



Judicial Profile

by James Evans

Hon. Stephen V. Callaway U.S. Bankruptcy Judge, Western District of Louisiana

Judge Stephen V. Callaway was born in Olney, Illinois, on Sept. 9, 1947, to Joe and Anna Ruth Callaway. In 1952, his family moved to Shreveport, Louisiana, and eventually he went on to attend college at Southwestern University in Memphis, Tennessee. He then transferred to Louisiana State University (LSU) in Baton Rouge, Louisiana. In February 1969, he briefly left LSU to enlist in the U.S. Marine Corps Reserve and performed six months of active duty. He returned to LSU to finish his undergraduate course work and graduated in 1970. Immediately following college, Judge Callaway enrolled in law school at LSU, where he obtained his JD in 1973.

In fall 1973, Judge Callaway joined the small general practice law firm of Burnett, Sutton & Harrison, where he began to specialize in transactional work, business law, and collections and began to develop a substantial client base. He became a partner in 1976, and the firm eventually became known as Burnett, Sutton, Walker & Callaway. Over the course of the next 10 years, the firm added several associates, and it grew to become one of the most prominent and well-respected medium-size firms in Northwest Louisiana, representing many prominent citizens and businesses and becoming involved in many high-profile cases.

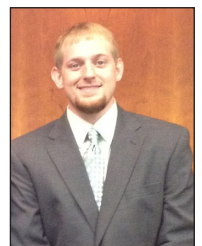
In the mid-1980s, the economy in Northwest Louisiana worsened to a point where commercial and transactional work were no longer plentiful. Bankruptcy filings were on the rise, and because of his representation of numerous creditors within the region, Judge Callaway's practice of bankruptcy law began to increase. During this period, he never gave much thought to becoming a judge. However, in 1986, one of his good friends, James "Jim" McIlwain, urged that he apply for the soon-to-be vacated bankruptcy judgeship in the Western District of Louisiana. Though initially reluctant, after further prodding from McIlwain and others,



he finally acquiesced and made an application. In May 1986, he was selected to fill the position of retiring Judge Leroy Smallenberger and, on Aug. 9, 1986, he was sworn in as the bankruptcy judge for the Western District of Louisiana.

Judge Callaway's first tasks on the bench were daunting to say the least. Almost immediately after taking the bench, he was elevated to the position of chief judge, which meant that he was responsible for overseeing the other divisions

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in the district, including Alexandria, Lafayette, and Monroe. Due to the failing economy, there was a rise in case filings and the backlog was tremendous. The number of cases under advisement was so large and filings so numerous that the U.S. Court of Appeals for the Fifth Circuit allowed Judge Callaway to hire a temporary law clerk to help with the workload.

Over the next year and a half, Judge Callaway and his staff worked tirelessly, reviewing the record number of cases and issuing an inordinate amount of memorandum rulings. During this time, he was extremely reluctant to continue cases, and would often hold court late into the night in an effort to work down the caseload. He has become renowned for this practice. Early on, Judge Earl Veron, a district court judge for the Western District of Louisiana, advised Judge Callaway on the importance of rendering decisions in the courtroom at the end of a hearing, as opposed to taking matters under advisement. This advice stuck with him, and he still utilizes this practice even today. Judge Callaway states, "I make it a point to make my rulings with oral findings of fact and legal conclusions in the courtroom at the conclusion of any contested matter or trial, and I rarely take matters under advisement."

Judge Callaway believes that the legal process works best when the presiding judge is not taking advantage of his or her power and authority. "Some judges believe it's 'their way or the highway,' and that everything must be done in accordance with his or her wishes." According to him, "this may work in some instances, but I feel that as a general rule, this approach will lead to inefficiency and hinder what you are trying to accomplish as a court." To this end, Judge Callaway does everything he can to keep courtroom cordiality at its highest. One way he accomplishes this is to listen to what the parties have to say. "You don't have to agree with what the person is saying, but you do need to listen, and by allowing a person to speak his or her mind freely, you can find out a lot quicker whether or not there is any real merit to their claim." Judge Callaway believes in treating attorneys with respect and tries not to belittle their arguments. He believes that this cordiality enhances the flow of the proceedings and facilitates the most accurate and unbiased outcome. "Cordiality," according to Judge Callaway, "helps to keep our profession civil, and though at the end of the day somebody has to win and somebody has to lose, you come back tomorrow and try again." He states that "the system does not work unless both the judge and all parties involved do their respective jobs; lawyers have to come to court prepared, the Clerk of Court has to have the necessary paperwork ready, and the judge has to be ready and understand the facts in order to make a reasoned and informed decision."

