



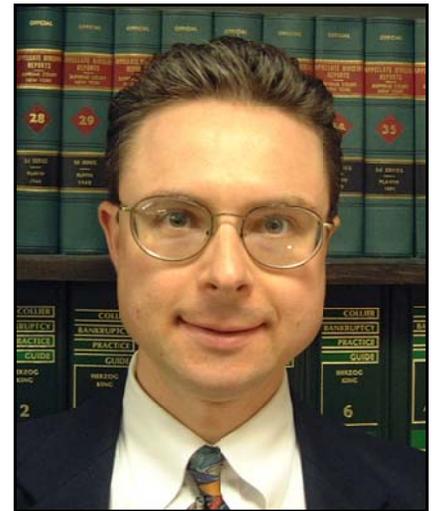
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Chief Bankruptcy Judge Melanie Cyganowski Stepping Down

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The bankruptcy bar is in shock by the sudden and unexpected news on January 5, 2007 that Chief Bankruptcy Judge Melanie L. Cyganowski has decided to retire from the bench effective February 28, 2007.

Judge Cyganowski, who had just assumed the role of Chief Bankruptcy Judge one year ago, succeeding Judge Conrad Duberstein who passed away in November, 2004, has been on the bench since March 1, 1993. She sits in the Central Islip Federal Courthouse. The judge, known to many members of our bar association, has served with distinction and is highly regarded by her peers and by the bankruptcy bar. She has regularly participated in seminars and presentations here.

Upon stepping down, Judge Cyganowski will immediately re-enter private practice to become the chair of the bankruptcy litigation department in the New York office of Greenberg

Traurig, an international firm with 1,500 lawyers in 29 offices. Bankruptcy Judge Carla E. Craig, who sits in Brooklyn, will become the new Chief Judge.

The reaction from bankruptcy attorneys who practice before her seems to unanimously be one of shock and disbelief, as they anticipated that Judge Cyganowski, who enjoys a stellar reputation and great deal of respect and admiration, would be on the bench forever.

Interviewed for this article, Judge Cyganowski described her decision to leave as being "extremely difficult," and "triggered by having to face all of the financial challenges that a typical Long Island family faces." In private practice, the Judge stands to earn many times her existing judicial salary.

Bankruptcy Judges serve fourteen-year terms and Judge Cyganowski's term expires February 28, 2007. The Judge said that a year ago,

the Second Circuit asked her intentions about serving another term. The Judge agreed to serve a second, fourteen-year term, went through the process, and was approved for re-appointment.

However, after going through a stressful family situation several months ago in which her husband's employment was in jeopardy when his employer was acquired by another company, and considering the difficulty of supporting an elderly mother and aunt, combined with the prospect of expensive college tuition in the near future for her twelve-year-old son, the judge decided that she had the difficult dilemma of exploring other options. At that time, she learned of the opportunity at Greenberg Traurig, and accepted it just days before she provided formal notice to the Court and bar.

She pointed out that Federal Court judges are underpaid as they have not received any increase in salary for 19 years, other than some cost of living

increases. Consequently, she said, judicial pay has eroded to the extent that it became hard for her to support an extended family on Long Island and this created a very difficult choice of staying on the bench, which she enjoys, or returning to the private sector at a great increase in pay.

Asked about her recent accomplishments as Chief Bankruptcy Judge, Judge Cyganowski stated that there were many that she was proud of. She feels that she successfully met the challenge of moving the Bankruptcy Court along after the death of former Chief Judge Duberstein. She was very satisfied with the way the Court dealt with the new procedures required by the 2005 Bankruptcy Amendment Act. The Brooklyn Bankruptcy Court changed buildings last year and she felt that the move went extremely smoothly. She introduced a *pro se* law clerk and program to assist the increasing number of *pro se* filers, a program she believed would be a model for other courts. She thought that under her guidance, the Court made great strides towards full electronic case filing and use of computers in the Court. Finally, she felt that she was very instrumental in bringing together the Bankruptcy Judges in this district into a cohesive group.

