tell you that one of the things that keeps me up at night is trying to find a way to reorganize a client or have some continuation of the business to save jobs. The primary purpose of bankruptcy from its origination is that very thing and when you are unable to bring all the stakeholders together to come to a resolution that saves jobs and continues the business in some way, it will haunt you. In general attorneys lose sleep when they know a deal should be made but can't find a way.

**Q: Can you name a person who has had a tremendous impact on you as a leader? How has this person influenced your life?**

**A:** This is a difficult one. It's very hard to choose just one as I've had the incredible luck of working for and with some really amazing people. I'd have to say that the mentor at my first firm, Rick Shaine, really stands out in my mind. Despite being 31 when I graduated law school (since I did the whole CPA and Controller thing first), he told me that the very first thing I had to do was to learn how to be a lawyer. He didn't care about my age or my past experience. He told me that before I could go out and market myself and meet with clients, I needed to be good at the legal work and master "lawyer skills." Not only that but he took the time to work with me to do this. While at the same firm the managing partner's words also struck me as he told me that "when it comes to developing clients, if you think outside the box it just might work." He also impressed upon me his management style in which he believed that sometimes building a consensus in a law firm is more important than one single person being right. I've found that that holds true in much of my work and personal life.

**Q: What are some of your personal interests?**

**A:** Golf is one of my passions. I actually learned to play as a kid but didn't pick it up again until I was older. I was being invited by clients to play golf or attend outings and remembering my game from when I was a teenager I became very frustrated, so I took it up again. My older cousin and I started playing frequently when I was 13 and I'll never forget him saying "Jeff, if we are going to be in the business world, we've got to play golf." And I'll tell you one thing, many deals have been made on the back 9. I got my kids into golf and eventually my wife took it up since she was home alone while the kids and I were out playing. Some of our best family vacations were to golf destinations where the trash talking was the real competition. When I'm not golfing I enjoy spending time with my wife, my kids and my 5 grandkids. I also enjoy taking my boat out. The boat is currently for sale. No really, any takers, it's been for sale for 3 years!

**Q: Any words of advice for someone considering a career as a bankruptcy attorney?**

**A:** I think it's important that they have a financial background and also specialize in another "backup" area of law. Bankruptcy as an industry is cyclical and when it's down you've got to have something else to do to keep busy. For example, I do loan documentation and some of our other attorneys work in commercial litigation. But more than just as a backup, it often enhances your bankruptcy skills. There have been plenty of times when my knowledge of UCC from the loan documentation side helped my client in a bankruptcy situation. While bankruptcy law often prevails in disputes, state laws are relevant and in many cases it comes in handy knowing the law.