

KAREN LEVINE

Finding Common Ground in High Net Worth Divorces

by Amanda Robert

When Karen L. Levine talks about her practice, she makes one thing clear: the idea that divorce cases aren't challenging is a misnomer.

Levine, 60, a partner at **Miller Shakman & Beem LLP**, began her career by handling clients' business disputes but soon discovered she had an equal interest in their personal disputes. She now handles high net worth divorce cases for private equity fund managers and owners or chief executive officers of publicly traded companies, as well as privately held manufacturing and real estate companies, finding them as complex as any piece of commercial litigation.

She works towards understanding her clients' businesses, as well as their finances and the value of their estate, so she can successfully

through the same glasses as someone who has just done divorce cases for 40 years. Judges can be fascinated by that different perspective."

Finding the Right Fit

Levine grew up in Englewood, N.J., a small but diverse community on the other side of the George Washington Bridge.

Her mother escaped from Czechoslovakia after World War II and landed in New York City. She earned her Ph.D. in German literature and worked as a college professor at Fairleigh Dickinson University, heading the language department and serving as faculty president. Her father, whose own father escaped from Poland during the pogrom, worked as a financial writer and then editor for the *New York Times*. He later went into financial public relations.

a suburban police department and ran a general assistance program for Northfield Township.

"As a social worker, I was working with a lot of legal issues, and I decided that I really wanted to go to law school," she says. "It was something my mother said I should've done from the beginning."

She began full time at Northwestern University School of Law while also raising her 9-month-old daughter, Julia, and continuing to run the general assistance program. She quickly learned the importance of balance in her life.

"You have to learn to be where you are when you are there, so you don't worry about things at home when you at work and vice versa," Levine says. "That is the only way you can get things done. It takes a certain amount of compartmentalization.

"It was tremendously hard, and even now I think, how did I do it? I'm not the only one who's done it, but it makes women who are more successful at doing this more successful in the courtroom and in life."

After Levine graduated in 1986, she clerked for Illinois Supreme Court Justice Seymour Simon for a year and then joined Novack and Macey. She knew she wanted to be a litigator and considered pursuing divorce law. But, she says, since divorce work wasn't highly regarded by large law firms, she instead launched a practice in commercial litigation.

She handled various types of commercial disputes, including partnership disputes and disputes in close corporations. She worked on several trials and got a lot of early jury trial experience.

Retired Cook County Circuit Judge Julia M. Nowicki met Levine when she was on the motion call in the Law Division. She recalls that Levine was trying to create a new cause of action—something that was a bit out of the ordinary—in a case where she opposed the City of Chicago.

Nowicki recognized Levine's passion and knew she understood she had to reach the judge, since judges weren't supposed to make new causes of action. After a number of hearings and a lot of briefs, Levine prevailed for her client.

"I think everyone would agree that she's intense in the good sense of the word," Nowicki says. "She's very focused on what she's



resolve divorces that involve Fortune 500 companies, esoteric tax and trust issues, and assets worth hundreds of millions of dollars.

While many lawyers handle high-profile divorces, Levine brings her past experience to the practice. She enjoys the complicated, complex commercial litigation aspects of her cases, because they are familiar to her. She refers to them as "friends." She knows how to deal with these sorts of situations, handling them throughout her practice

"I've been successful because I'm a good lawyer, but I also have a unique background," she says. "When I look at a case, I don't look

Levine and her younger sister attended the local public high school, learning alongside a mix of African-American, Puerto Rican, Jewish, and Catholic students.

"It was an interesting place to grow up," she says.

She attended Grinnell College, graduating in 1974 with a double major in philosophy and psychology. She received a master's degree from the University of Chicago School of Social Service Administration in 1976.

For the next six years, Levine worked as a social worker, first at a suburban school and then at a family service agency. She also worked at



Levine and her mother, Dolly Auerbach, in Sorrento, Italy.

doing. The intensity means that she is bringing everything into the case so that it can all be dealt with successfully. She looks at all of the issues.”