Judge Callaway is not just known for his fairness and practicality in the courtroom, but also for his ability to settle disputes in short order. His law clerk, Felton G. Horton (Gary), states that "if the problem can be resolved, Judge Callaway can fix it; and, if he cannot fix it, then the problem can't be resolved." Judge Callaway believes that his experience on the bench enables him to look at a problem and quickly

assess the possible outcomes. From this perspective, he can advise the parties as to what those possibilities are, which then facilitates a robust discussion amongst them. Judge Callaway states, "This ... often resolves the matter early on, and if it doesn't, it at least gets the lawyers moving in the right direction." It has always been his *modus operandi* to "follow the money." He says that lawyers have to remember that they are in the bankruptcy court, and they need to be cognizant of why their respective clients are there. He states, "If there is no money, then it makes no sense to spend money to get no money." Likewise, "if there is a limited amount of money, then it makes no sense to spend more money than you will be likely to recover." Therefore, "keep people focused on real money, and make sure the attorneys convey that information to their respective clients." A recent example of this approach involved a

large local casino that filed for Chapter 11 bankruptcy. The case had numerous parties with counsel from all over the United States. In an attempt to settle during the hearing on confirmation of the Chapter 11 plan, counsel were gathered in Judge Callaway's chambers. Of the many players involved in the case, one group was set up in the conference room, one in a jury lounge, and another in the chamber's kitchen. The negotiations continued for almost 24 hours and although mediation often became heated, Judge Callaway kept things civil and focused and successfully wrangled all the parties to an amicable agreement, which was immediately read into the record with each party voicing their acceptance.

Judge Callaway is also known for resolving contested matters during pretrial conferences. According to Horton, "The pretrial conference is an invaluable tool to this court regarding settlement of contested matters, and if the lawyers think there is even the slightest chance that their case can be settled, they will move for an in-chambers conference with the judge before the proceedings begin." During these informal meetings, attorneys can voice their opinions regarding the issues at hand, and Judge Callaway will highlight the strengths and weaknesses of the various arguments. Given the judge's insight, the attorneys tend to listen to his suggestions regarding a settlement.

Although his caseload keeps him very busy, Judge Callaway is also very active in his church, Broadmoor Presbyterian in Shreveport. He makes it a priority to donate to multiple local charities, and he volunteers his time and labor. Additionally, he has a very active role in assisting various impaired people in the Shreveport area, giving them personal assistance when needed and, in some cases, on a weekly and even daily, basis. Judge Callaway was a founding member of the Shreveport Estate Planning Council, the Shreveport Bank Counsel Group, a past circuit governor of the National Conference of Bankruptcy Judges, and is

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a past president, president elect, program director, and secretary-treasurer of the Harry V. Booth and Judge Henry A. Politz American Inn of Court.

When Judge Callaway's second term ends in 2014, he will be 67 years old, which is when many judges would consider retiring from the bench. However, he has no intention of retiring if allowed to serve an additional term. Judge Callaway's desire to stay on the bench is motivated by two things—his love of the law and his enjoyment of working with people. He states, "I've always been a people person, and I find people extremely interesting, regardless of their status in life." Whether they are the head of a large corporation or an indigent industry worker, all people are important to him. According

to Robert Summerhays, chief bankruptcy judge for the Western District of Louisiana, "You can tell that he cares about the consumer debtors that come into his court, because he is willing to roll up his sleeves and spend time solving problems, even in the smallest of cases." Chief Judge Summerhays further states, "He shows a strong sense of compassion and fairness toward people who are often at the lowest point in their lives."

Judge Callaway demonstrates fairness, energy, cordiality, and practicality. There is not much more that one could ask from a trial judge. ☺