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In Memoriam - Bankruptcy Lawyer and Municipal Finance Industry Icon, James E. Spiotto

CHICAGO – Chapman and Cutler LLP mourns the loss of retired partner, colleague and friend James E. Spiotto, who passed away in Chicago on February 27, 2020. He was 73.

Jim was born and raised in Chicago. He received his undergraduate degree from St. Mary of the Lake Seminary in 1968 and his law degree from the University of Chicago in 1972. Following a federal district court clerkship for William J. Bauer, Jim joined Chapman in 1974. He became a partner in 1980, served on the firm’s Policy Committee, and was a tour de force in Chapman’s bankruptcy practice. While Jim retired from the practice of law in 2013, he continued his career as a Managing Director of Chapman Strategic Advisors LLC, a consultancy providing educational and strategic insights to market participants concerning municipal finance topics of interest. He was also the co-owner and co-publisher of MuniNetGuide.com, an online resource specializing in municipal-related research and information concerning state and local government, including public finance, infrastructure, job market data, and economic statistics and analysis. He was a member of the Board of Directors and Executive Committee of the Civic Federation, a Past President of the Society of Municipal Analysts, a member of the Board of Directors of the Retirement Security Initiative, a member of the Board of Advisors of the Center for Municipal Finance Harris School of Public Policy, University of Chicago, and a member of the Board of Visitors for the College of Urban Planning and Policy, University of Illinois at Chicago.

During his long and distinguished legal career, Jim represented issuers, indenture trustees and bondholders in litigation, bankruptcy or workouts of over 400 troubled debt financings in over 35 different states and in foreign countries. During the course of his law practice, Jim represented clients in the *Sierra Kings Health Care District*, *Jefferson County, Alabama* and *Mendocino Coast Health Care District* Chapter 9 cases and testified on twelve occasions before the United States Senate and House Committees on a number of important bankruptcy issues; including amendments to the Bankruptcy Code involving municipal bankruptcy, the development of PROMESA for Puerto Rico (2015 and 2016), the crisis at the Puerto Rico Electric Power Authority (2018), and most recently regarding proposed changes to PROMESA with respect to public debt (2019).

Jim has contributed significantly to thought leadership around municipal defaults and bankruptcy, including co-authoring the volume *The Law of State and Local Government Debt Financing* (Thompson West), authoring chapters on municipal defaults and bankruptcy in *The Handbook of Municipal Bonds* (Sylvan Feldstein and Frank Fabozzi, editors, published by John Wiley & Sons, Inc.), and authoring a chapter on financial emergencies: default and bankruptcy in the *Oxford Handbook of State and Local Government Finance* (Robert D. Ebel and John E. Peterson, editors). He also wrote the article, *The Renewed Battle Over Tax Exemption of Interest on State and Local Government Debt Obligations*, published in the *Government Finance Review*. His article, “The Role of the State in Supervising and Assisting Municipalities, Especially in Times of Financial Distress,” was published in the Winter/Spring 2013 *Municipal Finance Journal*. His article, “How Cities in Financial Distress Should Deal With Unfunded Pension Obligations and Appropriate Funding of Essential Services” appeared in the Summer 2014 edition of *The Willamette Law Review*. Most recently, he authored the article “The History and

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Justification for Timely Payment of Statutory Liens and Pledged Special Revenues Bond Financing in a Chapter 9 Municipal Debt Adjustment Proceeding: Is a Model State Law Necessary or Required?,” published in the Winter 2019 *Municipal Finance Journal*. Jim is also an author of *Defaulted Securities: The Guide for Trustees and Bondholders*, *Municipalities in Distress? How States and Investors Deal with Local Government Financial Emergencies*, and *Primer on Municipal Debt Adjustment*, published by Chapman and Cutler LLP.

In May 2014, the National Federation of Municipal Analysts honored Jim with an award for his contributions as a thought leader within the municipal bond industry. He was recognized for his "prominent voice" on the topic of municipal bankruptcy and his years of groundbreaking research and analysis that have long aided municipal analysts with the intricacies of Chapter 9 bankruptcy.

Tim Mohan, Chapman’s Chief Executive Partner, noted: “Jim was a larger than life presence at Chapman for many years. He was a nationally known expert in his field, a lawyer’s lawyer, and an amazingly effective advocate for his clients. His dedication to his work was unparalleled and his amazing efforts led to the national stature of our bankruptcy and workout group. He loved his family and the firm. We were fortunate to have Jim as part of our Chapman family for so long and our hearts go out to his family.”

“In working with Jim as a partner at Chapman and Cutler and as a consultant at Chapman Strategic Advisors, I saw first-hand his tireless commitment to our clients and the firm,” noted Bill Libit, Chapman’s Chief Operating Partner. “He was always optimistic that a beneficial solution could be had. He was extraordinarily passionate about his work. We are grateful for his contributions to both firms and the municipal bond community.”