In the early '90s, Levine was asked to help with a divorce case that involved 10-day temporary visitation hearings, a three-week preliminary injunction hearing, and a month-long trial. After that case, commercial, transactional, and trust and estate lawyers from other firms asked her to assist with their clients' divorces.

“As time went on, I realized that a lot of these cases were very complicated cases,” Levine says. “I was getting my own commercial litigation cases, but I was also getting divorce cases. That started to turn in 2005 or 2006. It started to be more divorce than commercial litigation.”

Some of Levine's cases encompassed both areas, including a 2007 case involving a client who owned a business with his wife in Dallas but filed for divorce in Illinois. At the end of the divorce, the client sold the business, and his ex-wife sued for fraud and breach of fiduciary duty.

Even though the client lived in Texas, he had connections in Illinois. He looked for a lawyer who understood a little about divorce and a lot about commercial dispute issues, and found Levine. She took his case to trial in Texas state court, and after facing off against “guys in cowboy boots” for three weeks, she won.

When Levine handles these high net worth divorces, she treats them the same as her commercial disputes. In addition to drafting well-written briefs and thinking ahead about any additional claims, she calls on her background in social work to come to resolutions.

“In these complicated cases, you have to understand how the business works, which is something you always have to do in a commercial piece of litigation,” Levine says. “If you're fighting over who has breached a lease, you have to understand commercial real estate, or if you're dealing with a partnership

dispute over a consulting firm, you have to understand the nature of the consulting firm.

“In these big divorce cases, you have to understand the businesses at issue, the assets at issue, how to value them, how to break them up. I was doing all of that in partnership disputes.”

Making her Move

Two years ago, Levine moved to Miller Shakman & Beem. She met firm partners Michael L. Shakman and Diane F. Klotnia when

Levine and Klotnia later became involved with the Chicago Council of Lawyers. They sat on the same committee, and after talking, they realized they shared similar views on many issues—including clothing. They became good friends and sometimes talked about Levine's shift from partnership disputes to high net worth divorces.

Eventually, they discussed her move to Miller Shakman & Beem. They saw a place for her evolving practice in the firm because it handled commercial litigation and also represented numerous law firms in attorney malpractice cases.

“I do think divorce law has always had this reputation of not being as prestigious and involving a lot of deal making that may not be on the up and up,” Levine says. “If you're a commercial litigation firm just starting out, you might not be thrilled with a practice like this, but Miller Shakman has been around for a long time.

“Its partners had gotten involved in divorce cases, and in some of those, their work enhanced the firm because there could be some interplay with referrals. The large law firms don't have divorce practices, but it fits into the business model.”

Klotnia, a partner at Miller Shakman & Beem who practices in commercial litigation, agrees that while she and Levine may have been



Levine with her daughter, Julia, at Fallingwater, the Frank Lloyd Wright-designed house in Pennsylvania.

she opposed them in a shareholder dispute in the mid-'90s. She describes it as a hotly contested piece of litigation that lasted for years, adding that she and Klotnia dealt with their share of problems.

“I did not like her, and she will probably say the same about me,” Levine says. “I don't know whether Mike liked me or disliked me.

“There were numerous parties against the parties that I represented, probably at least four lawyers opposing me. During depositions, I would ask a question, they would all object and then the witness couldn't remember the question. It was a stressful time.”

adversaries in earlier years, they grew into close friends and colleagues. She also agrees that Levine benefits the firm with her unique combination of skills, especially since not many lawyers can work on both commercial litigation and high net worth divorces.

“It complements what we do,” Klotnia says. “We have experience in a broad-based commercial practice, with complex commercial litigation and disputes, and Karen's practice brings those same sorts of experiences and abilities to a different type of practice.

“She's a breath of fresh air. She's passionate and she is really fun to be around, which makes

your everyday existence more enjoyable.”