In discussing the practical considerations of the Central Islip Bankruptcy Court going from three judges down to two, Judge Cyganowski indicated that there have been several discussions to date with the other judges about "sharing the load." Although there is a possibility of seating a new judge or bringing in a visiting judge, Judge Cyganowski said that the Court is in the process of exploring the matter to see what makes the most sense.

Marianne DeRosa, the standing Chapter 13 trustee assigned to Judge Cyganowski, felt the transition for Chapter 13 cases should be smooth. All of Judge Cyganowski's Chapter 13 cases will be re-assigned to Judge Dorothy Eisenberg. Ms. DeRosa said that there were only 182 unconfirmed open Chapter 13 cases which were assigned to Judge Cyganowski and that re-assignment to Judge Eisenberg should not cause a major disruption.

Ms. DeRosa also pointed out that the number of Chapter 13 filings was substantially less than usual, primarily due to the new bankruptcy laws, and that Judge Eisenberg should not have any problem for now with her new, increased

calendar or caseload. Ms. DeRosa did note, however, that the situation could become difficult if the filing numbers increased.

Fourteen years ago, I wrote an article for the *Suffolk Lawyer* discussing Judge Cyganowski, who had just been named as the new Bankruptcy Judge to replace then-retiring Judge Cecilia Goetz. At that time, no one had any idea of who this New York City litigation attorney was. We all wondered how well she would do on the bench, considering her relative lack of bankruptcy experience, especially with consumer matters.

Since then, she has deservedly earned a reputation as an unusually fair, extremely intelligent and thoughtful jurist who always maintained an expert grasp of the law and an understanding of the cases before her. I found her always very approachable and willing to engage in conversation, unlike some judges who prefer to maintain a distance from those who practice before them.

Ms. DeRosa, who worked very closely with Judge Cyganowski for the past fourteen years, expressed disappointment and sadness that the Judge was leaving. Not only did she enjoy appearing before the Judge, but she felt that "without a doubt, there's not an attorney who did not learn something from her." She added that although she was very surprised that the Judge had decided to retire so early, she understood her reasons.

Richard Stern, a Chapter 7 trustee and former Chair of the Suffolk County Bar Association's Bankruptcy Committee, said "Judge Cyganowski has been a great judge. She is extremely bright, articulate, always polite and considerate of counsel, always prepared on the bench, and has an incredible ability to listen to complex oral arguments." He pointed out that she has a brilliance that has been recognized by the bankruptcy bar.

Mr. Stern also commented on the Judge's ability to maintain a good sense of control over her cases and her courtroom. Regarding her accomplishments in the past year, he acknowledged her enthusiasm and noted that "when she became Chief Judge, she took the bull by the horns to implement new programs and procedures."

As to the Judge's decision to leave, Mr. Stern remarked, "she obviously did this with very mixed

emotions because she really loved what she did on the bench." He said that he could empathize with the demands of her financial situation, acknowledging, "she received a wonderful offer to become a partner with a major law firm."

Sal LaMonica, a former law clerk to Judge Eisenberg and a bankruptcy attorney who regularly practiced before Judge Cyganowski, lamented about the difference in pay a judge can receive in private practice and said that "this should be a wake-up call for Congress to increase the salaries of judges. To lose a judge like this, of her quality and stature, for financial reasons, is a shame. We will all miss her."

The Judge, who hails from Chicago, studied anthropology at Iowa's Grinnel College. She attended Buffalo Law School and started her career as a clerk to retired Southern District Judge Charles Brieant. Thereafter she became an associate with Milbank Tweed Hadley and McCloy for four years. She also spent seven years at Sullivan & Cromwell as a senior litigation attorney.

Judge Cyganowski teaches LLM courses at St. John's University School of Law. She lives with her husband and son in Suffolk County. She holds a red belt in karate and enjoys reading detective novels.

Judge Cyganowski expressed conflicting emotions about her decision to move on to private practice, feeling much sadness about leaving the bench. Still, she is very excited about her new position, the compensation package she will receive, the opportunity to litigate again as a partner of a "phenomenal" law firm, and the new challenges ahead, which she considers the next chapter in her life.

Editor's Note (revised 2008):
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