Ann Acker, Director of Chapman Strategic Advisors LLC and retired Chapman partner, who worked with Jim for the past 45 years, noted: “Almost from the beginning of his legal career, Jim was drawn to the areas of corporate trust, defaults and bankruptcy. Through great talent and unsurpassed dedication, he made major contributions to these fields and was widely regarded as a national expert. Throughout his career, Jim was absolutely devoted to his clients and the issues that mattered to them. He did not know how to give less than 100% for the clients who relied on him.”

“I was honored to work for a true legal giant for 26 years,” noted Frank Top, a Chapman partner and co-chair of the firm’s Bankruptcy and Restructuring Practice Group. “Jim was a thought leader in many areas of financial distress and bankruptcy writing highly respected treatises on the role of indenture trustees in default and on municipalities with financial problems. Jim was well versed in all areas of bankruptcy; he was a master of his field of practice. Jim was smart, tough, beyond dedicated to his clients, and had an incredible work ethic. At the same time he knew when to make peace. I owe an incredibly interesting and exciting career to Jim. I was lucky not only to call him a mentor, but also a true and loyal friend. He will be sorely missed.”

Rick Cosgrove, a Chapman partner and close colleague of Jim’s, noted: “Jim was instrumental in developing Chapter 9 of the U.S. Bankruptcy Code. He was viewed by our bank and investment banking clients, as well as the entire public finance market, as ‘the Authority’ on both Chapter 9, and most recently, PROMESA. As a practitioner, he was brilliant, creative and tireless, and obtained extraordinarily successful outcomes for the firm’s clients. Having had several opportunities to work alongside him on troubled muni deals, watching his brilliance and persistence first-hand was nothing short of amazing. Since his retirement from the practice of law, his advice on municipal bankruptcy-related issues was regularly sought out by countless numbers of clients and public finance participants, as well as many of us at the firm, and his passing leaves a huge void. We will all miss him.”

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Laura Appleby, who worked with Jim as an associate and later as a partner at Chapman, noted “Jim was an extraordinary person, mentor and attorney. As a junior attorney over a decade ago, Jim took me under his wing and taught me to be the attorney that I am today. His knowledge and passion for the law, and municipal insolvency law in particular, was unparalleled and we have lost a great leader in our industry.”

Terry McIlroy, a retired Chapman partner who served as leader of the firm’s Banking Department, noted, “Jim was a remarkably talented lawyer with a prodigious work ethic as well as a trait unusual among hard charging people – he listened, listened to the clients, listened to his opponents, and this enabled him to craft arguments and propose solutions which got results. Talking only when he had something meaningful to say caused others to sit up and pay attention to his ideas. It was a privilege and a pleasure to work with him over four decades.”

Karen Daly, Senior Managing Director, Public Finance / Financial Guarantors at Kroll Bond Rating Agency, a longtime industry colleague and friend, noted, “Jim was a larger than life figure to me. I so admired him. A giant intellect with humility. The ultimate gentleman. This is a tremendous loss personally and to our industry.”

Richard Ciccarone, an industry colleague and a co-owner/co-publisher of MuniNetGuide.com with Jim, noted “Jim’s work in municipal finance leaves a lasting legacy. I had the great pleasure and honor of collaborating with Jim for the past 40 years – he was a legendary figure for our industry and he will be greatly missed.”

Larry Mizera, retired Managing Director and Head of Loan Workouts at BMO Harris, noted “I worked with Jim for 30+ years. He was without a doubt one of the smartest, hard-working and result-oriented professionals I ever worked with. He was the ‘King of Insolvency’ – absolutely brilliant. When you walked into a meeting or court room with Jim at your side you automatically commanded respect from everyone in attendance. He will be sorely missed.”

Laurence Msall, Civic Federation President, noted “For nearly two decades, Jim Spiotto was an indefatigable presence at the Civic Federation. He was more than a dedicated Board and Executive Committee member; Jim was a longtime friend who shaped many of the Federation’s policy approaches and the organization’s strong sense of optimism for the future of our state and local governments. Jim generously volunteered thousands of hours as the co-chair of the Federation’s Pension Committee, where he helped strengthen members’ and staff’s understanding of the pension and financial crises facing our region. Both at the Federation and in his corporate work, Jim always eagerly offered his expertise and world-class legal acumen to all who sought his guidance. Jim’s unwavering enthusiasm for life and for his work has forever changed the Civic Federation and all who knew him. The Civic Federation extends our deepest condolences to the Spiotto family and to the Chapman and Cutler family.”

Jim is survived by his wife, Ann; children, Michael, Mary, Joan and Kathy; and nine grandchildren.

About Chapman and Cutler

Chapman and Cutler LLP is a national law firm with a practice that is focused on financial services transactions and clients. Founded in 1913, the firm has more than 230 attorneys with offices in Charlotte, Chicago, New York City, Salt Lake City, San Francisco, and Washington, DC. For more information, please visit chapman.com.

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