Levine handles 15 to 20 active cases, a smaller number than most divorce lawyers because her practice is more specialized. Because her clients or their spouses own sophisticated businesses, she needs to understand all of the issues surrounding those businesses. However, she can also look to an entire team of the firm’s commercial litigators whenever she needs assistance.

She often acts as a “general contractor,” maintaining a direct relationship with the client while making sure their work gets done. For example, if a case involves an equity fund and how it works and fits into the parties’ assets, she can offer those issues to a partner who also has experience in commercial areas.

“We can break up the case, and I can be the person who puts everything together,” she says. “It’s been very helpful for me. Some of my opponents have to go out and hire commercial litigators to help them.”

Growing with the Practice

Levine feels supported as a woman at Miller Shakman & Beem. She often opposes lawyers who have handled divorces for 40 years, and when they see her—a blonde, 5-foot-tall woman—they underestimate her. To some degree, she takes the advantage by blindsiding them.

Nowicki recalls that during her time in the Cook County Circuit Court, Levine also appeared before her in the Chancery Division. She represented a client in a request for a temporary restraining order, and even though she was opposed by a number of male lawyers, she knew her case and remained calm and reasonable.

“She was not asking for more than what was required,” Nowicki says. “She was sort of a real perfect lawyer. She was prepared and knew how to conduct herself in the courtroom. You could tell that she was well respected by her peers. It was just so obvious.”

Nowicki, who has spent the past six years handling commercial arbitrations and mediations at JAMS, speaks from experience when she says that Levine knows how to divide and use her skills as a litigator and her skills as a negotiator.

“She’s got her bag of tricks, and she knows which ones to pull out in which situations,” Nowicki says. “And I’ve never heard anyone say anything bad about her. Lawyers can be fairly critical people, but people like her.”

Levine faces some challenges in her practice, including constantly dealing with people who face a great amount of stress. She handles divorces for people who have been

married for 40 to 50 years, watching their whole lives being turned upside down.

She tries to be empathetic while also distancing herself so she’s not taking their frustrations into the courtroom. She calls on her background in social work and therapy to help them find perspective since it’s easy to lose it in difficult situations.

She also faces challenges in the wake of the economic downturn. In past years, clients owned a lot of real estate that could be sold to get liquidity. But now, as it becomes more difficult to break up assets, she uses her commercial litigation experience to structure settlements or show judges why her clients deserve certain judgments.

“You’re going to have to show in your closing argument and in briefs after trial how you think given all of this evidence, the assets should be divided,” she says. “If you’re sitting there with property all over the place, or partnership interests that you can’t transfer easily or you can’t liquidate, or stocks that aren’t publicly traded, it gets very difficult. It takes a lot of creativity.”

For Levine, the best part of her job involves being in the courtroom. She can’t think of anything more fun than doing an oral argument. She often uses what she calls “props,” big boards that crystallize arguments and quotations from cases.

In 2009, she went through a streak where she took a case to trial almost every month – she was on trial in two cases and the cases were so long that they spanned a year. Since then, she has been on trial, but not every month. She still handles numerous contested motions as well as evidentiary hearings.

She recently structured several settlements, which can also turn into major deals involving other estate and trust, tax, and securities lawyers and hundreds of pages of documents.

When Levine isn’t working, she hangs out in her Lincoln Park home with her four dogs: Lily, a white standard poodle; Tellulah, a Havenese; Isaac, a miniature goldendoodle; and Amelia, a giant schnoodle. Her daughter, now 29, graduated from Mount Holyoke College and is pursuing a master’s degree in nursing in Arizona.

Levine frequents the Steppenwolf Theatre Company, Goodman Theatre, and Chicago Shakespeare Theater. She also likes to cook and often throws dinner parties for her friends.

“It’s nice to hang out and talk with my friends who are lawyers,” she says. “It’s nice to commiserate.” ■