

Chicago Daily Law Bulletin®

Volume 159, No. 190

17½ hours, \$40 million, 1 mediator

Nudelman discusses approach that led to big settlement over former Dixon comptroller's deeds

BY PATRICIA MANSON
Law Bulletin staff writer

Stuart A. Nudelman likened mediating a multiparty, multimillion-dollar legal dispute to getting a large, disparate group of artists to work together.

"Being a mediator is sometimes like being a conductor in an orchestra," Nudelman said Thursday.

A conductor doesn't determine how the musicians play their instruments, he said, but rather coordinates performances so the individual sounds unite into a harmonious whole.

Nudelman put those skills on display last week when he helped a slew of attorneys, elected officials and business people unite behind a \$40 million settlement in a lawsuit that accused auditors and a bank of negligence for failing to notice a municipality's bookkeeper was embezzling massive amounts of money.

Rita Crundwell stole more than \$53 million from Dixon, a

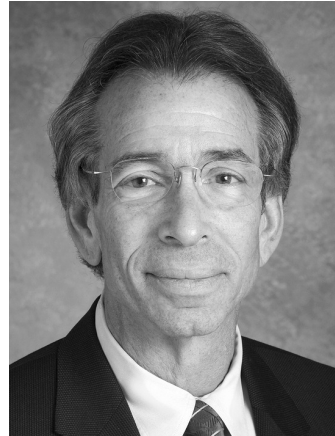
city about 100 miles west of Chicago, in her 22 years as comptroller. She spent the money on jewelry, cars, prize-winning horses and birthday parties in Florida.

Crundwell ultimately pleaded guilty to wire fraud and was sentenced by U.S. District Judge Philip G. Reinhard to 19 years and seven months in federal prison.

Last year, Dixon officials filed a lawsuit in Lee County Circuit Court alleging that a bank where Crundwell deposited the stolen funds and accounting firms that audited the city's books failed to do enough to uncover the embezzlement.

The settlement reached in the suit calls for the accounting firm CliftonLarsonAllen LLP to pay \$35.15 million. Fifth Third Bank and the accounting firm Janis Card Associates and its owner, Samuel Card, are to pay the remainder.

The bank and accounting firms did not acknowledge any



Stuart A. Nudelman

wrongdoing by agreeing to the settlement.

The settlement was reached in a session that began at 8 a.m. Sept. 20 and ended at 1:30 a.m. the following day.

Nudelman, a former Cook County circuit judge and a private contractor for ADR Systems of America LLC, mediated the negotiations.

Nudelman said he doesn't set a time limit on sessions, but instead urges parties to keep going as long as necessary.

"Once you get to a point where

you're so invested in it, nobody wants to end it," he said.

He said that mindset helped lead to the 17½-hour session in the Dixon suit, which was the longest single session he has ever conducted.

Nudelman said the parties almost called it quits several times. But they decided to plow forward — ordering pizza at one point — and get the matter settled.

In mediating any case, Nudelman said, he helps the parties craft the wording of their offers and demands and then conveys those offers and demands among the various participants.

"My job is to shuttle between rooms," he said.

He said his job also involves suggesting that opposing parties get together in one room when such a move will push negotiations forward or urging parties to split up for private consultations when such talks are needed.

Most of all, Nudelman said, his job involves being persistent.

"You can't give up," he said. "You've got to keep the parties talking. You've got to keep the communications going."